

Budget
Preparation
Manual

2014

December 2012

Multnomah County
Budget Office

Budget Office Staff:

Shannon Busby

Christian Elkin

Althea Gregory

Ching Hay

Mike Jaspin

Karyne Kieta

Jennifer Unruh

Paula Watari

Table of Contents

Budget Process and Resources

Financial Outlook	5
General Fund Revenues	6
General Fund Expenditures.....	6
Department General Fund Constraints.....	6
State Starting Point	7
Policy Direction from the Chair’s Office.....	8
What’s New?	8
Budget Calendar	10
Budget Trainings	11
Budget Office Contacts	11
Budget Office Assignments	11
Budget Submission Checklist	12
Indirect Rates	13
Internal Service Rates.....	13
Internal Service Contacts	13

Preparing Your Budget Submission

Preparing Your Budget Submission - Introduction	14
Program Offers 101.....	14
What Makes a Good Program Offer?.....	14
Scaling Programs.....	15
Guide for Creating Program Offers	16
Lead Agency and Program Contact.....	16
Program Offer Name and Number.....	16
Program Offer Type.....	16
Link to Other Program Offers.....	17
Program Characteristics	18
Executive Summary.....	21
Program Description	21
Performance Measures.....	21
Performance Measure Types	22
Performance Measure – Description	24
Legal and Contractual Obligations	24
Explanation of Revenues.....	24
Significant Program Changes	25
Last Year this Program Was	25
Entering Accounting and FTE Detail.....	26
Personnel Cost Planning.....	27
How to Update Your Personnel Cost Plan	27
PCP Cost Splits.....	28
Assumptions Behind PCP	28
Department Narrative.....	30
Department Overview.....	30

Table of Contents

Budget Overview.....	30
Successes and Challenges	31
Diversity and Equity	31
Budget by Division.....	31
Division Narrative.....	32
Current Year Estimate (CYE).....	33
History Crosswalk.....	34
Department Director’s Transmittal Letter	34
Contract List	35
Cash Transfer Worksheet.....	35
Other Internal Worksheet.....	35
Fee Schedule	35
The Budget and SAP	36

Changes After the Executive Budget

Changes After the Executive Budget - Introduction	37
Budget Amendments	37
Board Amendments	37
Program Amendments	37
Technical Amendments.....	37
Staffing Amendments	38
Revenue Amendments.....	38
Carryover Amendments.....	38
Formal Budget Modifications (Budmods).....	38
Internal Budget Modifications	39
Contingency Requests.....	39
Notices of Intent (NOI) to Apply for Grants.....	39
Supplemental Budget.....	39

Appendix A: Cost Element Definitions

Appendix B: Performance Measurement

FY 2014 Budget Process and Resources

Financial Outlook

Economic conditions remain little changed from this time last year -- we continue to see a sluggish recovery with anemic to modest growth. High levels of unemployment are slowly receding, the Portland metropolitan area has recovered about half the jobs it lost, and, most importantly for the County revenues, property values have stabilized and are beginning to rise. This may be little solace for those out of work or struggling with debt, but the slow recovery continues.

There are many risks to the recovery, such as the European debt crisis or unrest in the Middle East. The single largest risk to the economy and our financial picture is the Federal Fiscal 'Cliff' and the need to raise the Federal debt limit early in 2013. Should Congress fail to address the cliff or debt limit, it is widely predicted that the economy will slip back into recession in the first half of 2013.

The County's FY 2014 General Fund 5-year assumes the Federal Fiscal 'Cliff' and debt ceiling will be resolved and that we'll continue to see a stabilized economy with anemic to modest growth and low inflation. It projects that General Fund expenditures will exceed revenues by \$5.2 million in FY 2014. This represents a gap of 1.33% of General Fund expenditures.

Passage of the Library District in November will eliminate the need for General Fund support of the Library, and, after adjusting for increased property tax compression, should free-up approximately an additional \$8.1 million of ongoing General Fund.

This leaves our General Fund in relatively good shape. However, with the Federal Fiscal 'Cliff' and the need to raise the Federal debt limit fast approaching, as well as the usual uncertainty regarding the State budget and to give the Board the ability to address unforeseen events, department's will be asked to prepare 1.0% reductions from current service levels.

Looking out to FY 2015 and FY 2016, our General Fund revenues and expenditures are roughly in-line. After that, our expenditures will again start rising faster than our revenues. The full FY 2014 General Fund forecast can be found [here](#).

The State of Oregon is entering a new biennium for our FY 2014. As State funding accounts for 25-30% of our operating budget, the County will face the usual uncertainties until the Legislature adopts the State budget. If there is good news, it is the State's picture isn't nearly as gloomy as it was two years ago. The Governor's proposed budget does rely on significant PERS reforms, whose outcome are uncertain, and will impact the County and its employees.

FY 2014 Budget Process and Resources

General Fund Revenues

Ongoing General Fund revenues are forecast to grow at a modest 3.3% to 3.9% over the next 5-years. For FY 2014, they are forecast to grow by 3.3% from our revised FY 2013 forecast, but only 2.5% from the FY 2013 adopted budget.

It is worth noting that a handful of revenue sources make up about 95% of the discretionary General Fund. The largest of these, property taxes, makes up two-thirds, of the General Fund. Property taxes are limited by Measures 5 and 50 and typically grow slightly above 3%. This growth can be further reduced when the limits imposed by Measure 5 result in 'compression.' Our current year property taxes are coming in lower than forecast, in part due to higher compression. As property values rise, we do expect compression to ease and result in our revenues to growing slightly faster.

After property taxes, the Business Income Tax (BIT) is the next largest source of General Fund revenue. It is very sensitive to economic cycles, and is expected increase modestly in FY 2014 to \$57.8 million. Should negotiations around both the Federal Fiscal 'Cliff' and debt ceiling fail, resulting in a recession, BIT collections in FY 2013 and FY 2014 will be significantly lower than forecast.

General Fund Expenditures

The County's General Fund supports programs in every County department. Costs are expected to grow faster than in past years, due in large to rapidly rising personnel costs. PERS rates charged to departments will increase by 4.10% of payroll; the COLA increase is forecast to be 2.25%; and, step and merit increases will come in at 1.45% of payroll. This is somewhat offset by flat medical/dental rates and lower liability costs. All told, labor costs will be increase by 5.09%.

As daunting as the increase is, it is significantly better than in May, when rates were forecast to go up 6.70%. Actions taken by the Board and County employees have significantly reduced the growth rate over the past several years. However, they are still growing faster than our General Fund revenues.

Department General Fund Constraints

The Budget Office will provide exact General Fund constraint figures to departments on December 14, 2012 during the Big Release!

Departments are being asked to constrain their FY 2014 General Fund budgets by **1.0%**. Below are a few general principles to keep in mind when allocating constraint reductions within your budget:

- Preserve direct services to County clients.
- Take the opportunity to re-examine what you're doing in light of the County's core mission.

FY 2014 Budget Process and Resources

State Starting Point

- Indicate the impact of cuts on performance measures.
- Avoid cuts that will reduce revenues.
- Resist the temptation to be optimistic about revenues.
- Avoid one-time-only solutions to bridge into the next year.
- Consider the effect of budget decisions on your workforce. Take into account morale, safety, and recruitment/retention.
- Talk with other departments.

Constraint cuts may **NOT** be taken in:

- Internal service rates. Internal services may be reduced as part of your program's reduction—e.g., if an office closes, reduce expenses for facilities, IT, etc.
- Calculated personnel costs. Labor agreements govern the amount we must budget for employee salaries and benefits. Positions may be eliminated from the budget.

Programs funded by Video Lottery funding will be treated as part of the General Fund and will be constrained by 1.0% as well.

As a starting point for budgeting state-funded programs, **please use the FY 2013-2015 Governor's Requested Budget at www.oregon.gov/gov/priorities/pages/budget.aspx**

Using the Governor's Requested Budget as the starting point will be necessary to document a baseline for State funding. Although budgetary changes will surely come from the Legislature, those decisions will likely be made too late to be incorporated into the departments' budget submissions.

A few notes about State funding:

- **Be pragmatic about revenues.** For more information about the State's economic condition please go to www.oregon.gov/DAS/oea/docs/economic/executive.pdf
- **Document your assumptions.** Explain the assumptions used for major revenue sources in your program offers under the Explanation of Revenues section. This includes describing how you split your revenues over the biennium (where applicable). Also you can include a description in your transmittal letter.
- **Build a status quo budget for funding streams that may move as part of the State's Healthcare Transformation initiative.** The County will not know enough about the direction and timing of the State's reforms to use a different starting point for these funding streams.

FY 2014 Budget Process and Resources

Policy Direction from the Chair's Office

Preserve Direct Services: As in prior years, the Chair's priority in the FY 2014 budget is to preserve direct services to County clients.

Internal Services: In FY 2014 Internal Services budgets will be built using a current service level approach.

One-Time, Backfill, Out of Target and New Programs: Consult with the Chair's Office before proposing a program that has one or more of the following characteristics:

- One-Time-Only
- Backfill
- Out of Target
- Innovative/New

COLA for General Fund Human Services Contractors: Departments should provide for a 2.25% COLA for General Fund Human Services contractors. This COLA was built into department constraints through the inflation rate for Materials and Supplies, which includes human services contracts.

What's New?

There are a number of technical changes to how the County will budget for FY 2014. Some of these changes may not apply to your department.

- **Budgeting for Mobile Devices (cell phones, smart phones, pagers, tablets and iPads) and Data Plans** - starting in FY 2014 costs for these items should be budgeted in cost element 60370 (Telecom) and **NOT** in 60200 (Communications). Questions about your mobile devices and data plans or what should be budgeted here can be answered by Chris Brower at xt. 84001.
- **Department Overview/Narrative – Mission, Vision, Values** – In this section we would like you to relate your department's strategic plan/goals/objectives to the County's overall Mission, Vision, Values (MVV) found [here](#). Use this section to identify which areas of the MVV are relevant to your department and demonstrate how your department's activities contribute to them.
- **Department Narrative – Equity and Diversity** - In bullet form, list your department's internal projects/efforts relating to diversity, equity, and inclusion (DEI) that occurred in the past year. Be specific and list the new projects, programs, and activities of your department.

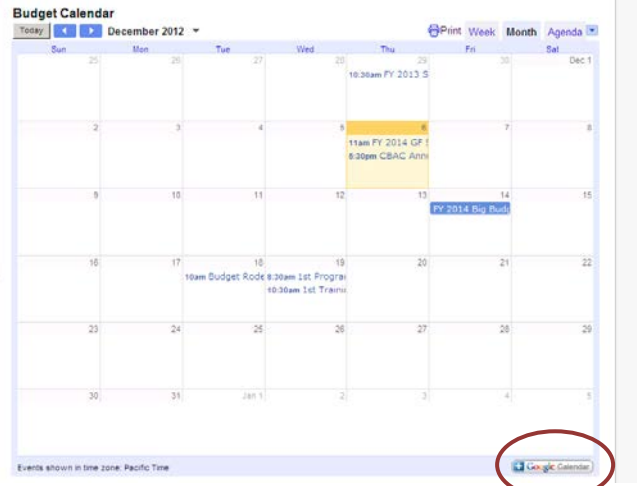
FY 2014 Budget Process and Resources

- **TeamBudget – New Budget System** - While we have made significant progress in configuring and testing TeamBudget, it has become clear that it would be best to take more time before deploying the new system. This means that we will not use TeamBudget for the development of the FY 2014 annual budget. Instead, we will continue our work on the new system with the dual goals of ensuring TeamBudget’s readiness for the FY 2015 annual budget cycle and making the new system available for training and trial use in advance of the FY 2015 budget.
- **Check In Target on Non-General Fund Programs** – Just a friendly reminder, the Budget Office wants you to check “In Target” for programs that do not include any General Fund. This will resolve a querying issue we have run into in the past.
- **Limited Duration Positions** – Please remember, Limited Duration positions should be treated as Temps. Their costs should be budgeted in temporary cost elements, and they should not be included in PCP or in your department’s FTE counts.
- **Video Lottery Fund** – Don’t forget to use the Video Lottery Fund. The revenues and expenditures in this fund used to be part of the General Fund. For *ongoing* programs that were funded in FY 2013 with Video Lottery Funds, please use the same dollar amount in FY 2014. The Budget Office will contact departments after budgets are submitted to make final balancing adjustments. For constraint purposes, the video lottery funds are treated as if they are General Fund resources, and any adjustments to Video Lottery Fund allocations will not result in any more or less General Fund plus Video Lottery resources.
- **Fee Schedule** – This year the fee schedule will be received and approved by the County’s Operations Council. The schedule will still be developed in parallel to the FY 2014 budget. The fee schedule will be updated and posted to the County’s website. Instructions for updating the schedule can be found in the “Preparing Your Budget Submission” section.
- **Department Transmittal Letter/Span of Control** – Departments need to calculate the Span of Control ratio for the department. Information on how calculate span of control can be found [here](#).

FY 2014 Budget Process and Resources

Budget Calendar

Our Google Calendar will have all of the dates you need to know for the FY 2014 Budget Process. If you would like to add the Budget Calendar to your calendar list, just click on the "Google Calendar" icon at the bottom right corner of the online calendar.



Please check our website www.multco.us/budget/calendar for updates, as the calendar is subject to change!

