



Frederick County, Maryland

Staff Report Concurrence Form

To: Office of the County Executive

Date: 07/07/2021

Division Director: Erin White

Approved: 

DocuSigned by:

2138DCA88D9E4DA...

From: Melanie Thom, Accounting Director

Division: Finance

Phone #: 301-600-2217

Staff Report Topic:

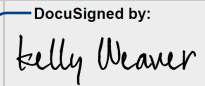
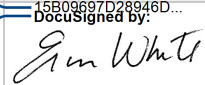
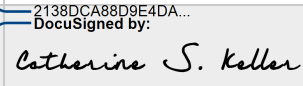
Budget Journal - Recognize the Return of the Unused County Match in the Grants Fund to the General Fund

Time Sensitive? Yes (if yes, deadline for approval: 07/13/2021) No

Action Requested by Executive's Office: Signature Requested OR Information Only

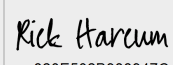
Staff Report Review:

This staff report has been thoroughly reviewed first by the appropriate divisions/agencies noted on Page 2 followed by those outlined below:

	Name	Signature	Date
Budget Office	Kelly Weaver	 <small>DocuSigned by:</small>	7/8/2021
Finance Division	Erin White	 <small>15B09697D28946D... DocuSigned by:</small>	7/8/2021
County Attorney's Office	Catherine S. Keller	 <small>2138DCA88D9E4DA... DocuSigned by:</small>	7/8/2021

Refer to County Council? Yes No

(County Attorney's Office to complete)

Chief Administrative Officer	Rick Harcum	 <small>DocuSigned by:</small>	7/13/2021
County Executive	Rick Harcum	 <small>820E502B988947C... DocuSigned by:</small>	7/14/2021

Forward to Council? Yes No

(County Executive to complete)





Frederick County, Maryland

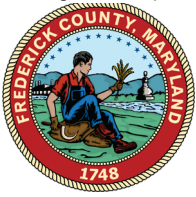
Staff Report Concurrence Form

Other Reviewers:

Title	Name	Signature	Date
3. Accounting Team Leader	Robin Inskeep	<small>DocuSigned by:</small> <i>Robin Inskeep</i>	7/7/2021
4. Accounting Director	Melanie Thom	<small>DocuSigned by:</small> <i>Melanie Thom</i>	7/7/2021
5. Chief Financial Officer	Lori Depies	<small>DocuSigned by:</small> <i>Lori Depies</i>	7/7/2021
6.			
7.			
8.			
9.			

Comments:

From	Date	Comment
Kelly Weaver	07/08/2021	The transfer of appropriations between funds require County Council approval.



FREDERICK COUNTY GOVERNMENT

DIVISION OF FINANCE
Accounting Department

Jan H. Gardner
County Executive

Erin White, CPA, Division Director
Melanie Thom, CPA, Director

MEMORANDUM

TO: County Council

THROUGH: Jan Gardner, County Executive

THROUGH: Erin White, CPA, Finance Director

FROM: Melanie Thom, CPA, Accounting Director

DATE: July 7, 2021

SUBJECT: Budget Journal - Recognize the Return of the Unused County Match in the Grants Fund to the General Fund

DS
EW
DS
MT

ISSUE:

Should the County Council approve a budget journal ([Attachment 1](#)) to recognize the return of the unused County match in the Grants Fund to the General Fund?

BACKGROUND:

Since the inception of charter government there have been actions taken to retain an amount of fund balance in the Grants Fund to accommodate occasional grant shortfalls. These relatively minor shortfalls often occurred in grants that crossed budget years.

During FY2019, a joint accounting and budget office procedure was created for the *use-of-fund-balance* from the General Fund ([Attachment 2](#)). It was agreed in the procedure that the Grant Fund *fund-balance* in excess of \$100,000 at the end of the fiscal year will be transferred to the General Fund. The attached FY2021 budget journal will recognize a \$18,871 transfer from the Grants Fund to the General Fund.

