



Policy #	TITLE	Effective Date
2011	Appropriation Transfers	11/7/2024

**I. POLICY STATEMENT**

This policy defines the level of budgetary control and appropriation transfer authority for all entities under the Commission. Except as otherwise provided by law, library administration will be held accountable for the budget originally adopted by the Commission or as thereafter revised in accordance with this policy. The library administration may authorize appropriation transfers as delineated in this policy without increasing overall library appropriations.

**II. DEFINITIONS**

The following definitions shall apply to this Policy unless the use and context clearly indicates otherwise.

- A. "Account" means a record in an accounting system that tracks the financial activities of a specific asset, liability, equity, revenue, or expense. In general, for this policy it specifically applied to the expense accounts such as office supplies, rents/leases, and training.
- B. "Budgetary unit" means a classification of expenditures for budgetary control such as, division or department.
- C. "Character" means a budgetary unit of a grouping of accounts in the general ledger. Character categories are:
  - Revenue
  - Salary and employee benefits
  - Services and supplies
  - Contingency
  - Other charges
  - Capital
- D. "Chief Financial Officer" means the Chief Financial Officer of the Public Library.
- E. "Director" means the Director of the Sonoma County Public Library, or designee.
- F. "Fund" means a grouping of financial resources based on sources.
- G. "Policy" means this Appropriations Transfers Policy approved by the Library mission, and as may be amended from time to time.

**I. POLICY**

Transfers and revisions to the adopted budget may be made as follows:

- A. Approval requirements based on the Fund
  - Transfers between funds require approval of a majority of the Commissioners in attendance at the meeting where action is taken. Examples of funds are property tax/general fund 74805, sales tax 74807, and gifts and donations 74810.
- B. Approval requirements by Budgetary Character
  - 1. Transfers between budgetary divisions within character up to \$75,000 require Director Approval. Examples include transfers from the information technology division, account "minor equipment", within the services and supplies character to the collections division, account "books/media/subscriptions", within the services and supplies character.

2. Transfers between accounts within a character and the same division may be approved by the Chief Financial Officer up to \$25,000 and the Director up to \$75,000, except for transfers involving the following accounts. For example, allowable transactions include transferring funds from “other supplies” to “memberships” within the information technology division. The exemptions below must be approved by the Commission.

Accounts exempted are:

- Liability Insurance 51041
- Capital CIP 54405

C. Reports to the Commission

Library staff will provide a quarterly report with the appropriations transfers that were approved under this policy.

### **III. APPLICABLE LAW AND REGULATIONS**

The Commission adopts the annual budget for the following fiscal year by June 30. The Commission has the authority to revise the adopted budget per the Joint Powers Agreement. Furthermore, the Commission has the authority to designate the administrative officer to approve transfers. Government Code Section 29125(b):

“(b) The board may designate the administrative officer or auditor to approve transfers and revisions of appropriations within a budget unit if the overall appropriations of the budget unit are not increased.”

## Appendix

This appendix is meant to provide additional explanation of how the Appropriations Transfers Policy is applied. The examples provided below illustrate typical transactions that this policy would cover. See attachment A for examples of characters and accounts from the SCL budget.

### A. Approval requirements based on fund

The Commission retains the authority of transfers between funds. For example, the Sonoma County Library Foundation made a donation to cover partial costs for Staff Day. The donation is recorded in the gifts and donations fund (74810). The expenditures are made from property tax (74805) and sales tax (74807) according to the Allocation of Major Revenues Policy. Library staff requests the Commission to approve a transfer of funds from the gifts and donations fund to property tax and sales tax as a reimbursement. Library staff do not have the authority to make transfers between funds.

### B. Approval requirements by Budgetary Character

The proposed policy allows the library administration to approve appropriation transfers within a single division or across divisions but within character such as services and supplies. For example, the Library Director and Chief Financial Officer may only approve appropriation transfers within the character categories below by either:

1. Across divisions such as from human resources to budget, accounting and financial services. Transfers between characters remain under Commission approval authority such as transferring appropriation from services and supplies to salary and employee benefits.

#### Allowable transfers:

- For example, the library would like to purchase software benefiting several divisions. The Director can approve transferring \$5,000 from “other supplies” under character services and supplies from each of the following divisions: collections, public services, and community engagement for a total of \$15,000. The funds are transferred to “computer software/licensing” which is under character services and supplies within information technology, which will purchase the software. This type of transfer is allowed as long as the funds are transferred within the same character such as services and supplies in this case.
- For example, the executive services division would like to support the equity training of the human resources division and would like to transfer \$20,000. Therefore, executive services will transfer the funds from the other contract services account which is within services and supplies to the account consultants in human resources.

#### Transfers not allowed:

- For example, the library would like to purchase a software benefiting several divisions, but the director cannot approve transferring \$5,000 from *salaries and employee benefits* from each collections, public services, and community engagement divisions for a total of \$15,000 into *services and supplies* in IT. This transaction would transfer across two different characters, salaries and employee benefits and services and supplies. The authority for this type of transfer from one character to another remains with the Commission.

**OR**

2. Within individual divisions such as public services, facilities, information technology, etc.

#### Allowable transfers:

- For example, the community engagement division would like to transfer funds within services and supplies character, increasing training by \$2,500 and reducing office supplies by \$2,500.
- For example, the public services division would like to transfer funds within salaries and

employee benefits by increasing salaries by \$5,000 and reducing extra help by \$5,000. Both accounts are within the salaries and employee benefits character.

Transfers not allowed:

- For example a transfer of funds from the public services division, services and supplies to salary and employee benefits. The authority for this type of transfer from one character to another remains with the Commission.

Character categories are:

- Revenue
- Salary and employee benefits
- Services and supplies
- Contingency
- Other charges
- Capital

Some examples of accounts under services and supplies include the following:

- Advertising/marketing services
- Books/media/subscriptions
- Consulting services
- Training services
- Landscaping services
- Janitorial supplies
- Office supplies

The Commission remains the authority to increase appropriations at the agency level as well as character level. In other words, the Commission will remain the authority to approve increases or decreases in appropriation at the fund level and character level revenues (40000), salary and benefits (50000), services and supplies (51000), other charges (53000), capital (54000), contingency (55000). The Commission also has the authority to rebudget funds from the prior fiscal year.