The Multnomah County FY 2014 Budget Calendar

November	December	January	February	March	April	May	June
Budget Planning	Departments Prepare Requested Budgets		Executive Budget		Budget Worksessions		Adopted Budget
Dec. 6th General Fund Forecast	December 14 th Budget Materials Released	Feb. 15 th Requested Budgets Due Community Forum TBD	May 2 nd Executive Budget Released			Public Hearings TBD	June 6 th Adopt FY 2014 Budget
<i>Chair's Office</i>							
Lead the budget process	Meet with departments to discuss challenges and opportunities		Meet with departments to discuss preliminary decisions and impacts		Conduct public hearings, worksessions and deliberations		Amend and adopt budget
<i>Board of County Commissioners</i>							
Design post Executive budget process	Continue designing post Executive budget process Hold worksessions throughout the year		Confer with Chair and constituents		Conduct public hearings, worksessions and deliberations		Amend and adopt budget
<i>Departments</i>							
Establish department internal budget process	Begin development of budget request Provide information to Elected Officials as necessary		Provide Chair's Office with information for decision making		Present info to BCC on Executive budget for deliberation		Prepare amendments provide information
<i>Public</i>							
Conduct and attend CBAC/stakeholder meetings with departments	Conduct and attend CBAC/stakeholder meetings with departments and Board worksessions		Conduct and attend CBAC/stakeholder meetings with departments		Conduct public hearings, testimony & provide input on Executive budget		Attend public hearings, testimony, input on Exec. budget.
<i>Budget Office</i>							
Recommend & implement decisions for budget process General Fund forecast	Train and assist departments, prepare for budget submittals		Provide Chair's Office with information and analysis for decision making and prepare Executive Budget documents		Provide info/analysis for decision making & prepare amendments & documents		Prepare budget materials for adoption and implementing

Updated: November 30, 2012

FY 2014 Budget Process and Resources

Budget Trainings

The Budget Office offers a wide variety of trainings. Please check our website www.multco.us/budget/training-registration for details and to register for trainings.

- We will hold **two Budget Rodeos**—our annual overview of the County’s fiscal outlook and the budget process, and your opportunity to ask questions—on **December 18th** and **January 9th**.
- We will offer **technical tools trainings** for numbers lovers—how to use the personnel cost splitter, how to complete the contracts list, how to get financial data into the Webtool, etc.—on **December 19th** and **January 10th**. *This training will be most helpful for finance staff responsible for assembling department budget requests.*
- We will offer **program offer trainings** on **December 19th** and **January 10th**. *This training will be most helpful for staff that write or provide information other than costs for program offers or who are new to our budget process.*
- You can schedule **department-specific trainings** by contacting your budget analyst (*see below for contact information*).
- Budget Office analysts are always available for questions or for **individual assistance**.

Budget Office Contacts

Each County department is assigned budget analyst in the Central Budget Office who is responsible for helping departmental staff prepare department budgets, and analyzing departmental budgets for the Chair and Commissioners.

If you have questions about the budget process or budget technology, your first resource should be your assigned analyst. See below for the current budget analyst assignments and contact information:

Budget Office Assignments

(as of December 14, 2012)

<u>Name</u>	<u>Title</u>	<u>Assignment</u>	<u>Phone Number</u>
Karyne Kieta	DCM Deputy Director	County Budget Process	988.3312 x.22457
Mike Jaspin	Economist	Economic/Revenue Forecast	988.3312 x.28594
Christian Elkin	Principal Analyst	DA, NOND, Budget Production	988.3312 x.29841
Ching Hay	Sr. Budget Analyst	DCS, DCM, PCP	988.3312 x.26672
Shannon Busby	Sr. Budget Analyst	MCSO, DCJ, Budget System	988.3312 x.26744
Althea Gregory	Sr. Budget Analyst	Health, LIB, Trainings	988.3312 x.24068
Jennifer Unruh	Sr. Budget Analyst	DCHS, DCA, Budget System	988.3312 x.26663
Paula Watari	Administrative Analyst	Public Notices/Special Projects	988.3312 x.22306

FY 2014 Budget Process and Resources

Budget Submission Checklist

By February 1, 2013

- History Crosswalk to FY 2014 Program Offers

By February 15, 2013

- Department Director's Transmittal Letter
- Program Offers via the Webtool
- Department/Division Narratives
- List of Program Offers by Division
- Personnel Cost Plan Entered in SAP
- Personnel Cost Plan (PCP) Splitter
- Contract List
- Other Internal Worksheet
- Cash Transfer Worksheet
- FY 2013 Current Year Estimate
(includes expenditures, revenues and FTE)

FY 2014 Budget Process and Resources

Indirect Rates

Indirect cost rates for FY 2014 are available [here](#).
For more information go to the [General Ledger Commons page](#). The full indirect cost allocation plan will be published near the end of December 2012.

Internal Service Rates

Rates will be published on December 14, 2012 at www.multco.us/budget/fy-2014-budget.

Internal service rates are prepared by the Department of County Assets for Fleet, Facilities, FREDS, and Information Technology (including Telecommunications) for County departments and agencies to use in creating their budgets. These services are paid with service reimbursement revenue credited to dedicated internal service funds for each service provided.

Internal service providers are responsible for meeting with departments to negotiate levels of service. The service providers have been in contact with your department to discuss the department's needs for the upcoming year and how costs have been allocated to your department.

Please document your request if it is different from the proposals submitted by the internal service providers. Be sure to coordinate your work load estimate with these organizations before you submit your program offers!

There will be only one publication date for internal service rates. However, there may be additional changes in developing the Chair's Executive budget. It is the responsibility of the department to inform the Budget Office and any internal service provider of any changes so they can be tracked.

Please review the cost element descriptions in [Appendix A](#) for recent changes to how we will account for some internal service costs.

Internal Service Contacts

(as of December 14, 2012)

<u>Name</u>	<u>Area</u>	<u>Phone Extension</u>
Eric Winn	Utilities	xt. 26111
Chris Brower	Communications/Telecom	xt. 84001
	Data Processing	
Tyra Lovato	Repairs & Maintenance	xt. 28974
	Electronics/Bldg. Mgmt.	
Garret Vanderzanden	Fleet/Motor pool	xt. 83424
Greta Ossman	Distribution & Postage	xt. 22464

Preparing Your Budget Submission

Introduction

This section provides detailed instructions to help assemble the components of your budget submission. You can use the Table of Contents or a keyword search to navigate through the document. Are you looking for something that's not here? Contact your budget analyst for more information. Need training? Check our [website](#).

Program Offers 101

What is a program offer? Program offers combine program narratives, program budgets, and performance data for a set of services to a given population. The Chair and the Board will use this information in building the County's budget. All County functions that we intend to fund—from operating programs down to the General Fund contingency account—will be requested through a program offer.

What Makes a Good Program Offer?

Conceptually, a good program offer shows the relationship between the program and the results it produces for the community. To do that well:

- Each program should be unique, and show specific results for specific customers, for example, separate services for adults and children.
- Your program should be large enough to make operational sense, but small enough to allow decision makers to make real decisions. Program offers should have a General Fund cost of less than **\$3.5 million¹**. Internal Service program offers should have a cost of less than **\$5.0 million**.
- Describe program activities in layperson's terms. Could an average person understand your offer?
- Describe how your program offer contributes toward achieving the desired outcomes. Give performance measures that accurately track the program's contribution toward its outcomes.
- Show why the County's spending on this program is effective – the value provided for the cost.
- Link the offer to existing policy frameworks.

It is very important to write a clear, concise description of your program offer. Imagine you have 30 seconds to explain this program to an average person. Tell why you believe this offer will effectively support the department's strategies outlined in the Department Director's Transmittal Letter. Cite research, experience, logic, or other data that convincingly makes your case. See the Style Guide at www.multco.us/budget/fy-2014-budget for assistance.

¹ We will continue to accept program offers for programs operating in large single-purpose facilities that cost more than \$3.5 million to the General Fund. This exception applies primarily to the jails. Contact the Budget Office for further instructions if you think this section applies to your department. See the instructions for Scaling Options and for Assembling Program Offers if you are proposing program offers operated in large facilities.

Preparing Your Budget Submission

Program offers are submitted via the Webtool. The Webtool allows departments to create program offers and the associated narrative, financial data, and performance measures. Program offers will be printed directly from the Webtool as part of the County's FY 2014 narrative budget.

Program offers are due on February 15, 2013, along with the rest of your budget submission.

Scaling Programs

Many programs can deliver their services at varying levels. Scaling programs allows decision makers to choose a particular service or level of service. For example, an Alcohol and Drug Treatment program may be able to offer 100 slots, 150 slots, or 200 slots, and the department may want to provide decision makers with the option to choose from among those levels.

Here is how to propose a **scaled program offer**:

- Determine the **base level of service** you would recommend. In the example above, the base level of service would be 100 A&D slots. Assemble a program offer for this base level of service.
- Determine what the **incremental levels of service** would be. In the A&D treatment example, one increment would be 50 additional beds, and another, separate increment would be 100 additional beds. Increments need to be **additive** and **discrete**. (Put another way, decision makers would not be able to simply choose the same increment several times over.) Assemble individual program offers for each discrete increment.
- Scaled programs must be implemented in the way they are funded. **Services that are integral to each other need to be scaled identically.**
- **Services must be scaled** in increments that are **small enough** to allow choice but **large enough** to prevent overwhelming people with too many offers.
- Scaled offers may be proposed **outside of your department's constraint target** after talking to the Chair's Office.

The **Webtool will automatically assign a letter** to the base level program offer to keep the scaled options connected sequentially to the base level offer.

Preparing Your Budget Submission

Guide for Creating Program Offers

Below is a section-by-section guide to create a program offer. The topics follow the same order as the actual program offer sections.

Lead Agency and Program Contact

Use the drop-down box in the Webtool to choose the lead agency for your program offer, and type in a program contact. The **program contact should be someone with direct responsibility for the program** who can answer program specific questions.

Program Offer Name and Number

The Webtool will contain a text box for you to enter the program offer name which is automatically assigned a number. Because the numbering is automatic, most departments have someone from their business staff set up the numbering structure that they will use in the Webtool **before** letting everyone work on it. Please check with your Business Manager before creating a program offer.

Program Offer Type

Use the drop-down menu to select the type of program offer you are submitting. Following are definitions of the seven different types of program offers.

Administration

Administration program offers are department or division-level management and related expenses (office space, supplies, telephones, etc.). Direct program supervision is considered to be a part of the operating program (NOT administration) and should be included in the operating program's offer. Administration program offers must be submitted for all administrative functions.

Support

Support program offers provide services directly to some or all operating programs within a department. Examples include the Health Department's pharmacy, which supports the various health clinics, and the District Attorney's Human Resources unit. Support program offers must be submitted for all departmental support functions.

Existing Operating Program

Existing Operating Programs are "on the ground" activities of the County that directly serve members of the public. This includes front-line supervisors/program managers with specific responsibilities for particular operating programs. A program should be considered existing if it was funded by the County last year, regardless of funding source.

Preparing Your Budget Submission

Innovative/New Program

Innovative/New Programs are either “on the ground” or administrative or support activities that the County currently does not do. This includes requests for expansions of service that would significantly change the size or scope of the existing program.

Program Alternative/Reconstruction

Program Alternative/Reconstruction programs are current or former programs that a department is proposing to operate in a different way, using different providers, or with a different business model. You may develop alternative programs for the Chair’s consideration—either in or out of target—within these parameters:

- Alternatives must be feasible in the (relatively) short term. The alternatives must be implemented starting July 1, 2013, and be operational within three months.
- Think like the principal intended beneficiary or customer of the program. What alternatives would they want to see in place?
- You must document new or enhanced revenue estimates or revenue sources used in your proposal.
- **DO NOT** make changes that require negotiating labor contracts. In most cases we are limited from outsourcing services currently performed in-house by our labor agreements. If you are considering this option, please contact Steve Herron in Labor Relations at xt. 84333.

Internal Service

Internal Service programs are in the Fleet, Information Technology, Facilities, Electronics, and Distribution funds. All of these programs belong within the Department of County Assets.

Revenue/Fund Level/Tech

Revenue/Fund Level/Tech programs are generally only for Budget Office use. These programs are used to budget discretionary (primarily General Fund) revenues at the fund level. Program revenues should be explained and budgeted with the applicable program offer.

Link to Other Program Offers

You may link your program to other existing programs (inside or outside your department) using this function. Use the dialog box to enter the number of the program you want to link to. Please link to programs that have an *important operational link* that is *not intuitive or obvious*. Most readers can infer that programs within a division have a connection to each other, so they do not all need to be linked.

Preparing Your Budget Submission

Program Characteristics

There are six Program Characteristics that can be selected in the Webtool. While a program can have several characteristics at once, please note that it cannot be both In Target and Out of Target.

In Target

Check the **In Target** characteristic for your department's program offers that are within your department's constraint target. **Mark program offers that DO NOT have General Fund as "In Target"!**

Note: you may scale your program offers such that the base offer is In Target and the additional offers/increments are Out of Target.

Out of Target

Check the **Out of Target** characteristic for your department's General Fund program offers that are **outside** your department's constraint target. **Mark program offers that DO NOT have General Fund as "In Target"!**

Note: you may scale your program offers such that the base is In Target and the additional increments are Out of Target.

You must get approval from the Chair's Office before submitting an Out of Target program.

One-Time-Only (OTO)

One-Time-Only refers to expenditures that, if supported, will only require funding one time. **You must have permission from the Chair's Office to submit an OTO program (In or Out of Target).**

Once you have received approval to submit, answer the following questions in your program offer, and check the "one-time-only" box on the Webtool for that program offer.

1. Describe the project and its goals. Is this a new process/project or an improvement to a current process? How is the current process different?
2. What are the performance benefits? Is this a cost removal, cost avoidance, or performance improvement proposal? Take into account benefits derived from efficiency gains, productivity improvements, risk reduction, increased convenience for employees and customers, revenue generation, etc. How certain and how soon can we see these benefits?
3. How do we know that these benefits will be realized? Document the benefits with performance measures. If available, cite experiences from others who have done the same thing, or industry norms.
4. What is the initial cost? Initial costs are costs that are required prior to the project becoming fully operational. Describe all initial costs

Preparing Your Budget Submission

related to the investment such as capital, licenses, training, installation, additional staff, etc. How certain are you about these costs?

5. How soon before the project is fully operational? How certain are you about the timeline?
6. What is the ongoing cost? Ongoing costs are those that continue after the project is fully operational. These include maintenance, ongoing staff, licenses, etc. that are required to continue the project. How certain are you about these costs?
7. Describe the amount saved as a result of funding this project. How certain and how soon can we see these benefits?

Backfill

The Webtool has a check box to identify programs for which departments are proposing General Fund backfill. Backfill is discretionary dollars (General Fund) used to fund a program that was formerly funded by a grant, state, or other dedicated source.

