

# Budget Instructions Presentation

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Andrew Tan Associate Finance Manager

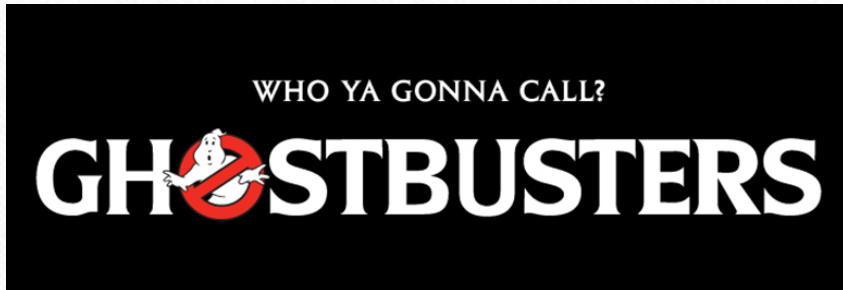
# Introduction

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- Why is the budget important?
- The budget is an **operational plan**
- What role do I have to play in all of this?

## Contact Information

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# Budget Preparation Timeline

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- Release of Budget Instructions: Wednesday, June 26 (yesterday)
- Budget Instruction Training: Thursday, June 27 (Today!)
- Department Budget Request Due to AS Finance (except Sheriff, Health and Public Works): Friday, August 2
- Department Budget Request Due for Sheriff, Health and Public Works: Friday, August 9
- Department Meetings with Executive Office/Finance: August 12 through September 13
- Executive's Budget Delivered to Council: Friday, October 18
- Council Budget Hearings: October 23 through November 19
- Adoption of the 2025-2026 Budget by the County Council Tuesday, November 19 (PHEW!)

# 2025-2026 Specific Budget Instructions: Instructions to Departments

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- Where we are and what we're looking forward to:
  - \$15M more budgeted expenditures than revenues in 2024
  - Uncommitted uses of American Rescue Plan Act (ARPA) becomes unavailable starting in 2025
  - Sales tax revenues are stagnant in 2024
  - Issuance of Bonds for Criminal Justice and Behavioral Health Facility and Northwest Annex
- Strategy:
  - Evaluation of current resources; thoughtful reprioritization to address needs
  - Maximization of restricted revenue sources: special revenue funds, grants, etc.
  - No expansion of services using general fund balance with limited exceptions from the Executive's Office

# 2025-2026 Specific Budget Instructions: Instructions to Departments Continued

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- Projections and Analysis:
  - Departments will be required to submit projections for their respective special revenue funds showing ending fund balance through both years of the biennium
  - Additional analysis for restricted funding sources including grants may be requested on a case by case basis
  - Finance team remains available to support these efforts
- Basis for Decision Making:
  - Decisions will be informed by an evaluation of County core services
  - Projections and understanding of County needs through the biennium are evolving – changing circumstances may prompt difficult prioritization decisions

# Inventory of Services

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Please update the inventory of services for the following items:

1. Changes you have made to existing services
2. New services you have added
3. Services you have eliminated
4. Services you provide that you have not previously documented

# Base Budget Limits

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- Finance will calculate departmental based budget; emailed separately.
- Note: base budget **does not** include 2023-2024 budget supplementals or mid-biennium adjustments **other than** ongoing positions.
- Continue to use 2024 current expense, administrative cost, tort, ER&R and building maintenance/custodial allocations – Finance will adjust them when those respective budgets are developed.
- Approved Additional Service Requests (ASRs) will be entered by Finance.

## 2025 Base Budget Equation

+ 2024 Budget Adopted by Council

- One-Time Additional Service Requests (ASRs)

+ Adjustments for Changes in Personnel Costs

= 2025 Base Budget

# Adjusting Your Base Budget for Other Changes

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Reminder: **do not** include any new revenues into your base budget if they are contingent on receiving additional expenditure authority. This must be done through ASR.

Regarding existing revenues in your base budget:

- If grant revenue decreases are expected, you must decrease expenditures accordingly
- If fee for service revenue decreases are expected, you must decrease expenditures accordingly
- Reduction of costs commensurate with a decrease in revenue should be any cost of providing the service, including personnel costs

# Revenues

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County policy states departments should '*Structure fees and negotiate grants to recover the total cost, including administrative overhead, of the associated service*'. See 'Setting Fees for County Services' AD123400Z policy, Appendix G.

## Grant Guidelines:

- Grants are accounted for in unique cost centers; see 'Accounting for Grants and Restricted Revenues' AD129010Z policy.
- Generally, grants should only be budgeted if we have a signed contract with the grantor.
- Budgeting for a grant will require an ASR with few exceptions.
- Grants that don't meet these criteria are budgeted through the supplemental budget process.

