

Kane County Financial Policies	Operating Budget Policies
	Amended by the County Board: Resolution 24-083, March 12, 2024

OPERATING BUDGET POLICIES

1. Balanced Budget by Fund

It shall be the intent of the County to place basic budgetary constraints on each fund to ensure the County does not spend beyond its means. At a minimum, resources for operating purposes should not exceed available resources over a defined budget period. In addition, the County should maintain structural balance between operating expenditures and operating revenues over the long term, not just during the current operating period.

2. Multi-Year Projections by Fund

It shall be the intent of the County to perform multi-year budget projections by fund to ensure the County prepares a future financial plan. The County shall use a five-year operating budget computer model to project revenues and expenditures by fund. This model will assist in assessment of long-term financial policies, programs, and assumptions and will assist in the development of strategies to achieve the goals of the County. At the end of each fiscal year, the model will be updated to reflect actual data replacing projected data for that fiscal year.

3. Preparation of Program Budget

It shall be the intent of the County to prepare a program budget for certain departments that the Finance/Budget Committee deems appropriate. The program budget will be developed to include program descriptions and goals, and objectives specific to each program.

4. It shall be the intent of the County to identify and allocate the direct costs of all programs.

Direct costs shall include, but not be limited to, utilities, such as gas, electric, water, and telephone, printing, janitorial services, supplies, and fleet management. Direct costs will be charged to all Special Revenue Funds unless otherwise directed by the Finance/Budget Committee. The identification and allocation of direct costs shall be submitted to the Finance Department by the appropriate department (e.g., Information Technologies) and updated annually for the Board.

5. Timetable

It shall be the intent of the County to publish a budget calendar that specifies when budget tasks are to be completed and that identifies timelines for those tasks. The calendar will list the dates of key events and deadlines. The process for the County shall begin no later than March 31 and will end no later than mid-November.

6. Earmarked Funds

It shall be the intent of the County to budget earmarked funds (e.g. MFT) in a separate fund for each funding source. This fund shall be self-balancing in that operating revenues will equal operating expenditures. These earmarked funds will only be used for those expenditures explicitly outlined in statute or by County resolution.

7. Enterprise Funds

It shall be the intent of the County to budget enterprise funds in a separate fund for each funding source. Enterprise funds will be recorded on an accrual basis. The Enterprise General Fund is unrestricted and shall be used for capital items only. The Enterprise Surcharge Fund is restricted for environmental purposes only.

8. Departmental Personnel Levels

It shall be the intent of the County to control personnel levels on a departmental level. Any increase in personnel levels within a County department must be approved by the standing committee to which the department head reports, the Finance/Budget Committee, and the County Board. The Human Resource Department shall provide the Human Services Committee, on a monthly basis, a report, summarized by department, of hires and terminations that occurred within the month.

9. Use of one-time revenues

It shall be the intent of the County to disallow the use of one-time revenues for ongoing expenditures due to potentially disruptive effects on services that is caused by the non-recurrent nature of these resources. Allowable uses for one-time revenues deposited in the General Fund must be approved by the County Board on a case-by-case basis.

10. New or unanticipated revenues

It shall be the intent of the County to review the use of new or unanticipated revenues on a case-by-case basis. It is also the intent of the county to have all grant funds received by the County Treasurer's office so that these funds may be properly allocated to the correct fund and entered into the county's financial system. Exceptions to this policy must be approved by the Finance/Budget Committee.

11. Appropriation ordinance

It shall be the intent of the County to adopt an appropriation ordinance at the November County Board meeting prior to the new fiscal year beginning. The budget shall be made available to the public for at least fifteen (15) days prior to action by the Board. This ordinance must be approved by the County Board before it is adopted.

12. Emergency Appropriations Subsequent to the Adoption of the Annual Budget

The following policy regarding emergency appropriation requests is hereby established and applies to all Elected Officials and Departments under County Board jurisdiction.

Appropriations in excess of those authorized by the annual budget in order to meet an immediate emergency may be made at any meeting of the Kane County Board by a two-thirds vote of all the members constituting such board. (55 ILCS 5/6-1003).

All emergency appropriations must be in writing on the approved County Budget Emergency Appropriation and Budget Transfers Form (Form). The Form for all emergency appropriation requests impacting the total amount appropriated must be included along with the resolution for such request.

13. Budget Transfers

The following policy regarding budget transfers of appropriations requests is hereby established and applies to all Elected Officials and Departments under County Board jurisdiction.

a. Budget Transfers affecting Personnel or Capital

After the adoption of the Kane County Annual Budget, transfers of appropriations affecting personnel and capital may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, provided for any type of transfer that the total amount appropriated for the fund is not affected. (55 ILCS 5/6-1003).

All budget transfer of appropriations requests must be in writing on the approved County Budget Emergency Appropriation and Budget Transfers Form. Such Form must be included along with the Resolution requesting the Budget Transfer.

b. Budget Transfers affecting Contractual Services or Commodities

Budget transfers of appropriations between commodities and contractual services accounts will be processed by the Finance Department provided that the total amount appropriated is not affected. The budget transfer of appropriation request affecting Contractual Services and Commodities must be made on the County Budget Emergency Appropriation and Budget Transfers Form.

14. Interfund Loans

It shall be the intent of the County to have all interfund loans reported to the Finance/Budget Committee on a monthly basis. It is not the intent of the County to charge interest on interfund loans.

15. Use of Budgetary Savings Created by Vacancies

It shall be the intent of the County Board to ensure that savings created by vacancies shall be used in accordance with the purpose of the budget. Budgetary savings created by a vacancy may therefore be used to compensate remaining employees for temporarily working additional hours and/or for assuming a greater level of responsibility due to the vacancy, and/or to engage the services of a temporary contract employee to perform the duties of the vacated position.

Budgetary savings created by the filling of a vacancy at a lower than budgeted wage or salary rate for the vacated position may be used with the approval of the department head and standing committee chair to adjust the compensation for other positions within the department budget for which job descriptions have been revised to reflect increased job responsibilities and/or level of required expertise. The revised job description must be submitted to the Human Resource Department with the requested salary/wage adjustment.

It shall be the intent of the Board that the total annualized salaries and wages of all positions (both filled and vacant) within a department or office shall not exceed the annual salary and wage budget for the department or office.