- If your grant goes away entirely and your department proposes continuing the program with General Fund, check the Backfill and In Target or Out of Target characteristic for that program offer.
- If a portion of your grant goes away, and your department proposes continuing the program in part with General Fund dollars, scale the program. The first increment, or base offer, is NOT backfill. The second increment—the General Fund portion—IS backfill. Check the In Target or Out of Target characteristic on both offers, as appropriate.
- Please contact the Budget Office if you are unclear about whether your program includes General Fund backfill or needs to be scaled for backfill.

DO NOT use this checkbox for proposing an **increase** to a General Fund program.

You must check with the Chair's Office before proposing backfill for programs. If authorized, prepare program offers for these recommendations.

Preparing Your Budget Submission

Climate Action Plan (CAP)

In 2009, Multnomah County adopted the [Climate Action Plan](#), a comprehensive framework for reducing greenhouse gases and preparing County operations and the community for climate change impacts in the region. If your program contributes toward achieving a Climate Action Plan goal, check the Climate Action Plan check box. Be sure to include a description of the particular action your program offer addresses in the “program description” text box in the program offer. Identify the action your program addresses by its CAP Objective Number – for example: “CAP: 1-4”), on the spreadsheet found at the link shown below.

If you are not sure whether or not your program contributes toward a Climate Action Plan goal, please see the list of actions found [here](#).

Measure 5 Education

Several years ago, the City of Eugene levied a property tax on behalf of local school districts that was challenged in court and found to be in violation of the Measure 5 limit on property taxes exceeding \$5 per \$1,000 of assessed value. To demonstrate the County’s compliance with the constitutional limitation on spending for educational services, the Webtool has a characteristic to designate such programs.

If your department provides services that could be seen as educational services, check the Measure 5 Education characteristic in the Webtool for that program offer. Co-curricular activities conducted in school should be considered educational services for this purpose. If your program provides co-curricular activities, such as school-based health centers, check the Measure 5 Education box on your program offer.

In addition to the establishment and maintenance of schools, educational services include support services such as clerical, administrative, professional and managerial services, property maintenance, transportation, counseling, training and other services customarily performed in connection with the delivery of educational services. Educational services **do not** include community recreation programs, civic activities, public libraries, programs for custody or care of children or community welfare activities if those programs or activities are provided to the general public and not for the benefit of students.

Preparing Your Budget Submission

Executive Summary

In 50 words or less, write a clear, concise description of your program offer. Imagine that you have 30 seconds to explain this activity to your next door neighbor.

Program Description

A program is an organizational unit that provides services to the public or other County departments. In the Program Description text box, briefly and clearly describe the activity or set of activities that are encompassed in this program offer. If the offer involves a partnership with another County department or organization, please indicate the nature of that partnership. If your offer represents a change in current practice (reorganization, staffing levels, service hours, etc.), describe the nature of that change. Remember your program offer may be read by people who are not experts in your area, so use language that makes sense to average persons.

Be sure to describe how this program offer will effectively support the strategies your department has chosen for achieving results in the community. Cite research, experience, logic, or whatever you believe convincingly makes your case. If you are proposing to do something your department does not currently do, briefly describe how you created your cost estimate – historical costs, conversations with other jurisdictions or departments, or some other methodology. In addition, it will be important to demonstrate your department has the capability to deliver what you are proposing.

The County operates according to a variety of principles, plans and/or requirements, some of which are applicable to all departments, including the Emergency Management Plan, HIPAA, the Facilities Disposition Plan, the Five Year Capital Plan, and the Asset Preservation Plan. If your offer supports one of these or another department-specific strategic plan, please note that linkage in the program description text box.

Performance Measures

The Webtool is able to capture a number of different types of performance data for each program offer. At a minimum, each program offer must contain one output and one outcome measure. Each program can contain up to four performance measures. Departments can use the optional measurements slots for the additional measures at their discretion. There is additional information on how to create good performance measures in [Appendix B](#).

Enter your data into the Webtool as follows:

1. Select the measurement type with the drop down box to the right.
2. Enter the performance measure definition. This should be a simple definition— avoid technical language, acronyms and jargon.

Preparing Your Budget Submission

3. Enter the performance data into the cells. All fields should be filled for existing programs. Some fields can be left blank if it is a new or substantially redesigned program or measure.
4. Use the percentage check-box if the data in the cells should be reported as percentages.
5. Explain changes in existing measures, missing data or major discrepancies in achieving program targets in the Performance Measure Description section.

Pay special attention to scaled offers. Each scaled offer's performance measures should report only those services that the scaled offer supports. For example, if the base offer is for 10 residential treatment beds, then the performance measure must reflect only those 10 beds. If the secondary scaled offer is for an additional 10 residential beds, then additional performance measures must reflect those additional 10 beds, and not the combined 20 beds.

Performance Measure Types

There are several types of performance indicators available for reporting. These include input, output, outcome, efficiency, and quality indicators. Each of these draws upon a different aspect of the service being delivered. A good performance measurement system should include a variety of meaningful measures.

Input Indicators

Input indicators report the amount of resources such as money, people, or materials that are available or have been used for a specific service or program. Since financial and personnel data are already reported in the revenue/expense and FTE detail sections, do not repeat them in the Performance Measures table. Departments may report other program resources that are managed or consumed. The measure is helpful in illustrating the scope of work, but not the actual activities performed. The data are typically reported as numbers and not percentages.

Examples of Input Indicators:

- Number of fleet vehicles
- Number of jail beds
- Number of maintained centerline/ lane miles

Preparing Your Budget Submission

Output Indicators

Output indicators report the number of units produced or services provided by the program. It describes the activities a program has completed, but not necessarily their results. It is common for programs to have more than one output indicator. The data are typically reported as numbers and not percentages.

Examples of Output Indicators

- Number of treatment episodes delivered
- Number of purchase orders issued
- Number of vaccinations given to children

Outcome Indicators

Outcome indicators report the results of providing a service. Outcomes can be broken down into short-term (e.g., successful treatment completion), intermediate term (e.g., success by 3 or 6 months), or long-term outcome (e.g., 1 year or more). There should be a logical connection from outputs to meaningful outcomes. Outcome indicators can be reported as numbers, percentages or rates.

Examples of Outcome Indicators

- Percent reduction of juvenile recidivism
- Percentage of clients drug-free at one year after discharge
- Reduction in incidence of disease (rates)
- Reduction in repeat calls for service

Reporting cases closed (e.g., case management, addiction treatment, cases prosecuted, etc.) is not a meaningful outcome. Simply terminating services/cases does not describe what was accomplished by providing the service.

Efficiency Indicators

Efficiency indicators examine how effectively a program is performing its activities. It measures the cost of resources per unit of output. Efficiency can also be viewed as a *productivity measure*. For example, where "vehicles repaired per labor hour" reflects efficiency, and "percentage of vehicles repaired properly" (e.g., not returned for rework within 6 months) reflects outcomes, "unit costs (labor-hours) per proper vehicle repair" reflects productivity. The costs (labor-hours) of faulty vehicle repairs plus the costs of the proper repairs are included in the numerator of the calculation, but only good repairs are counted in the denominator—this encourages both efficiency and outcome.

Examples of Efficiency Indicators

- Average number of days to close a case
- Cost per jail bed day
- Labor-hours per proper vehicle repair

Preparing Your Budget Submission

Quality Indicators

Quality indicators reflect effectiveness in meeting the expectations of customers and stakeholders. Measures of quality include reliability, accuracy, courtesy, competence, responsiveness, and completeness associated with the product or service. Customer satisfaction reflects the degree to which the customer's expectations of a service are met or exceeded. Lack of quality can also be measured. Such examples include rework, correcting errors, or resolving complaints.

Examples of Quality Indicators

- Percent of reports that are error free
- Percentage accuracy of information entered in a data system
- Percent of customers that rank service as exceeding their expectation (customer satisfaction)

Performance Measure – Description

Use this text box to describe your performance measures, if necessary. Check the “Measure Changed” box if applicable and explain the new measure and why it is being changed. In addition to the new measure, please report the measure that is being changed for the current year as well.

Legal and Contractual Obligations

Some program offers will be constrained by legal or contractual mandates. If your program offer is affected by a mandate, please note the mandate and its authorizing document (statute, a contract, etc.) in the appropriate text box in the Webtool. Consider grantor requirements, state legislation or rules, charter requirements, and other requirements. Explain **only** those things the County Commissioners must comply with and describe the consequences of failure to comply. **Not all program offers have legal or contractual obligations!**

Explanation of Revenues

Use this section to describe in detail both how your revenues were estimated and how they support your program. For grant, fee, or other non-General Fund revenues, describe how your estimates were prepared. **Include a description of any assumptions behind your State revenue estimates.** Revenue estimates should be intelligible to the average reader, and should clearly demonstrate the reasonableness of the estimate. Individual revenues should be estimated and documented. Examples of revenue estimates include:

- Estimated number of client visits multiplied by \$X rate
- Estimated caseload for the upcoming year and how funding is apportioned by a grantor to the estimated caseload
- Size of the grant award and length of award
- State share of X tax revenue

Preparing Your Budget Submission

If your program uses both General Fund and other revenue sources, describe clearly how the funding sources work together. For example:

- General Fund dollars are included because the state **matches** those two-for-one.
- **Program outcomes are strengthened** by County funding of “wrap-around” services supporting a state-funded program.
- The program is a **joint effort** between the County and another jurisdiction, which provides a percentage of the program’s funding.
- Grant funding **enhances** a General Fund service or obligation.

Be sure your description includes ALL revenues supporting the program.

Add up the numbers in the description to ensure the total matches the total shown in the box above.

Significant Program Changes

Mark the **check box** if your program has significantly changed. This section is to explain significant **programmatic** (NOT financial “up and down”) changes that affect the program.

Note: Division Narratives refer readers to the Significant Program Changes sections for more information about program changes, so be sure to submit complete and detailed explanations. Be sure to include the following information:

- Increases or decreases in the scope or level of services
- Increases or decreases in net personnel resources (FTE)
- Revenue increases or decreases
- How this change affects other departments and/or service delivery programs.

Be sure to also describe the impact of the most significant changes in your Division Narratives.

Last Year this Program Was

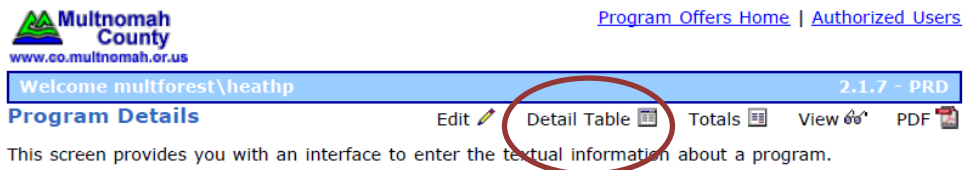
Use the drop-down menu to link your FY 2014 program to its FY 2013 predecessor, if applicable.

Note: program offer numbering may have changed between fiscal years.

Preparing Your Budget Submission

Entering Accounting and FTE Detail

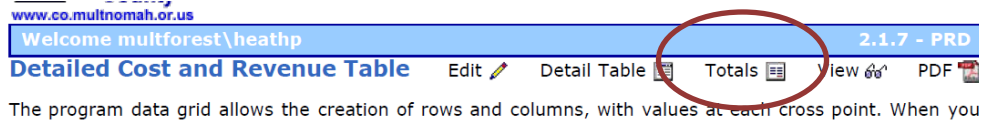
There are two ways to enter the **accounting detail** into the Webtool. First, select the “Detail Table” icon circled below:



From here, you may enter the accounting detail manually using the grid feature, or you can upload it using the template found at www.multco.us/budget/fy-2014-budget.

Ideally, we would not split cost objects between one or more program offers (not including scaled program offers). If necessary, create new cost centers or WBS elements to maintain a one-to-one relationship between cost objects and program offer numbers in the Webtool (again excluding scaled program offers).

FTE data is entered manually. There is no way to automate this task. Select the “Totals” icon circled below:



From here, you can enter the FTE figures in the row shown below. **Note:** You will need to enter current year and the prior years total FTE by fund. Remember we do not include Limited Duration Positions or temps in the FTE count.

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2011	2011	2012	2012
Total GF/non-GF:	\$0	\$0	\$0	\$0
Program Total:	\$0	\$0	\$0	\$0
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Total Revenue:	\$0	\$0	\$0	\$0

Preparing Your Budget Submission

The Webtool will aggregate cost elements into the correct expenditure, revenue, and FTE amounts. The end result should look like this:

Projected Program Cost:				
Program Expenses	Proposed	Proposed	Proposed	Proposed
	General Fund	Other Funds	General Fund	Other Funds
	FY 2013	FY 2013	FY 2014	FY 2014
Personnel	827,912	4,685,007	852,749	4,825,629
Contracts	91,493	1,589,767	94,238	1,637,460
Materials & Supplies	124,964	237,967	128,713	245,106
Internal Services	110,951	722,260	114,279	743,928
Capital Outlay	0	5,300	0	5,459
Program Total:	8,395,621		8,647,561	
Program FTE	8.28	46.85	8.53	48.26
Program Revenue				
Fees, Permits, & Charges	0	574,020	0	591,241
Intergovernmental	0	6,666,281	0	6,866,341
Taxes	0	0	0	0
Other/Miscellaneous	0	0	0	0
Total Revenue	0	7,240,301	0	7,457,582

The prior year's adopted budget (expenditures and revenues) is uploaded by the Budget Office based on templates provided by the departments. For more detailed information go to the [History Crosswalk](#) section.

Personnel Cost Planning

Personnel Cost Planning is the process of estimating the costs of all of the positions that your department plans to have in the FY 2014 budget. This does **NOT** include limited duration positions. The Budget Office has provided spreadsheets containing information on positions and personnel costs for FY 2014, including the assumptions behind the cost estimates. The positions in the spreadsheets are the positions (and the people in them) that were uploaded into SAP's Personnel Cost Planning Module (PCP) in December 2012. The uploaded positions are those that were valid as of December 3, 2012. Positions that are on-call, temporary, or vacant are NOT included in the upload.