# Deadline/Submission

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Budget deadline is Friday, August 2 excluding Sheriff, Health, and Public Works who have a deadline of Friday, August 9.

Three main elements to your budget submission:

1. Budget Preparation Assistant (BPA) data entry
2. Admin Budget Console budget amount and narrative entry
3. Submission of electronic PDF copies

# Budget Preparation Assistant (BPA)

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- Custom Microsoft Access application
- Utilized in the biennial, mid-biennial, and supplemental budget processes
- Centralized database for departmental budget data with ability to export to PDF
- BPA available Monday, July 8
- Contact Jeff or Andrew with questions



# Admin Budget Console

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- User-friendly interface of JD Edwards (JDE)
- Use the budget console to enter budget amounts and narratives into JDE
- Appendix C in budget instructions
- Contact Andrew with questions
- Training opportunities – follow-up before July 5<sup>th</sup>

# PDF – Budget Submission

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PDF budget submissions **approved by department heads** are required from every department. Required elements are:

- ASRs
- JDE budget reports
- Unified Fee Schedule (UFS) changes
- Updated organizational charts
- Completed and signed budget checklist

Mission statements, inventory of services, and fund balance information will be exported by Finance.

Instructions for print out are attached as Appendix D.

Email submissions to Andrew by your respective budget due date.



# Volunteers

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- Not included in base budget
- Must apply hours against worker's compensation rates
- County is liable for any on-the-job accidents by volunteers

# Allocations

Allocations are calculated and included in base budgets by Finance. They include:

- Current expense
- Administrative service
- Custodial and building maintenance
- Tort
- ER&R
- Phone



# Technology

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- All new computer hardware/software must be requested through ASR
- Technology Replacement and Revolving Fund – do not submit ASRs for equipment that will be funded through TR&R
- Work with Perry Rice

# Account Numbers and Cost Centers

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- Please contact Kellie McIvor for new account numbers and cost centers
- Please remove budget authority from cost centers that will not be used in 2025 – work with Andrew



# Mission Statements - BPA

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- Review and amend existing mission statement in BPA
- Who are we, what we do, and who do we do it for? What does this department do?
- Simple, direct and brief.

# Additional Service Requests (ASRs)

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Types of ASRs:

- Regular vs. Cost Maintenance
- Ongoing vs. One Time

# Additional Service Requests (ASRs) Continued

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ASR form components include:

- ASR Type (Regular or Cost Maintenance)
- Quick Reference Name for the Request (must be unique and preferably 6 words or less)
- Name of person (or persons) responsible for implementation
- Expenditure Type (ongoing or one-time)
- Fund Number
- Cost Center
- Originator Name
- Does request involve additional FTEs (or portions thereof)? (For Regular ASRs only.)
- Does request involve additional facilities/ space? (For Regular ASRs only.)
- By object account number, specific costs

# Additional Service Requests (ASRs) Continued

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ASR form text field components include:

1. Description of Request

- a) Describe the proposed activity or service.
- b) Who are the primary customers for this service? (For Regular ASRs only.)

**The remaining text fields are for regular ASRs only:**

2. Problem Description

- a) Describe the problem this request addresses and why Whatcom County needs to address it.

3. Options

- a) What other options have you considered? Why is this the best option?
- b) What are the specific cost savings? (Quantify)

# Additional Service Requests (ASRs) Continued

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## 4. Outcomes/Objectives

- a) What outcomes will be delivered and when?
- b) How will you know whether the outcomes happened? How will success be measured? (Quantify)

## 5. Other Departments/Agencies

- a) Will this impact other departments or agencies? If so, identify the departments and/or agencies impacted and explain what the impact(s) will be.
- b) If another department or agency is responsible for part of the implementation, name their person in charge of implementation and what they are responsible for.

## 6. Funding Sources

- a. What is the funding source?

An example of a completed ASR can be found in Appendix E of the budget instructions.

# Additional Service Requests (ASRs) Continued

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- Only submit ASRs to increase levels of service with offsetting revenues.
- Excluding cost maintenance ASRs, regular ASRs submitted that increase costs must be preauthorized by the Executive's Office.
- Pre-authorization includes submission of a list with details to Finance ahead of the budget deadline.
- ASRs submitted without written pre-approval from the Executive's Office will not be considered.
- Please consider reprioritization before requesting additional funding.