RECOMMENDATION:

Staff recommends the County Council approve the budget journal to recognize the return of the unused County match in the Grants Fund to the General Fund

RE: Budget Journal - Recognize the Return of the Unused County Match in the Grants Fund to the General Fund
July 7, 2021

FINANCIAL IMPACT: Yes- Direct

1. Fiscal Year of Financial Impact: FY21
2. Existing Account Unit/Activity & Account: 22.98.998.999 47201 G9999.9999.99 77201
22.98.998.999 56070 G9999.9999.99 86070
10.98.998.999 48215
10.95.440.999 54130
3. New Account Unit/Activity & Account: N/A
4. Budget Balance as of March 31, 2021: \$0
5. Budget Journal Required: Yes
6. Amount of County Funding Requested: \$0
7. Other Pertinent Information:

ATTACHMENT(S):

Attachment 1- Budget Journal

Attachment 2- Joint Accounting and Budget Office Procedure for use of fund balance in the Grants Fund

**FREDERICK COUNTY
BUDGET JOURNAL**

FY2021

J-21-356

Period # 12

JOURNAL NUMBER

Page 1 of 1

Entered:
Budget Office Use Only:

June 30, 2021 Accounting, Robin Inskeep ^{DS} *RI*

Request Date **Department & Requestor**

DocuSigned by: *Melanie Thom* DocuSigned by: *Erin White* 7/8/2021

Melanie Thom Erin White

AD4804B5D6C34A7 21380CA880BE4DA

Department Head **Division Director**

DESCRIPTION/REASON FOR REQUEST:

To recognize the return of unused County match in the Grants fund to the General Fund. The Joint Accounting and Budget Office Procedure approved in December 2018 requires any excess over \$100,000 to be returned to the General Fund.

REVENUE:

Accounting Unit# - Account#	Activity# - Account Category#	Activity Name & Account Description	Increase	Decrease
22.98.998.999 47201	G9999.9999.99 77201	Budgeted Fund Balance	18,871	
10.98.998.999 48215		Transfer from Grants Fund	18,871	
TOTAL			37,742	0
Net Change			37,742	

EXPENDITURES:

Accounting Unit# - Account#	Activity# - Account Category#	Activity Name & Account Description	Increase	Decrease
22.98.998.999 56070	G9999.9999.99 86070	Transfer to General Fund	18,871	
10.95.440.999 54130		Unused County Match Returned	18,871	
TOTAL			37,742	0
Net Change			37,742	

DocuSigned by: *Kelly Weaver* 7/8/2021

BUDGET OFFICE APPROVAL **DATE**

DocuSigned by: *Rick Harcum* 7/14/2021

COUNTY EXECUTIVE **DATE**

COUNTY COUNCIL PRESIDENT **DATE**

Joint Accounting and Budget Office Procedure #2018-01

Purpose: Define procedures for the *use-of-fund-balance* from the Grants Fund.

Background: Since the inception of Charter Government there have been actions taken to retain an amount of fund balance in the Grants Fund to accommodate occasional grant shortfalls. These relatively minor shortfalls often occurred in grants that crossed budget years. Other unique but minor grant shortfalls occur for a multitude of reasons. When the solution to such shortfalls has been use-of-fund-balance, Budget Journals usually involving very small funding amounts have been routed to the County Executive and Council for approval. That is not an efficient use of their time.

Existing Budget Journal approval authority¹ allows for the Budget Office to approve minor budget changes under certain circumstances. This Procedure documents how that approval authority should be applied to Grant Fund use-of-fund-balance. To ensure consistent decision making regarding such use-of-fund-balance the following procedures will be jointly administered by the Accounting Office and Budget Office.

Procedures:

- All requests to use Grant Fund fund-balance must be made in writing by a Division Director and be routed in accordance with current rules regarding administration and approval of Budget Journals
- Actions involving existing grants may have up to \$20,000 transferred by the Budget Office as a grant alignment. Amounts in excess of \$20,000 must be routed to the County Council for approval as a Supplemental Appropriation
- Actions involving a new grant in any amount must be routed all the way to the County Council for approval as a Supplemental Appropriation
- Use of these funds will only occur for grant shortfalls that are determined to be out of the control of the requesting Division Director
- The Accounting Office will verify that sufficient fund-balance is available
- The Budget Office will verify there are no other available funds to be transferred
- Grant Fund fund-balance in excess of \$100,000 at the end of the fiscal year will be transferred to the General Fund fund-balance for use in the subsequent budget year

This Procedure is jointly agreed to by:


 Lori Depies, Director of Finance Date 12/3/18


 Rick Harcum, Budget Director Date 11/29/18

¹ Budget Journal approval authority comes from the *Annual Budget and Appropriations Ordinance* and a *Delegation of Authority memo* approved by the County Executive on August 4, 2017.