How to Update Your Personnel Cost Plan

Your personnel budget must be built in SAP/PCP. We use PCP to ensure the consistency and accuracy of the County's FY 2014 personnel costs. All personnel costs and contract provisions are factored into the SAP Personnel Cost Planning module. Where appropriate do the following:

- **Adjust Your FTE:** PCP wage projections are made equalizing all positions to 1.00 FTE. Your department will need to adjust the position in PCP to its true allocation if the position is less than 1.00 FTE. **DO NOT** budget personnel splits smaller than 0.10 FTE.
- **Adjust for Vacant Positions/New Hires:** Adjust PCP for any vacant

Preparing Your Budget Submission

positions or new hires since December 3, 2012' in your organization. Double check to see that the vacancies have been recorded in Personnel Cost Planning. You may need to create the positions from scratch. Check the current version of SAP for more information.

- **Add or Reclassify Positions:** Contact your department's budget/finance division for more information on adding or reclassifying a position in the budget.
- **DO NOT budget for salary savings.** If you must reduce personnel costs in order to balance your budget request, you will have to reduce or eliminate positions.

PCP Cost Splits

Once you have finished updating PCP, the Budget Office needs you to split personnel costs between Cost Centers and WBS elements that you will use for the FY 2014 budget. The format for the information required by the Budget Office is shown below:

CC/wbs	JCN	FTE	Base (60000)
210000	6020	1.00	40,000
4FA03-1	9631	3.00	150,000
250000	6001	1.00	20,000
250000	6555	5.50	195,200

One way to produce this information is the Personnel Cost Splitter found at www.multco.us/budget/fy-2014-budget. You are also free to create your own spreadsheet to produce the information in the above format.

Trainings on how to use the Personnel Cost Splitter can be found at www.multco.us/budget/training-registration.

Assumptions Behind PCP

Below are the assumptions that went into the PCP spreadsheet that you received from the Budget Office:

Represented employee costs were built assuming the calculated base pay for FY 2014 including step increases, any recently added/adjusted steps, VEBA and briefing pay adjustments, 2088 hours for hourly positions, and that the position is full time. COLA increases were calculated at 2.25%.

Non-represented/Management employee costs were built assuming merit increases, a 1% VEBA and a 2.25% COLA increase

- **Additional adjustments included in the projections:**
 - Corrections Officers: 2.8% Briefing Pay adjustment
 - Deputy Sheriffs: 1% additional VEBA adjustment, and wage

Preparing Your Budget Submission

scales averaged

- Electricians Local 48: 3% additional VEBA adjustment
- FOPPO: 1% additional VEBA adjustment
- Corrections Officers/Sergeants and Civil Deputies wage scales are averaged
- HVAC Engineers Local 701: 3% VEBA

The annual medical/dental insurance flat amount for FY 2014 are as follows:

- \$14,152 per full-time employees
- \$10,614 per Local 88 three-quarter-time employees
- \$8,073 per half-time employees.

Rate tables for Salary Related Expenses (60130) and Insurance Benefits (60140) can be found in [Appendix A – Cost Element Definitions](#).

Permanent Full-Time: Any employee working 32 hours per week or more on a regular basis. Full time employees are entitled to full benefits.

Permanent Three-Quarter Time (Local 88 ONLY): Any employee working 30 hours per week on a regular basis. Three-Quarter Time employees are entitled to three-quarter benefits for health and dental insurance, and full life insurance.

Permanent Part-Time (EXCEPT Local 88): Any employee working 20 - 32 hours per week on a regular basis. Entitlement to step increases varies by bargaining unit. Check the appropriate contract to determine when a step increase is anticipated for permanent part time employees. Permanent part-time employees are entitled to half-time benefits for health, dental and full life insurance.

Temporary: Any employee working less than 20 hours per week or working full-time for less than half the year. You must budget for FICA, Tri-Met tax, workers' compensation, and unemployment. Temporary exempt employees are entitled to all County benefits.

Note: *Limited Duration employees are treated as temporary employees.*

Preparing Your Budget Submission

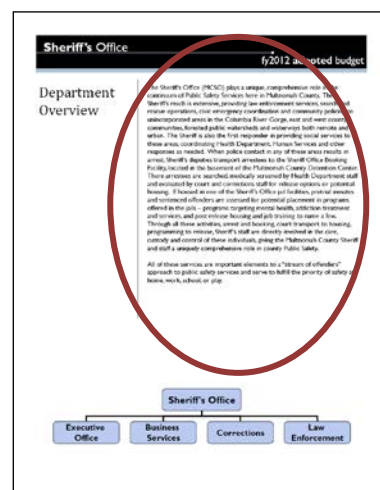
Department Narrative

In order to provide readers with background information for the program offers, the FY 2014 budget will again include department narrative. The narrative section is where readers learn about the mission, vision, and values that guide your department's work. There is a page devoted to a high-level look at your department's budget, a page for describing the past year's successes and the upcoming year's challenges, and a section in which to discuss your department's diversity and equity activities.

Use the fillable PDF forms found at www.multco.us/budget/fy-2014-budget for these sections, and note that these sections do not require separate program offers. We will not accept Word or other files as substitutes for the fillable PDF forms.

Department Overview

Your **department overview** is limited to the white space shown in the circle below. This text box is locked in all aspects (length, font size, and margins), so be concise! The org chart at the bottom of the page should be submitted via your Department Director's Transmittal Letter. The Budget Office will use this org chart as the basis for the one shown in the department narrative section.



NEW!

Your department overview should introduce your department to the reader. It should identify the main work of the department and your role at the county. It should include your department's goals and objectives as well as any strategic plan.

Relate your department's goals and objectives/strategic plan to the County's overall Mission, Vision, and Values (MVV) which can be found at www.multco.us/board/mission-vision-values-statement.

Identify which areas of the MVV are relevant to your department and demonstrate how your department's activities contribute to those areas.

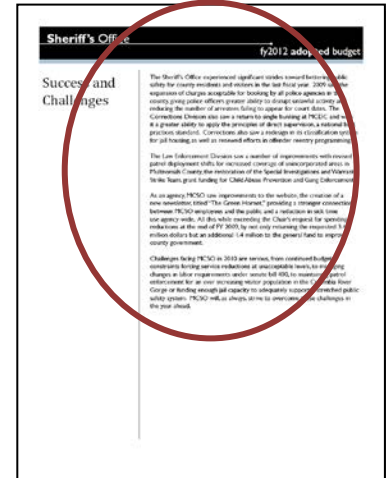
Budget Overview

The Budget Office will prepare the Budget Overview section and table. This information will be created from your budget submission after the Chair's decisions have been finalized and updated again for the adopted budget. Departments will have an opportunity to review this section before it is published.

Preparing Your Budget Submission

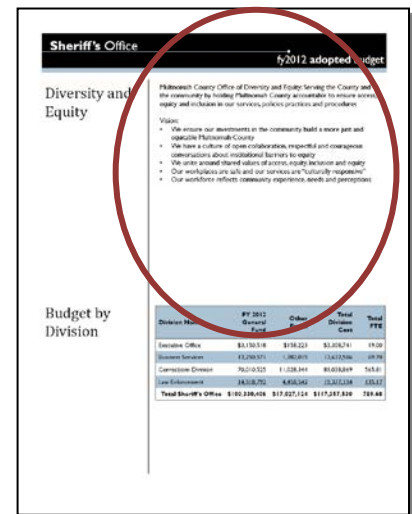
Successes and Challenges

Describe your department’s successes and challenges within the space outlined by the circle below. Use this space to identify key issues facing your department, as well as any challenges you anticipate in the year ahead.



Diversity and Equity

Describe the way your department enhances diversity and equity in the County within the space outlined by the circle below. Use the space to: describe how your programs contribute to County diversity and equity goal of “Ensuring that Multnomah County’s internal operations support and build the diversity of our workforce” and “ensuring that our investments in the community build a more just and equitable Multnomah County.” More information can be found at www.multco.us/diversity-equity.



NEW!

In bullet form, list your department’s internal projects/efforts relating to diversity, equity, and inclusion (DEI) that occurred in the past year. Be specific and list the new projects, programs, and activities of your department.

Questions about what to include in this section? Please contact Vee Souryammat at 503.915.6922.

Budget by Division

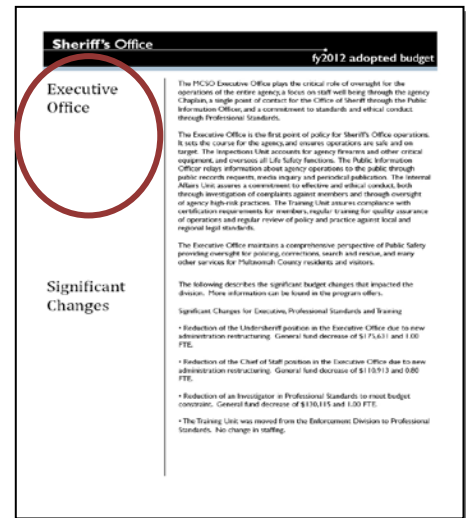
The Budget by Division table will be compiled and inserted on this page by the Budget Office after budget requests have been received. This information will be created using the “Program Offer by Division” Excel file required with your budget submission after the Chair’s decisions have been finalized and updated again for the adopted budget. Leave this section blank for now.

Preparing Your Budget Submission

Division Narrative

This narrative section provides additional space for describing how your department's programs are organized at the operational level. Download the template found at www.multco.us/budget/fy-2014-budget and save a copy for each division in your department. Be sure to type in the name of the division in the space shown in the red circle.

The text box is locked in all aspects (length, font size, and margins), so be concise! Include a brief description of your division's strategic plan, if one exists, and use this space to:



- Describe the division's work. Use active verbs here: "The Support Enforcement Division helps children receive financial support from both parents" or "The Aging and Disability Services Division helps older adults and people with disabilities to live as independently as possible."
- Describe the **community need or problem** that the division addresses: "The Animal Services Division ensures the safety of people and animals."
- Describe the **division's clients**. "The Elections Division conducts all elections for the citizens of Multnomah County."
- Describe the **division's successes**. "Neighborhood Libraries served XXX,XXX people last year, an increase of XX% over the previous year."
- The **significant changes** section is a place to note operational changes at the division level: re-organizations, service delivery model changes, new programs, or programs that are eliminated. Include a reference to the affected program offer so that readers can find additional information about the changes. (Be sure to compare these changes against the significant changes described in your program offers.)

Preparing Your Budget Submission

Current Year Estimate (CYE)

Include an estimate of your current year budget to actuals, or current year estimate budget in your submission. Identify changes from current budget amounts and explain substantive deviations. The CYE should be on spreadsheets sent electronically to your budget analyst (see example below).

The Budget Office does not have a specific template for a department's current year estimate. However, information should be broken down in the following format:

Expenditures: Break down by fund into Personnel Services, Contractual Services, Materials & Supplies, and Capital Outlay.

Revenues: Break down by fund, division and revenue source. For revenue sources where you are expecting receipts to be "materially" different (more than +/- 10%; minimum of \$25,000) than the budgeted amount please provide an explanation for your projection.

FTE: Provide the current year FTE using the revised budget amount (Adopted FTE plus any changes made through Budget Modifications).

The explanation (if needed) should identify the difference between the current budget and Current Year Estimate in a systematic fashion.

You can use the following steps in developing your current year estimate.

Step 1: Identify the Department, Division, current budget, CYE, and difference.

Step 2: Identify delayed programs and the amount saved by the delay. List by program and amount.

Step 3: Identify the savings from unfilled positions (total FTE and total dollars only).

Step 4: Explain other differences if material.

Recreation Services Fund

Parks Division

Revenue	Revenue Name	FY 2013		(CYE-Revised) Difference	(Percentage) Difference	Explanation (if needed)
		Revised	CYE			
50150	County Marine Fuel Tax	120,000	126,450	6,450	5.38%	
50220	RV Licensing Fee	271,000	307,000	36,000	13.28%	Fee increase scheduled
50150	Marine Board Fuel Tax	15,000	22,000	7,000	46.67%	
50360	Sale of Real Property	42,003	45,000	2,997	7.14%	
50250	Sales to the Public	<u>10,300</u>	<u>10,300</u>	<u>0</u>	<u>0.00%</u>	
Totals:		458,303	510,750	52,447	11.44%	

Preparing Your Budget Submission

History Crosswalk

The Budget Office will provide your department with a crosswalk file that will allow you to map your FY 2013 adopted budget to your FY 2014 requested program offers (unless a program no longer exists). The crosswalk is due back to the Budget Office **Friday, February 1, 2013**. This will allow us to load the FY 2013 budget history into the program offers before releasing them to the Chair's Office and posting them on the Internet. The history crosswalk only includes expenditures and revenues, it **does not** include FTE: those must be done manually.

If a current program is not proposed, it needs to be identified in the Department Director's Transmittal Letter, AND the Budget Office needs to be notified about SAP objects are no longer used.

Further detailed instructions will be included when the Budget Office sends your crosswalk file. Contact your budget analyst for more information on preparing the crosswalk.

Department Director's Transmittal Letter

A Department Director's Transmittal Letter will formally convey the department's budget proposal to the Chair's Office. The transmittal letter should:

Give the strategic context for the department's budget submission. Explain how the department's programs and services help to reach its long-range goals, and note issues that have gained importance over time due to worsening conditions or deferred action. Explain how the department met its General Fund constraint. At a high level, describe your department's assumptions and impacts of state funding.

Describe major program changes. Explain the rationale behind new, re-constituted, or alternative program offers. Identify one-time only or backfill programs. Note any FY 2013 programs that are not offered for FY 2014 and why they are not being offered.

Describe changes in organizational structure and management. The letter should contain an organization chart down to the division level. (This chart will be used by the Budget Office in assembling your Department Narrative).

Report span of control at the department level. Unlike last year, there is not going to be a full report/process for span of control. However, please include the span of control ratio for the department and discuss any changes from last year. For instructions on how to calculate the span of control please click [here](#).

Download a recommended template for developing the transmittal letter at www.multco.us/budget/fy-2014-budget.