# Additional Service Requests (ASRs) Continued

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Some important ASR guidelines to keep in mind:

- **Do not** create 'placeholder' ASRs
- **Do not** overwrite existing ASRs
- Separate ongoing from one-time costs
- Be thorough

# Inventory of Services Continued

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- Review and evaluate 2024 inventory of services
- Inventory all services in your department separately – example in budget instructions
- Costs and funding – update cost information associated with each inventory item
- Unit of measurement – cost per unit
- Costs not attributable to an inventory item will go to ‘administrative overhead’
- Costs and revenues should total to annual base budget amounts
- Rank service priorities one through three, one being the highest priority

# Fund Balance Analysis

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- Only for departments that manage special revenue funds
- 2024 beginning fund balance in BPA
- Enter 2024 projected revenues and expenses (likely not the same as budget)
- Allow for budget lapse in your calculations

# Unified Fee Schedule (UFS)

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- Ordinance adopting the UFS will be submitted to Council in conjunction with the budget
- Departments use BPA to review and create proposed additions, changes and deletions
- Departments are responsible for maintaining documentation to support fee changes and calculations
- Do not include fees and charges that are prescribed by the Revised Code of Washington (RCW)



# Admin Budget Console – JDE Data Entry Revenues

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Departments are responsible for updating revenues based on projections included in their base budgets. Narratives should be included to describe changes. Revenue explanations should include:

- Information documenting all assumptions and sources used in developing your revenue projections for 2025-2026.
- Information on the expected timing of receipts (monthly, quarterly, and other).
- Information regarding increases or decreases in revenue projections for 2025-2026 over or below prior year projections.
- Where applicable, reference the state law that authorizes the revenue.

Detailed instructions are included in Appendix C of the budget instructions.

# Admin Budget Console – JDE Data Entry Expenditures

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Departments are responsible for updating expenditure budgets. Largely, this includes:

- Updating wages and benefits with amounts provided from Finance personnel cost summaries calculations (objects 6100 through 6299)
- Evaluate all non-wage and benefit budget limit amounts and assign them as desired (objects 6300 through 7999)
- Remember that allocations such as ER&R 6869 and Administrative Cost Allocation 7159 are to remain the same as 2024 – they will be updated by Finance
- Interfunds are budgeted as operating transfers in and out (8301 for in and 8351 for out); remember that these should be a net zero when combined County wide.

Narratives should be included to describe a breakdown of each account when there are multiple spending objectives in one account; these are especially prevalent in contracted services accounts 6610-6655.

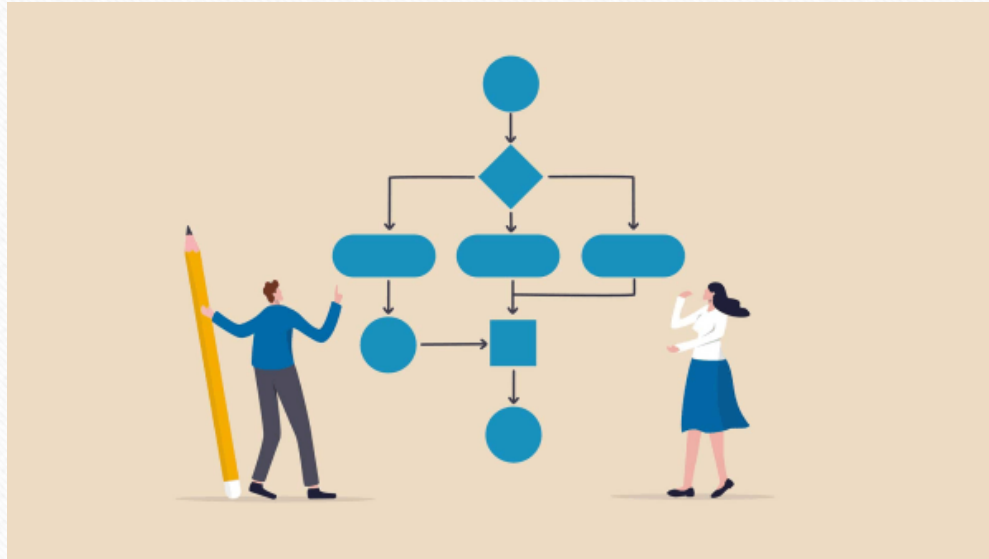
Printouts of the ‘budget narrative reports’ are required in your submission of the budget documents.

See Appendix F of the budget instructions for examples of well written narratives.

A comprehensive list of all expenditure objects and how to use them are included in the budget instructions.

# Department Organization

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- Departments are required to provide an up-to-date organizational chart as part of their budget submission
- Ensure that job titles on the chart agree with job titles on personnel step date reports
- Please do not add positions in requested ASRs or unapproved reclassifications

Conclusion

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Any Questions?



# Thank You!

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We look forward to working with all of you during the  
2025-2026 Biennial Budget process!