

RESOLUTION NO. 2023-17

**A RESOLUTION RELATING TO
FINAL BUDGETS, BUDGET AUTHORITIES AND ANNUAL APPROPRIATIONS
FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

WHEREAS, the 2001 Legislature has acknowledged that appropriation adjustments are sometimes integral to other business actions, and that in those situations separate budget amendment procedures are not purposeful. To carry out this intent, the 2001 Legislature passed the Local Government Budget Act; and

WHEREAS, the Local Government Budget Act provides for flexibility in authorizing adjustments to certain appropriations in the following sections:

A. Section 7-6-4006(3), MCA, states:

"Appropriations may be adjusted according to procedures authorized by the governing body for:

- (a) debt service funds for obligations related to debt approved by the governing body;
- (b) trust funds for obligations authorized by trust covenants;
- (c) any fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (d) any fund for special assessments approved by the governing body;
- (e) the proceeds from the sale of land;
- (f) any fund for gifts or donations; and
- (g) money borrowed during the fiscal year."

B. Section 7-6-4012, MCA, states:

"(1) In its final budget resolution, the governing body may authorize adjustments to appropriations funded by fees throughout the budget period. Adjustable appropriations are:

- (a) proprietary fund appropriations; or
- (b) other appropriations specifically identified in the local government's final budget resolution as fee-based appropriations.

(2) Adjustments of fee-based appropriations must be:

- (a) based upon the cost of providing the services supported by the fee; and
- (b) fully funded by the related fees for services, fund reserves, or nonfee revenue such as interest."

WHEREAS, Sections 2-7-504, 7-6-609 and 7-6-611(1) (a), MCA, require the County

to maintain its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP). Changes to accounting systems will be made during the fiscal year in accordance with GAAP. Appropriations authorized in the annual, or properly amended budget, will not change if restructured in such accounting system changes.

Section 7-6-609, MCA, states:

"(1) It is the policy of the state of Montana that all governmental accounting systems be established and maintained in accordance with generally accepted accounting principles that are nationally recognized as set forth by the governmental accounting standards board or its generally recognized successor.

(2) The codifications, pronouncements, and interpretations of the governmental accounting standards board or its generally recognized successor must be recognized as the primary authoritative reference for governmental accounting."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF PETROLEUM COUNTY, MONTANA:

Section 1. Legal Spending Limits: this resolution sets forth, per fund: the estimated, July 1, beginning balances; the estimated revenues; the interfund transfers in and transfers out; the authorized appropriations; and, estimated, June 30, ending balances. The authorized appropriations as stated above, Balances & Changes by Fund, and establish the legal spending limits of the county at the fund level.

Section 2. Budget Implementation Authority: Management plans in the budget document and in the County accounting records which detail revenues, expenditures and balances below the fund level are designated management tools. It is declared necessary for management to be able to adjust to changing circumstances while adhering to goal and objective principles. The purpose of this section is to retain budgetary control while providing effective operational flexibility.

A. As provided in Section 7-6-4006(3), MCA, the County Manager is hereby delegated appropriation adjustment authority for the expenditure of funds from any or all of the following:

- i. debt service funds;
- ii. trust funds;

- iii. federal, state, local or private grants accepted and approved by the governing body;
- iv. special assessments;
- v. proceeds from the sale of land;
- vi. any fund for gifts or donations; and
- vii. money borrowed during the fiscal year.

B. As provided in Section 7-6-4012, MCA, the County Manager is hereby delegated authority to adjust volume-related appropriations, excluding personnel and capital equipment appropriations, funded by fees throughout the fiscal year in any or all of the following:

- i. proprietary funds (enterprise and internal service funds);
- ii. general fund for fee supported services;
- iii. building fund for fee supported services;
- iv. community facilities fund for fee supported services;
- v. Sheriff training / overtime fund for fee supported services; and

C. The County Manager is hereby delegated the authority to make transfers or revisions within or among line items which total the individual appropriations as provided in this resolution and any budget amendment resolutions (consistent with Sections 7-6-4030 and 7-6-4033, MCA, legal spending limit).

D. The County Manager may delegate to his Department Directors the authority to make transfers or revisions within or among appropriations of specific operations within a fund, limited to the Division level of accountability (consistent with Sections 7-6-4030 and 7-6-4033, MCA, legal spending limit).

E. Joint operating agreements approved by the governing body, insurance recoveries or dividends, hazardous material recoveries, and refunds or reimbursements of expenditures shall automatically amend the annual appropriations or reduce recorded expenditures, whichever is correct in accordance with Generally Accepted Accounting Principles (GAAP).

Section 3. Appropriation Carry-overs: Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or

services are received.

A. Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A, provided they meet the following criteria:

- i. related financing was provided in the prior fiscal year;
- ii. the appropriations were not obligated by year end;
- iii. the purpose was not included, or rejected, in current budget financing or appropriations;
and
- iv. the County Manager determines the appropriation is still needed.

B. Outstanding purchase orders and other obligations, representing a County obligation to pay the claim after receipt of the goods or services, are recognized as "claims incurred." They are hereby declared authorized "carryover" appropriations in addition to the appropriations set out in Appendix A, provided they meet the following criteria:

- i. related financing was provided in the prior fiscal year;
- ii. the appropriations were not otherwise obligated by year end;
- iii. the purpose was not included, or rejected, in current budget financing or appropriations; and
- iv. the County Manager determines the appropriation is still needed.

Section 4. - Appropriated Reserves: Reserves which have been established for specific purposes, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They shall be acknowledged as current appropriations upon the determination by the County Manager that they are currently needed to serve their intended purpose. Unexpended reserves shall be carried forward to meet future needs in accordance with their purpose.


Section 5. Contingency Accounts:

A. Contingency account appropriations are provided by the County Commission as flexible appropriations. They are intended to provide the County Manager with an effective management tool for adjusting to changing circumstances throughout the budgetary year.

B. The County Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing, after advising the County Commission of his intent at a County Commission meeting or work session. Use of contingency appropriations is restricted to transfers of that appropriation authority to specific operating budgets. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.

**PASSED AND EFFECTIVE BY THE COMMISSION OF THE COUNTY OF PETROLEUM,
MONTANA, THIS, 19th day of June, 2023.**

BOARD OF COMMISSIONERS:



SIGRID PUGRUD, chair



CRAIG IVERSON



PAUL MCKENNA



ATTEST:



Jessica Hoge, Clerk & Recorder