Preparing Your Budget Submission

Contract List

The Contract List is required as part of your requested budget. The Contract List should include detail for amounts budgeted in Cost Elements 60150, 60155, 60160 and 60170. Use the Excel template at www.multco.us/budget/fy-2014-budget to create your Contract List. Please note that the Contracts total in the Webtool does not include 60155.

Cash Transfer Worksheet

The Cash Transfer Worksheet is required if your department budgets ANY cash transfers between one fund and another. Cash Transfer revenues should be budgeted in Cost Element 50320; Cash Transfer expenditures should be budgeted in Cost Element 60560. See [Appendix A](#) for more details. This worksheet is required in order to ensure transfers can be tracked and the budget can be easily balanced. Use the Excel template at www.multco.us/budget/fy-2014-budget to document Cash Transfers.

Other Internal Worksheet

The Other Internal Worksheet is required if your department budgets ANY Other Internal service reimbursements. Other Internal revenues should be budgeted in Cost Element 50310 in the receiving fund; Other Internal expenditures should be budgeted in Cost Element 60440 in the paying fund. See [Appendix A](#) for more details. This worksheet is required in order to ensure reimbursements can be tracked and the budget can be easily balanced. Use the Excel template found www.multco.us/budget/fy-2014-budget to document Other Internal service reimbursements.

Fee Schedule

The purpose of the fee schedule is to provide a central access point for the County's fees as well as a portal for more in depth information on the fees, where applicable. Our goal is to have the schedule be as comprehensive as possible, though certain exceptions may occur, e.g. the Health Department's clinical fees for service. Contact your budget analyst if you have questions about whether a fee should be included or not.

The fee schedule will be presented by the Budget Office to the Operations Council in parallel to the annual budget adoption.

Due dates and templates for the FY 2014 fee schedule will be sent out April 2013.

Preparing Your Budget Submission

The Budget and SAP

While the County does not run our budget process in SAP, there are several points at which the budget and SAP intersect. For ease of use, instructions are consolidated here:

Personnel Cost Planning: Personnel budgets are built in SAP/PCP, which will be the central repository for the County's FY 2014 personnel cost plan. On December 14th, the Budget Office sent out spreadsheets containing information on FY 2014 positions and personnel costs, including the assumptions behind the cost estimates. The positions in the spreadsheets are the positions (and the people in them) that were uploaded into SAP's Personnel Cost Planning Module (PCP) in December. Please see the [Personnel Cost Planning section](#) for more details about how to plan for your personnel costs.

Placeholder Cost Objects: WBSs or Cost Centers for new programs can be created as placeholders in the Webtool prior to creating the version SAP. This will prevent the creation of unnecessary and unused cost objects in SAP that cannot be deleted!

SAP Upload: After the budget has been adopted by the Board in June, it will be uploaded and maintained as the legal Budget in SAP FM. Your budget analyst will contact you with more information about this process.

Assessments and Settlements: Do not use plan assessments or settlements in your FY 2014 budget. You may still use *actual* assessments or settlements. Build your budget in the corresponding cost elements that are not in the 90000 - 95000 series.

Changes After the Executive Budget

Introduction

Now that you've submitted your FY 2014 budget, you can start to worry about how to change it! Before the budget is adopted, you can request changes to the budget through **budget amendments**. After the budget has been adopted, changes require **budget modifications** or a **supplemental budget**. The following sections describe each in greater detail.

Budget Amendments

Each year we make changes to the budget after it has been approved but before it is adopted. These changes are made through budget amendments that the Board votes on during the budget adoption process.

Amendments can be grouped into two categories: **Board amendments** and **department amendments**. Board amendments must be sponsored by a commissioner and are usually put forward during budget worksessions. Department amendments are sponsored by the departments. All amendments require a majority vote of the Board during the budget adoption. Due dates for department amendments will be sent out in April 2013.

Amendments are submitted on a modified Budget Modification Expenditure and Revenue form and must include line-item detail and a thorough description of the change being made. Forms will be available at www.multco.us/budget/fy-2014-budget.

Contact your budget analyst for further information on preparing either Board or department amendments.

Board Amendments

Members of the Board can sponsor an amendment to a department's budget up until the final vote to adopt. Board amendments can propose changes to any fund of up to 10% from the Approved budget. In practice, Board members usually work with departments to propose changes to the Approved budget.

Program Amendments

Program amendments make a programmatic or policy-driven change in a department's budget request such that funding levels are increased or decreased, or staff are added or subtracted. An example of a program amendment would be a program proposed by a Board member during the budget briefings. Program amendments also require a supplemental staff report supporting the requested change.

Technical Amendments

Technical amendments make adjustments between object codes that do not change the bottom line in a department, a fund, or in staffing levels. An example of a technical change would be adjusting materials and services between a department's divisions in the same fund.

Changes After the Executive Budget

Staffing Amendments

Staffing amendments show any proposed change in staffing levels. Staffing amendments are the same as technical amendments in the sense that they should not reflect any bottom-line changes in a department's staff levels. An example of a staffing amendment would be the transfer of staff into a different program within the department. Reclassifications are also categorized as staffing amendments.

Revenue Amendments

Revenue amendments are a means of recognizing revenues that were not included in the program offers submitted in the department request. An example of a revenue amendment would be a grant that is awarded to a department in April, after the department's program offers have been submitted or beginning working capital in excess of the amount in the department's submitted budget.

Carryover Amendments

Carryover is a one-time-only *re-appropriation in the new year* of an expenditure *authorized in the prior year*. Carryover amendments are limited to the General Fund. Your budget's ending balance, or unspent appropriation, should be adequate to cover the purchase in the new year. We will accept carryover amendments ONLY for those items that have been purchased but not received by June 30, 2013. Please provide your budget analyst with the applicable SAP Purchase Order (PO) number.

Formal Budget Modifications (Budmods)

Formal Budget Modifications change appropriations at the department fund level and need to be approved by the Board. This includes transfers between funds, transfers from contingency and changes in revenues, appropriations, FTE and position reclassifications. More information can be found in BCC-1, Board Agenda Submissions and Process.

Budmods require an Agenda Placement Request ([here](#)) and a Budget Modification Expenditure, Revenue and Personnel Change spreadsheet. If the budmod has personnel changes the 'FTE' tab must be filled out and Central and departmental HR must sign the APR. The agenda packet must be completely filled out and contain all required signatures and attachments. Departments are responsible for gathering all signatures.

The Budget Office requires three days to review and approve an item before submitting it to the Board Clerk. An electronic copy of the agenda packet must be submitted to the Board Clerk and the Chair's Office by noon on Wednesday at least two weeks prior to the requested Board meeting. The Board Clerk will not place an item on the final agenda without prior approval by the Chair's Office. Elected officials and staff follow a slightly different process. Contact your budget analyst if you work for an elected official and would like more information.

Departments are responsible for entering approved budmods in the CO/PS modules of SAP within the financial period that they are approved by the

Changes After the Executive Budget

Board. The Budget Office will enter the budmods in the FM module of SAP.

Budget Modifications stipulating a new revenue source, or a significant change in the existing revenue stream, (a significant change is \$100,000 or greater) must be accompanied by documentation, confirmed by the revenue providing agency, as to the amount of revenue anticipated and the estimated date of receipt.

Internal Budget Modifications

Internal Budget Modifications do not change the adopted budget appropriation – they do not increase or decrease total expenditures by fund, department, or FTE and do not reclassify any budgeted positions. Internal budmods can be changes in cost elements (account codes), cost objects (cost centers and WBSs within the same fund), and between organizations within an appropriation unit. Internal budmods require notification and approval from the Budget Office prior to making changes in SAP. Departments have discretion in terms of the forms they use to submit internal budmods to the Budget Office.

Contingency Requests

Contingency requests must be reviewed and approved by the Budget Office prior to submission for the Board agenda. Contingency requests require an APR, a Budget Modification Expenditure, Revenue and Personnel Change spreadsheet. The Budget Office drafts a memo addressing whether the request meets our Financial Policy regarding the appropriate use of contingency. You can find this policy [here](#).

Notices of Intent (NOI) to Apply for Grants

Notices of Intent (NOI) to apply for grants must be reviewed and approved by the Budget Office prior to submission for the Board agenda. Requests for grant renewals may be permitted but only if the renewal date falls within the NOI timeframe originally approved by the Board. Otherwise a new NOI must be submitted for Board approval.

Supplemental Budget

A supplemental budget allows the County to make changes to the budget otherwise are not allowed by Oregon Budget Law. The most common changes include increases to a fund by more than 10%, adding non-grant revenues to your budget, or creating a new fund. A supplemental budget is an entire budget process in miniature, with public hearings and public notices. Because of the costs associated with the public notice, we try and do as few supplemental budgets as possible.

The Budget Office usually sponsors one supplemental budget during the fiscal year to appropriate excess beginning working capital and makes other changes. Contact your budget analyst for more information if you think you have items that require a supplemental budget.

Personnel Costs

The following cost elements are those used to budget County personnel expenditures. Because the County’s largest expenditures and cost drivers are related to personnel, extra information has been included here.

60000 Permanent

This cost element accounts for employee base pay. To determine the base pay for a position (current or a new or vacant) do the following:

- **For bargaining unit (Hourly) employees:** Multiply the employee’s base pay hourly rate by the total number of hours for the fiscal year. Total hours for full time are 2088. If an employee is entitled to a step increase during the year, you will have to determine how many work hours will be paid at the beginning rate and how many work hours fall after the step increase. These figures added together will be the total base pay for that position.
- **Exempt Employees:** For all exempt employees, multiply the employee’s semi-monthly rate by 24. If an exempt employee is entitled to a merit increase it will apply as of July 1. Check to make sure that exempt employees are not at the top of the range before applying a merit increase.
- **Limited Duration Employees:** Base pay costs for limited duration employees should be budgeted in 60100 (Temporary Employees).

60110 Overtime

This cost element accounts for employee payroll overtime payments. To determine how much overtime pay to budget, do the following:

1. Evaluate the nature of the tasks that require overtime coverage and any other information that will justify the request.
2. Estimate the amount you expect to need, and document your calculation.
3. Calculate figures for Salary Related Expense and Insurance benefits based on this amount and include them in Cost Elements 60130 and 60140.
 - Overtime pay for permanent employees includes the same Salary Related Expense and insurance components as for permanent pay excluding medical/dental insurance, health promotion and Life Insurance.
 - Find the appropriate rates by referring to the Salary Related Expense and Insurance rate tables on the following pages.

60120 Premium

This cost element accounts for premium pay employees may receive in addition to their base pay, because of the type of work or hours of work involved. These categories include shift differentials, incentive pay, trainer pay, lock-up premiums, hazardous or obnoxious work, or lead work. To determine how much premium pay to budget, do the following:

1. Evaluate the need for this kind of pay.
2. Compute the amount, and document your calculation. The base pay is

Don't forget to calculate salary related and insurance benefits for premium

60130 Salary Related Expenses

allocated to cost element 60000, Permanent. *Only the amount in addition to the employee's regular rate is charged to Premium.* Lead Workers are no longer in a separate classification - you may list them here and budget for the premium pay.

- Some categories of work are compensated by a flat rate of premium pay. Estimate the total hours of work and multiply by the premium rate.
- Other categories receive a premium based on a percentage of base pay. In these cases you will need to determine how many hours will be paid the premium and then multiply by the appropriate percentage.

Note: if you record lead pay under 60120 (Premium), remember to calculate figures for Salary Related Expense and Insurance benefits based on this amount and include them in cost elements 60130 and 60140. Premium pay for permanent employees includes the same Salary Related Expense and insurance components as for permanent pay excluding medical/dental insurance, health promotion and Life Insurance. Find the appropriate rates by referring to the Salary Related Expense and Insurance rate tables, below.

This cost element accounts for employee benefits costs, including PERS and FICA (Social Security) benefits, and the Tri-Met payroll tax. To determine how much benefits cost to budget, do the following:

1. Determine the employee's bargaining unit and pension category (uniformed or not), and
2. Choose which of the five rates applies from the table on the next page
 - **Don't know which rates apply?** Check the employee's labor agreement [here](#) to learn that employee's benefits eligibility.
 - **Are you budgeting for Corrections Officers?** An arbitration ruling and subsequent contract negotiations provide for an additional 2% County contribution to members' IAP accounts in FY 2014.

For instructions on **calculating benefits for temporary or overtime pay** or for limited duration positions, see the instructions for temporary employees.

Components of Salary Related Expenses (60130)

For All Departments

	Non-Uniformed					Uniformed				
	FICA *	PERS**	PERS Bond Surcharge	Tri-Met	TOTAL 60130 PCT	FICA *	PERS**	PERS Bond Surcharge	Tri-Met	TOTAL 60130 PCT
Regular' Employees	7.65%	20.27%	6.25%	0.70%	34.87%	7.65%	28.11%	6.25%	0.70%	42.71%
OPSRP Employees	7.65%	18.55%	6.25%	0.70%	33.15%	7.65%	21.28%	6.25%	0.70%	35.88%
OPSRP MCCDA						7.65%	23.28%	6.25%	0.70%	37.88%

* FICA on first \$113,700 of salary is 0.0765; and 0.0145 for wages over \$113,700.

**Includes both the Employer cost and the 6.00% pick-up.

60140 Insurance Benefits

This cost element accounts for medical, dental, and other insurance coverage for County employees. *Do not* include costs for limited duration employees in this cost element. To calculate insurance expense on base, overtime, and premium pay, do the following:

1. Choose the appropriate rates from the table below for the department/fund/bargaining unit combination and assign those rates to the position.
 - Percentage rates for bus passes, workers' compensation, liability, unemployment, retiree medical/dental, long term disability and exempt employees' life insurance are charged against base, overtime, and premium pay. Rates vary by department and by organizational unit from 7.0% to 9.75%.
2. Add an amount for medical and dental insurance.
 - The cost of medical, dental, health promotion, and non-exempt employees' life insurance will be billed at the same dollar amount no matter what the individual level of coverage is. The rates are not increasing for FY 2014, the flat amounts are:
 - **\$14,152** for full-time employees
 - **\$10,614** for Local 88 three-quarter time employees
 - **\$8,073** for half-time employees.

Component Pieces of Insurance Benefits (60140) Rates

Rates Rounded Up for Configuration in SAP

	Worker's			Health/ Benefits			Total 60140 RATE
	Comp	Liability**	Unemployment	Admin*	Retiree Medical	LTD/ STD/ Life	
NOND***	1.00%	1.75%	0.50%	1.00%	2.00%	0.75%	7.00%
DA	1.00%	1.75%	0.50%	1.00%	2.00%	0.75%	7.00%
DCHS	1.00%	1.75%	0.50%	1.00%	2.00%	0.75%	7.00%
Health	1.00%	2.25%	0.50%	1.00%	2.00%	0.75%	7.50%
DCJ	1.50%	1.75%	0.50%	1.00%	2.00%	0.75%	7.50%
MCSO	2.00%	3.50%	0.50%	1.00%	2.00%	0.75%	9.75%
DCM	1.00%	2.25%	0.50%	1.00%	2.00%	0.75%	7.50%
DCA	1.00%	2.25%	0.50%	1.00%	2.00%	0.75%	7.50%
Library	1.00%	1.75%	0.50%	1.00%	2.00%	0.75%	7.00%
DCS	1.50%	2.00%	0.50%	1.00%	2.00%	0.75%	7.75%

* Includes Countywide bus pass benefit cost.

** Liability rate includes County Attorney

*** Includes Chair's Office, Commissioner Offices, Auditor, Attorney, CIC, & TSCC

60100
Temporary
and Limited
Duration
Employees

This cost element is used to account for the cost of temporary AND limited duration employees. To estimate the amount to budget for temporary employees, do the following:

1. Document what you anticipate using temporary employees to do (the nature of the work, or the project they will be working on).
2. **Maintain documentation of how you came up with your numbers.** Document your rationale if you base your budget figures on historical/projected usage rather than actual position-by-position calculations.
3. Calculate Salary Related Expense and insurance amounts for the temporary employees, and record them in Cost Elements 60135 and 60145.

Insurance rates for temporary employees include workers' comp, liability and unemployment. Exempt employees are entitled to health benefits. *See the [Personnel Rules on the Commons](#) for more information on temporary exempt employees.*

Notes:

- Temporary employees working at least 600 hours per year will begin receiving retirement benefits after a six-month waiting period. If temps work less than this they are not entitled to retirement benefits.
- If a temporary employee works for another PERS employer, and the combined hours will reach 600 hours per year, then both employers pay retirement benefits. If the employee is already in the PERS system, their retirement benefits begin immediately.
- Exempt temporary employees must work at least 40 hours a week and will receive retirement benefits after the six-month waiting period.

60135
Non-Base
Fringe

This cost element accounts for fringe costs for temporary AND limited duration employees. *Use 60135 to budget fringe costs for lead and/or premium pay.*

Salary Related Expense rates for temporary employees include FICA and Tri-Met payroll tax (and retirement if applicable). Find the appropriate rates to use in the table on this page.

FOR TEMPS: Components of Salary Related Expenses (60135)

For All Departments

	FICA *	Tri-Met	TOTAL 60135 PCT
All Employees	7.65%	0.70%	8.35%

* FICA on first \$113,700 of salary is 0.0765; and 0.0145 for wages over \$113,700.

**60145
Non-Base
Insurance**

This cost element accounts for insurance costs for temporary AND limited duration employees. *Use 60145 to budget insurance costs for lead and/or premium pay.*

Insurance rates for temporary employees include workers' comp, liability and unemployment. Exempt employees are entitled to health benefits. Personnel Rules are found on the [here](#) for more information.

FOR TEMPS: Component Pieces of Insurance Benefits (60145) Rates

Rates Rounded Up for Configuration in SAP

	Worker's Comp	Liability*	Unemployment	60145 Rate for Temps
NOND**	1.00%	0.50%	0.50%	2.00%
DA	1.00%	0.50%	0.50%	2.00%
DCHS	1.00%	0.50%	0.50%	2.00%
Health	1.00%	1.00%	0.50%	2.50%
DCJ	1.50%	0.50%	0.50%	2.50%
MCSO	2.00%	2.25%	0.50%	4.75%
DCM	1.00%	1.00%	0.50%	2.50%
DCA	1.00%	1.00%	0.50%	2.50%
Library	1.00%	0.50%	0.50%	2.00%
DCS	1.50%	0.75%	0.50%	2.75%

* *Liability rate does not include County Attorney*

** *Includes Chair's Office, Commissioner Offices, Auditor, Attorney, CIC, and TSCC*

Direct Materials & Services

The following cost elements are used for the non-personnel things departments need to do their work: contracts, supplies, and other things. Please read the definitions carefully, as they may change slightly from year to year. Also note that we do not budget in all available cost elements. For questions about budgeting in cost elements other than those identified here, please contact the Budget Office.

60150 County Match & Revenue Sharing

These are payments made by the County in support of the programs of other jurisdictions or organizations. Examples include the County’s share of the budgets for “City-County Organizations” such as the County’s support for Regional Arts & Culture Council activities.

These payments must be identified on the contracts list provided at www.multco.us/budget/fy-2014-budget

60155 Direct Program & Client Assistance

Use this cost element for services or materials that are purchased by the County on behalf of clients within a certain County program and have a relationship of a vendor nature per OMB A-133. The intent of this cost element is to limit the Pass-Through cost element (60160) to services and programs that meet the [federal definition of a sub recipient](#) regardless of funding source, and to consolidate non-sub recipient client services into one account for reporting purposes. This cost element also separates client expenses from County operational expenses.

These payments must be identified on the contracts list provided at www.multco.us/budget/fy-2014-budget

60160 Pass-Through & Program Support

These are funds that are simply passed through to other agencies, **via a contract or grant**. The County is responsible for ensuring the funds under the contract, grant or program are being spent as intended by the County and the funder. Most human services contracts are budgeted in this cost element. Payments recorded in 60160 may be subject to fiscal monitoring by Central Fiscal Compliance.

These payments must be identified on the contracts list provided at www.multco.us/budget/fy-2014-budget

60170 Professional Services

Professional Services are services provided to the County by non-County employees and/or companies. Budgets can be for almost any service, and vary widely.

Notes:

- External Data Processing contracts are budgeted under cost element 60290 (Software Licenses and Maintenance).
- Equipment maintenance contracts are budgeted under cost element 60220 (Repairs & Maintenance).

- Food contracts are budgeted under cost element 60250 (Food).
- Training services contracts are budgeted under cost element 60260 (Education & Training).
- Contracts with human service providers are typically budgeted in cost element 60160 (Pass-through & Program Support).

Include a description of the type of service you propose to purchase and the anticipated dollar amount by type of service.

These payments must be identified on the contracts list provided at www.multco.us/budget/fy-2014-budget

60180 Printing

This cost element is for all printing, photocopying, binding, graphics, and photography services provided by the County's printing contractor. This cost element includes leased or rented copier machines.

Note: toner and paper for copy machines is budgeted in cost element 60240 (Supplies), unless specifically covered in a copier contract.

60190 Utilities

This cost element is used to budget costs for electricity, water, natural gas, fuel, oil, and garbage not paid by Facilities Management. **Facilities Management will pass through the cost of most utilities, and will provide estimates for budgeting these costs along with the Facilities charges for each building.** Contact Eric Winn at xt. 26111 with questions about utilities estimates.

Note: if your organization pays for utilities on behalf of others, for example by issuing utility vouchers for program clients, you should budget those costs either in 60155 (Direct Program or Client Assistance) or 60160 (Pass-Through & Program Support), depending on the source of funds.

60200 Communi- cations

Use this cost element to budget long distance telephone charges, and expenses for moving. These discretionary items are billed directly to your department. Contact Chris Brower at xt. 84001 to obtain equipment lists, prior year long distance bills, and moves/adds/changes estimates to use for budgeting purposes.

NEW!

For FY 2014, all charges for mobile devices (cell phones, smart phones, tablets, pagers and iPads) and data plan costs are budgeted in cost element 60370 (Telecom) except for the Sheriff's Office and District Attorney's Office.

Note: most costs for telecommunications, including desktop telephones, fax machines, credit card terminals, and videoconferencing are budgeted in cost element 60370 (Telecom).

60210 Rentals

This cost element is used to budget rental or lease of space or equipment from companies or individuals outside the County. Leased or rented copying equipment is budgeted in 60180 (Printing).

Lease/purchase agreements that exist for more than one year will be budgeted here. Equipment lease/purchase agreements which are complete within one fiscal year should be budgeted as a purchase in 60550 (Capital Equipment).

*Notify Mark Campbell at xt. 86229 if you plan to enter into **any** lease/purchase agreements.* Under Federal Law, the County could be subject to IRS penalties if the total of our debt issues, lease/purchase agreements, loans, long-term contract etc., is not correctly anticipated and budgeted.

60220 Repairs and Maintenance

This cost element is used to budget for all maintenance and repairs – that is for repairs for which no pre-existing maintenance agreement exists and for maintenance contracts or service agreements with contractors outside the County. Repairs may be to machinery, buildings, or equipment. Expenditures that will lead to the creation of a capital asset, rather than just routine repairs, should be budgeted in 60170 (Professional Services).

Use this cost element to budget an estimate for Facilities Service Requests. Service requests are charged back to your department in the “95430” settlement (secondary) cost element. Not sure how much to budget? Contact Tyra Lovato at xt. 28974 for a detailed list of your department’s service request expense history or to the Commons to find [service request reports](#).

60230 Postage

This cost element is used to budget for mail, shipping, postage or related costs, parcel post, express mail, UPS, and FedEx. Use this cost element to budget for costs associated with shipping and mailing, such as folding pamphlets or stuffing envelopes. **Note:** *Mail & Distribution internal service charges should be budgeted under cost element 60460.*

60240 Supplies

This cost element is to be used for all supplies whose original unit cost is less than \$5,000, including such items as office supplies, janitorial supplies, operating supplies, minor equipment and tools, clothing and uniforms, repair and maintenance supplies, and computer equipment and software that is not capital. Food for county business meetings is budgeted here. The maximum cost per item is \$5,000. Items that cost \$5,000 or more per item are capital and are budgeted under cost element 60550 (Capital Equipment).

60245 Library Books & Materials

This cost element is normally used only by the Library. This cost element includes library books, periodicals, videos, tapes, microfiche, microfilm, CD-ROMS, and other copyrighted materials used to provide library and/or information services.

60246 Medical and Dental Supplies

This cost element is normally used only by the Health Department.

“Medical and dental supplies” is limited to supplies related to or used for patient treatment. Examples include needles, syringes, cotton balls, bandages, tape, thermometer covers, gloves, normal saline, suture kits, q-tips, etc. This category also includes durable items with unit costs of less than \$5,000, such as electronic thermometers, blood pressure cuffs, and stethoscopes. Durable items that cost \$5,000 (such as a dentist chair) or more per item are capital and are budgeted under cost element 60550, Equipment.

Note: drugs and vaccines (including Depo-Provera, topical antibiotics, lidocaine, etc.) should be budgeted under 60310 (Drugs). Supplies to administer drugs (such as syringes and needles) should be budgeted under 60246 (Medical and Dental Supplies).

60250 Food

This cost element is to be used for food purchased in bulk or provided by contract for County clients—for example, for inmates in County detention facilities. **Food or catering supplied for County business meetings or hearings should be budgeted as supplies** in cost element 60240. Per diem expenses for Travel & Training should be budgeted in cost element 60260 (Education & Training).

60260 Education & Training

This cost element is used to budget for expenses including registration and attendance at professional or trade conferences and conventions, tuition and fees, course materials, out-of-town travel and per diem, lodging, contracts for training services, etc. Actual activity in this cost element must be accompanied by a travel and training form as required by [Administrative Procedure FIN-2](#).

Note: Do not confuse the travel associated with a seminar with local travel, which is dealt with in “Local Travel and Mileage” below.

60270 Local Travel and Mileage

Use this cost element to budget for mileage associated with travel within the greater metropolitan area, including Salem.

- **Cost recovery for bus passes is built into the insurance rate, so DO NOT budget for employee bus passes in this cost element. *Note that*** bus passes are a general benefit; you do not need to count the number of passes your department will actually use.
- Agencies providing **bus/train tickets** to clients should budget them in cost element 60240 (Supplies).
- County programs providing bus/train tickets to specific clients of an external social services provider should budget these costs in cost element 60155 (Direct Client Assistance).
- All bargaining units now use the [Federal mileage reimbursement rate](#), which is **\$0.565 per mile** beginning January 1, 2013. *Accounts Payable will notify departments if the IRS announces a change to this rate.*

60280 Insurance

Use this cost element for liability insurance, fire insurance, employee bonding, and other non-personnel insurance. Personnel insurance is included in cost elements 60140 and 60145 – Insurance Benefits.

Note: in the areas of liability and property insurance, the County is self-insured. Before entering into an external insurance obligation, contact Mark Campbell in the Finance Division at xt. 86229.

60290 Software Licenses & Maintenance

Charges for data processing services performed under contract with **non-County** organizations are budgeted here. This cost element is also used by IT to record the costs for the purchase of new software and licenses. Costs of data processing services provided by the County Information Technology Division are budgeted in cost element 60380 (Data Processing Services).

60310 Drugs

Use this cost element for all drugs and vaccines purchased by the County, either from external sources or through the County’s store supplies. **Note:** supplies used to administer drugs (syringes, needles, etc.) should be budgeted under cost element 60246 (Medical & Dental Supplies).

60330 Claims Paid/ Judgments

This cost element is normally used only by Risk Management. The cost element is used to budget payment of insurance claims, whether coverage is by policy or through self-insurance. Areas of insurance include, but are not limited to: property, general liability, unemployment and workers’ compensation insurance. It is also used to budget for anticipated “money judgments” attained against Multnomah County by outside private or business parties through the court system.

60340
Dues and Subscriptions

Use this cost element to budget dues for memberships in associations, societies, or other organizations; as well as for subscriptions for newspapers, trade journals, magazines or newsletters. **Note:** memberships must be in the name of the County, not in the name of the individual County employee. The exception to this rule is where a membership is a requirement of employment and payment of the yearly dues has approval of the Board of County Commissioners. (Example – Bar Association dues for attorneys.)

60470
Contingency

Please consult your Budget Analyst for advice on how to budget for Contingency in an operating fund that is shared by two or more departments.

This cost element is normally only used by the Budget Office.

A general Contingency may be included in any operating fund. Per ORS 294.388, it is to be budgeted as a separate line item within an operating fund. It should be kept separate from departmental expenditures and it is considered an intrafund transfer in the sense that the Board must approve a budget modification authorizing a transfer from the Contingency line item. Per Oregon Budget Law transfers from Contingency are limited to 15% of total appropriations authorized for the fund so great care should be made in estimating the amount to be budgeted in this line item.

Since the Contingency is considered a “fund level” expenditure any amount budgeted in this line item should be included in the Overall County cost center (950000xxxx) for that fund. The Contingency estimate must be reasonable and based on previous experience. It cannot be made in place of an estimate for expenditures that are known to be necessary and can be anticipated.

60480
Unappropriated Balance

This cost element is normally only used by the Budget Office.

This cost element should be used **only** to account for proceeds that are expected to be held in reserve for future purposes. It is not an appropriation and it cannot be authorized for expenditure during the year except under extreme circumstances. An example of where Unappropriated Balance should be budgeted is the General Fund reserve which was established to move the County toward its 10% reserve target.

The only funds that should budget in Unappropriated Balance are the General Fund and the County’s bond repayment funds. Other dedicated funds may budget an Unappropriated Balance in lieu of an operating Contingency. An example of an acceptable use of this cost element might be the Fleet Management Fund where proceeds are used to fund replacement of vehicles to be purchased in future years.

Please consult Mike Jaspin in the Budget Office at xt. 28594 if you have questions about **or are budgeting an amount** in this cost element.

60490
Principal

This cost element is for principal payments on long-term debt, such as General Obligation bonds, Revenue bonds or Certificates of Participation. The amounts budgeted here are determined by the Finance Division. List and explain all interest payments and schedules of loans and bonds. Do not confuse this cost element with internal service reimbursement debt payments to the Capital Debt Retirement Fund (60450).

60500
Interest

This cost element is for interest payments on long-term debt, such as General Obligation bonds, Revenue bonds or Certificates of Participation. The amounts budgeted here are determined by the Finance Division. List and explain all interest payments and schedules of loans and Bonds. Do not confuse this cost element with internal service reimbursement debt payments to the Capital Debt Retirement Fund (60450).

60550
Capital
Equipment

This cost element is used to budget for the purchase of capital items that cost \$5,000 or more per item and that have an expected useful life of more than one fiscal year. Examples include vehicles, servers, copiers, road equipment and various other types of equipment used by the County. Additional information related to Capital Assets thresholds and purchases is available in [Administrative Procedure FIN-10](#).

**Internal
Service
Reimburse-
ments &
Cash
Transfers**

Use internal service reimbursement cost elements to budget the costs of services provided by other County organizations. All internal service rates can be found [here](#). Additionally, information about the Indirect Cost Allocation Plan can be found on the [General Ledger Commons page](#).

Be sure to use the rates provided by the internal service providers for your FY 2014 budget. Contact numbers are included in the cost element descriptions, below, if you have questions or need more information about the rates provided to your department.

60350
Indirect:
Central Admin

Indirect cost rates for FY 2014 are available [here](#).

If you have any questions, contact Cara Fitzpatrick in General Ledger (xt. 22067). FY 2014 rates and additional information can be found on the [General Ledger Commons page](#).

Notes:

- There is not a separate rate for pass-through payments. Use the departmental rate for all cost elements subject to indirect.
- Indirect charges are not applied to capital expenditures.
- Budget indirect costs only for those sources that pay indirect.
- Indirect WILL be charged on internal service expenditures, including Risk Fund cost elements 60140 and 60145.

60355

Indirect:
Departmental
Admin

Indirect revenue generated by the Central Indirect rate is recorded to the General Fund and is budgeted by the Budget Office in Cost Element 50310 (Internal Service Reimbursements). The indirect revenue covers some costs for central services such as General Ledger, Treasury, Budget, Human Resources, Finance, and the Auditor’s Office.

Indirect cost rates for FY 2014 are available [here](#).

If you have any questions, contact Cara Fitzpatrick in General Ledger (xt. 22067). FY 2014 rates and additional information can be found at [General Ledger Commons](#). Use this cost element to budget that portion of administrative support costs generated in your own department.

The revenue generated by the departmental indirect rate is budgeted in your Department’s General Fund and helps to cover some costs for administration and support functions.

Please budget the indirect revenue in the General Fund under revenue cost element 50370 (Departmental Indirect Revenue).

60360

Administrative
Hub

This cost element is used to budget for the Administrative Hub in the Department of County Assets. The Administrative Hub provides human resources, contracting and procurement, financial planning and other administrative services to DCA, DCM, and Nondepartmental. The cost of administering these services for the internal service providers is recovered through internal service rates, and the cost of administering DCM and Nondepartmental agencies is paid for by the General Fund.

60370

Internal
Service –
Telephone
(Telecom)

This cost element accounts for County-supplied telecommunications services including “dial tone” services such as desktop digital and analog phones; fax machine, alarm, and credit card terminals; and videoconferencing stations.

Note: starting in FY 2014, mobile devices (cell phones, smart phones, pagers, tablets, and iPads) and data plan costs are budgeted here except for the Sheriff’s Office and District Attorney’s Office.

Costs for moves/adds/changes, and long distance charges should be budgeted directly in cost element **60200 (Communications)**. If you have questions about what to budget here, contact Chris Brower at xt. 84001.

Detail your request if it is different from the rates provided by Telecom.

60380
Internal
Services Data
Processing

This cost element is for services provided by the County's Information Technology division. Services include PC and software maintenance and replacement, network and data center services, and application development. Costs included in the IT service estimates include:

- IT personnel costs
- Computer, telephone, training, and supplies for IT personnel
- Hardware and software purchases, maintenance, contracts, and repair/replacement costs
- IT professional services

Contact Chris Brower at xt. 84001 with any questions about your service reimbursements and/or rates.

60390
Internal
Service PC Flat
Fee

This cost element is NOT used in FY 2014. PC replacement costs are collected through cost element 60380 (Data Processing).

60400
Internal
Service Info
Asset
Preservation

This cost element is NOT used in FY 2014. IT Asset replacement funds are collected through cost element 60380 (Data Processing).

60410
Internal
Service Motor
Pool

This cost element is used to budget the use of County vehicles. First-time vehicle users should contact Garret Vanderzanden at xt. 83424 to receive an estimate for budgetary use. Agencies that anticipate the purchase of vehicles should contact Fleet, and budget the purchase here. Detail your request if it is different from the proposal submitted by Fleet.

60420
Internal
Service
Electronics

This cost element includes electronic radios and other small electronic equipment in facilities and vehicles. Facilities electronics include paging equipment and detention facility electronics (e.g. security cameras, electronic door lock controls). Electronic equipment in vehicles includes 2-way radios, mobile digital terminals, sirens, light bars, etc. Contact Tyra Lovato at xt. 28974 if you have questions. Detail your request if it is different from the rates provided by Facilities Services.

60430 Internal Service Building Management

This cost element is used for charges to all programs (including all grants that require space allocations) by Facilities Management for routine building costs, including space, utilities, maintenance, lease payments, and debt service. Enhanced services are also included here. If your program will require more/less/new space, you must work with Facilities Management to budget total costs.

If your budget is different than what Facilities provided please detail the space requirements. Also detail estimates, by program area, of your need in FY 2014 for non-routine maintenance work. For further information contact your department's Facilities Property Manager.

Do not budget service requests in this cost element. Service requests are charged back to your department in the "95430" settlement (secondary) cost element. You may estimate anticipated service request expenses and budget them in 60220 (Repairs & Maintenance) in your department's budget. Not sure how much to budget? Contact Tyra Lovato at xt. 28974 for a detailed list of your department's service request expense history. Information is also on the Commons [here](#).

Note: Enhanced services are also charged back to your department in the "95430 settlement (secondary cost element).

60440 Internal Service Other

This service reimbursement is used to pay for work done for an organization by another County organization in a different fund. For example, if the Sign Shop in the Road fund makes a sign for the Sheriff's Office, the Sheriff's Office will be charged for the work and that charge may be budgeted by the Sheriff's Office in this line item.

For budgeting purposes, use of this cost element must be explained, with an explanation of the services to be provided, the cost of the services, **and which fund will be reimbursed**. The fund being paid **must** be indicated so that the appropriate revenue can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 60440 **requires** a corresponding instance of 50310 in another fund; and
- **ONLY** use this cost element for **interfund** transactions. Put another way: you can't budget 60440 and its corresponding 50310 in the same fund.

If you are using this cost element you **must** submit the Other Internal and Cash Transfer worksheet found at www.multco.us/budget/fy-2014-budget.

60450 Capital Debt Retirement Fund

This cost element lists payments made to the Capital Debt Retirement Fund for principal and interest payments on Certificates of Participation or bonds. Mark Campbell at xt. 86229 in the Finance Division will contact those programs that have obligations that should be budgeted here.

60460 Internal Service Distribution & Postage

This cost element covers payments for U.S. postage and mail distribution for interoffice mail and U. S. mail. It is also used for Records costs. Contact Greta Ossman at xt. 22464 if you have questions about budgeting for mail and distribution, records, or materials management. Detail your request if it is different from rates provided by FREDS.

The County no longer budgets Central Stores internal services charges in cost element 60460, as we moved to a Strategic Sourcing model. Costs for materials that used to be captured through the Central Stores should be budgeted in the appropriate line item. Costs for the personnel associated with Strategic Sourcing will be captured through the Central Indirect rate.

60560 Cash Transfer

This cost element is used to budget cash transfers from one fund to a different fund. For budgeting purposes, ***use of this cost element must be explained***, with an explanation of ***which fund will be reimbursed***. The fund being paid **must** be indicated so that the appropriate revenue can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 60560 requires a corresponding instance of 50320 in another fund; and
- **ONLY** use this cost element for interfund transactions. Put another way: you can't budget 60560 and its corresponding 50320 in the same fund.

If you are using this cost element in your FY 2014 budget, you **must** submit the template created for tracking other internal service reimbursements, found at www.multco.us/budget/fy-2014-budget.

Cost Element Definitions: Revenues

The following revenue codes distinguish between *program, restricted* revenues and *general or unrestricted* revenues to comply with Governmental Accounting Standards. Further distinctions include operating and capital grants, fees and charges for services, and particular types of taxes. **All revenue estimates should be documented in the program offers in the Explanation of Revenues section.** The exceptions to this rule are Internal Service Reimbursements (50310 thru 50321) and Miscellaneous Revenue (50360) where receipts would not total more than \$2,500 in any single cost object.

Documentation of revenue estimates should include the following:

- The origin of the revenue.
- From whom or where is the revenue received.
- A calculation that shows how the estimate was developed.
- If the revenue is a Fee or Charge for Service does the County have authority to increase the rate?
- The term of the revenues. If the revenue is a Grant or Contribution when will it expire?

For questions about coding revenues to the correct cost elements, or if you have a new revenue source, please contact General Ledger at GLHelp@multco.us. For all other questions about revenues, contact Mike Jaspin in the Budget Office at xt. 28594.

Note: in the cost element definitions found on the following pages, the word “intergovernmental” is abbreviated “IG.”

Restricted or Program Revenues: Grants & Contributions

Grants are contributions or gifts of cash or other assets from another entity. A grant may be received either directly from the granting government or indirectly as a pass-through from another government.

Capital grants are restricted by the grantor for the acquisition or construction of capital assets.

Operating grants are such contributions to be used or expended for a specific purpose, activity, or facility.

50111 CAFFA

County Assessment Function Funding Assistance: these are operating grant revenues from the Oregon Department of Revenue that fund the County’s Assessment and Taxation program.

50113
Govt-Shared:
Program

Use this cost element for revenues shared with other governments – such as ODOT Revenue sharing for Roads and Bridges. The shared revenues recorded in this account are restricted, program shared revenues. Unrestricted shared revenues should use cost element 50112.

50117
In Lieu of Tax:
Program

Use this cost element for revenues that the County receives in lieu of local taxes. These revenues are typically restricted in use. Revenues received from the federal government under the Oregon & California (O&C) Railroad Grant Lands are an example of revenues to budget under this cost element.

50170
IG Direct Fed:
Operations

Use this cost element for funds received directly from the federal government, where use is restricted to the provision of services that are specifically defined by a formal agreement with a federal agency. If the agreement includes provisions for both operations and capital acquisition, all revenue is considered operations revenue under 50170.

50175
IG Direct Fed:
Capital

Use this cost element for funds received directly from the federal government. Its use is restricted to the purchase or construction of capital assets as specified in the governing grant or contract. **If a grant or contract contains funding for both capital acquisition and operations, the entire grant or contract should use the operations revenue cost element (in this case, 50170).**

50180
IG Direct
State:
Operations

Use this cost element for funds received directly from the State of Oregon that do not include any funds the state passes to the County from another source. Their use is restricted to the provision of services that are specifically defined in a formal agreement with the State. If the agreement includes provisions for both operations and capital acquisition, all revenue is considered operations revenue under 50180.

50185
IG Fed thru
State: Capital

Use this cost element for federal funds received through the State of Oregon where the State is acting as a pass through agency. Its use is restricted to the purchase or construction of capital assets as specified in the governing grant or contract. **If a grant or contract contains funding for both capital acquisition and operations, the entire grant or contract should use the operations cost element (in this case, 50190).**

50190
IG Fed thru
State:
Operations

These are federal funds passed through the State. They are restricted to services outlined in the state agreement, which in turn must meet federal requirements. As with all operations revenues, if the agreement includes provisions for both operations and capital acquisitions, the entire agreement is treated as operational revenue.

50195
IG Fed thru
Local:
Operations

These are federal funds received from a local source. This includes local governments such as City of Portland, Washington County and others. They are restricted to services outlined in the agreement with the local agency, which in turn must satisfy federal use requirements. As with all operations revenues, if the agreement includes provisions for both operation and capital acquisition, the entire agreement is considered operations revenue.

50200
IG Local:
Operations

These are restricted use funds received from a local government that do not include pass through funding from another source, for example the federal government. Use is restricted to services as outlined by the governing agreement with the local agency. If the agreement includes a provision for both operations and capital acquisition, all revenue is considered operations revenue.

50210
Non-govt.
Grants:
Operations

Use this cost element for restricted use funds received from a nongovernmental source such as a private foundation or a non profit agency. The funds must not include federal funds the organization is passing through to the County. Use is restricted to services outlined in the governing agreement. If the agreement includes a provision for both operations and capital acquisition, all revenue is considered operations revenue.

50215
Non-govt
Grants: Capital

Use this account for funds received for capital acquisition from non-governmental sources. If the agreement includes a provision for both operations and capital acquisition, all revenue is considered operations revenue.

50300
Donations:
Operations

Use this cost element for donations where use is restricted to the provision of a stipulated service. Revenues recorded here are classified as operating grants by program/function in the financial statements.

50301
Donations:
Capital

Use this cost element for restricted use donations to be used for capital purchase or acquisition.

Restricted or Program Revenues: Fees & Charges for Services

For questions about whether or not grant awards are subject to Single Audit rules, contact Cara Fitzpatrick in General Ledger at xt. 22067.

Fees and charges for services are charges for current services.

There are some federal grant and contribution revenues that are considered to be fees or charges for services and should be coded as such. These grant revenues do not fall under the federal OMB A-133 Single Audit rules. For example, most Medicaid funds paid by the federal government to the states are federal financial assistance payments and are covered under the Single Audit Act. Medicaid arrangements between the state and providers, however, are contracts for services, and thus they are not considered to be federal financial assistance subject to the Single Audit Act. Multnomah County both receives Medicaid revenue that is subject to the Single Audit Act (in Aging Services, for example), **and** serves as a vendor for providing Medicaid-funded services (in the Health Department, for example). *The former should be recorded under “operating grants” cost elements, and the latter should be recorded under “fees for services” cost elements.*

50115 Lottery Revenues

Use this cost element for lottery revenues. These revenues are restricted program revenues from Video Poker received from the State of Oregon. The revenues are restricted to furthering economic development per House Bill 3188.

50220 Licenses & Fees

Use this cost element for charges imposed by county ordinance for specific licenses and fees. Examples of **licenses** include adult care home, cat, dog, food handler, marriage, restaurant, and swimming pool licenses. Examples of **fees** include adult care home, alarm permit, cable franchise, recording, and library fees.

50221 Photocopy Charges

Use of this cost element is limited to those County programs that track revenues from copy machines used by the public. The Library and the County Attorney’s Office normally use this cost element.

50222 Printer Charges

This cost element is normally used only by the Library. It is used to track revenue from printers used by the public.

50230 Permits

Use this cost element to budget revenues earned from permits. Such permit charges include permits granted for bridge use, concealed weapons, land use planning, and rights of way.

50235

Charges for Services

Use this cost element for charges for services that are not set by county ordinance, that are not charged to other governments and that are not sales of goods. Examples of such charges are Facilities services fees, client fees, District Attorney discovery fees, jury duty pay turned over to the County, medical records fees, and/or third party payers for Health Department services.

50236

IG Charges for Services

Use this cost element for charges for services to local governments. Examples of revenues to budget under this cost element include OMAP (Oregon Medical Assistance Plan [Medicaid/Title XIX]) charges to local governments.

Note: Medicaid payments to Multnomah County for providing patient care services to Medicaid-eligible individuals are not considered federal awards expended under the Single Audit Act A-133. Hence Medicaid payments are recorded in this revenue account for a better audit trail and to segregate this revenue from revenue reported for A-133.

50240

Property Space Rentals

Use this cost element for revenue from rental of County property (buildings, offices, rooms, parking, DCJ transitional housing).

50241

Motor Pool Parking

This cost element is normally used only by Fleet. Use this cost element for revenue from employees (charged through payroll) for parking in Motor Pool lots.

50250

Sales to the Public

Use this cost element to record revenues from selling goods to persons (as opposed to County clients or other governments). Examples of revenues to record here include Library sales, Assessment & Taxation information sales and copy fees, survey charges, and sales of surplus property, including vehicle auction revenues. **Note:** sales of capital items should be budgeted in 50340 (Asset Sale Proceeds).

50260

Election Reimbursement

This cost element is normally used only by the Elections Division. Use this cost element for recovery of elections costs from state and local governmental bodies.

50280
Fines &
Forfeitures

Use this cost element to record revenue from the courts, criminal forfeitures, informal restitution, and animal control.

50290
Dividends &
Rebates

Use this cost element to record revenues from insurance rebates, fuels tax refunds, and other refunds and rebates.

50291
Retiree Health
Premium

This cost element is normally used only by Risk Management. Use this cost element to record Retiree Health Benefits premiums.

50310
Internal
Service
Reimburse-
ments

This cost element is normally used only by Department of County Assets and Department of County Management. Use this cost element to record revenues received in internal service funds from service reimbursements.

**50311-50319,
50321**

These cost elements are normally used only by Risk Management. Use these cost elements for service reimbursements to the Risk Fund for various insurance coverages. For questions or definitions, contact staff in the Budget Office or in General Ledger.

50340
Asset Sale
Proceeds

Use this cost element to record revenues from the sale of capital items, such as buildings, equipment, or vehicles. This should also be used to record the trade-in value associated with capital items that are used to offset the purchase price of a new capital item.

Note: the sale or trade-in of non-capital items should be recorded in 50250 (Sales to the Public).

**Unrestricted
or General
Revenues:
Taxes**

Unrestricted or general revenues include taxes—property taxes levied for general purposes, business income taxes, selective excise and use taxes, and payments in lieu of taxes—as well as miscellaneous revenues, interest and investment earnings, and state-shared governmental revenues.

Grants and contributions that do not qualify as “program” revenues are considered to be unrestricted and are reported as general revenues.

For the most part, unrestricted or general revenues are budgeted at the Countywide level by the Budget Office. For questions about budgeting in the following cost elements, contact Mike Jaspin in the Budget Office at xt. 28594.

**50100
Property
Taxes: Current**

Use this cost element for property tax revenue collected from the current year’s tax levy. Taxes are levied on an assessed valuation of real and / or personal property. The County’s property tax calendar is from July 1st through June 30th and revenue is recorded in the year for which taxes are levied. Property tax bills are due November 15th for the same year

**50101
Property
Taxes: Prior
Year**

Use this cost element for property taxes collected from the previous year’s tax levies and recorded as revenues in the current year.

**50102
Property
Taxes:
Penalties**

Use this cost element for those revenues derived from failure to pay or file a personal property, industrial or utility tax return on time, as opposed to actual property tax receipts above.

Note: separate accounts are used for penalties and interest.

**50103
Property
Taxes: Interest**

Use this cost element for property tax interest assessed on property taxes after their due date. Interest is charged on delinquent property taxes from their due date to the date of actual payment.

Note: separate accounts are used for penalties and interest.

**50110
Tax Title**

Use this cost element for revenues generated from the sale of properties foreclosed for non-payment of property taxes. There are two examples: 1. properties that have been sold on contracts by the County and payments are received monthly; 2. properties that have been sold by the County and

payment received in full. Proceeds the County receives from foreclosed property sales are unrestricted.

50112
Gov't Shared:
General

Use this cost element for general revenues (shared and unrestricted) from other governments. Examples include shared revenues from the State of Oregon for cigarette taxes, WOST timber taxes, amusement taxes and local liquor taxes from the Oregon Liquor Control Commission. Ad valorem tax revenue is also recorded to this account.

50116
In Lieu of Tax:
General

Use this cost element for revenues the County receives in lieu of taxes. These revenues are unrestricted, and include US Forest Service reserve payments and Federal Bureau of Land Management payments in lieu of taxes. The County also has agreement in place with corporations for payments in lieu of tax. This would include payments received from the Strategic Investment Program (SIP).

Use cost element 50117 for restricted in lieu of tax payments, such as those received for the O&C land grant.

50120
Transient
Lodging Tax

Use this cost element for revenue generated by a tax imposed on the transient rental of lodging / hotels in Multnomah County. The City of Portland collects all taxes within the City and transfers them to the County monthly. All other hotels in Multnomah County pay directly to the County on a quarterly basis.

50130
Motor Vehicle
Rental Tax

Use this cost element for revenues generated by a tax on the rental of motor vehicles from commercial establishments doing business in Multnomah County.

50140
County Gas
Tax

Use this cost element for revenue generated from the consumption/sale of gasoline within Multnomah County. It is received monthly from the Oregon Department of Transportation.

50150
County
Marine Fuel
Tax

Use this cost element for revenue generated from the consumption of marine fuel within Multnomah County. It is received monthly from the Oregon Department of Transportation.

50160
Business
Income Taxes

Use this cost element to record revenue generated by a tax imposed on all business income within the City of Portland and Multnomah County. The tax is based on net income (gross income less certain deductions permitted by law). All businesses with gross income of \$25,000 and over must file. It is collected by the City of Portland and paid to the County.

50165
Personal
Income Taxes

Use this cost element to record revenues raised by Multnomah County's Temporary Personal Income Tax. This tax was effective January 1, 2003 and ran through the end of 2005. The tax is 1.25% of Oregon taxable income after deducting an exemption (\$5,000 for joint filers and \$2,500 for a single filer). This tax measure provided for three years of bridge funding for Multnomah County schools, senior and low-income health services and public safety needs.

50270
Interest
Revenue

Use this cost element to budget for interest earned on fund balances. A discussion of the County's investment policy along with an estimate of the rate to use for budgeting purposes can be found [here](#). Please contact Dan Arenholz, at xt. 83440, for any questions related to the forecast or the County's investment portfolio in general.

50302
Donations –
General

Use this cost element for those donation revenues that do not qualify as program or capital revenues and are unrestricted in their use. They would not be capital in nature (i.e., land or buildings) nor restricted for a specific program.

50360
Miscellaneous

Use this cost element for miscellaneous revenues. Examples of County miscellaneous revenues are reimbursements from employees and volunteers for things like personal travel, photocopies, and phone calls; and for petty cash, cash register, or deposit overages and shortages. Revenue transactions in the Public Guardian Trust Fund are also recorded in miscellaneous revenue. *All other revenues should be budgeted in a more specific revenue cost element.*

**Other
Revenues**

The following are revenue cost elements that are used in limited situations for particular purposes. Please contact your budget analyst if you have questions about using these cost elements.

50000
Beginning
Working

BWC represents the difference between revenues over expenses from prior fiscal years. The account is in countywide cost centers in most funds, except where the resources are considered Restricted or Committed.

Capital (BWC)

Note: adding beginning working capital (BWC) to the budget after budget adoption is **done via a supplemental budget**. To avoid this time-consuming and expensive process, estimate your fund(s)'s ending balance as accurately as you can and **include it as revenue in your program offers**.

50320
Cash Transfer
Revenue

Use this cost element to record scheduled cash transfers between funds. Beginning in FY 2003, the County eliminated the use of General Fund Cash Transfers in the Fed/State fund to provide for a better audit trail and more documentation on Fed/State Fund expenditures for financial reporting.

For budgeting purposes, **use of this cost element must be explained**, with an explanation of **which fund will be reimbursed**. The paying fund **must** be indicated so that the appropriate expense can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 50320 **requires** a corresponding instance of 60560 in another fund; and
- **ONLY** use this cost element for **interfund** transactions. You can't budget 50320 and its corresponding 60560 in the same fund.

If you are using this cost element in your budget, you **must** submit the template created for tracking other internal service reimbursements, found on the [here](#). Contact Mike Jaspin at xt. 28594 if you have questions about budgeting cash transfers between funds.

50330
Financing
Proceeds

Use this cost element to record proceeds from the issuance of debt, such as bond proceeds. **Always budget the full amount of the debt issue.**

50370
Departmental
Indirect
Revenue

Use this cost element for revenue generated by the departmental portion of the indirect cost plan. This revenue may be used for departmental administrative costs not recovered directly from grants and awards.

Appendix B: Performance Measures

Introduction to Performance Measurement

Not unlike budgeting, performance measurement is an art unto itself. Performance measurement is the process of developing and using meaningful and objective indicators that can be systematically tracked to assess progress made in achieving predetermined goals. The process requires ongoing data collection to determine if a program is implementing activities and achieving objectives. It typically measures resources, activities performed, and results over time. The data are used to determine the difference between what customers and stakeholders expect and what programs deliver.

Why should the County measure performance?

- Performance measures show progress toward the County's goals and objectives.
- Performance measures help decision makers refine strategies and improve results.
- Performance measures help build community support for County programs.
- Performance measures help managers deliver expected results.
What gets measured gets managed!

Sound performance measures are a critical component of the budget process. Departments provide performance indicators as a part of their program offers. The Board uses the information to aid in evaluating the effectiveness of County programs. The Chair's executive budget decisions are based on how well the program contributes to the County's long-term strategies, and what these programs promise to deliver. A properly developed set of performance measures should be:

Meaningful: Measure the right things with the right metric. The measures should show progress toward the County's goals and objectives in a way that is valid. It is important that the collected data describes what is being measured.

Consistent: The data used to generate the measurement must be consistently accurate and reliable.

Clear: Think about whether the measure can be understood by people who are interested in the program. A good test is whether you could explain the measure to an average person who is interested in your services.

Avoid Perverse Incentives: Could the measure lead to efforts to reduce quality or outcomes in order to make the numbers look good?

Appendix B: Performance Measures

Developing Performance Measures

Developing meaningful performance measures depends on understanding your program's priorities. It is important to measure what matters, not simply what is convenient. This means thinking about what features of your program are important, and to whom. Some measures might be important to staff but not necessarily to the program's customers or to the Board (who ultimately choose the County's programs).

Effective, meaningful performance measures report what the program is trying to accomplish, where the resources come from and how they are allocated, what activities are being performed, and what output and outcomes are expected. In selecting performance measures, consider the following questions:

- What is the purpose and goal of the program? How does the program support the department's mission?
- Who are the customers or beneficiaries (internal and external) of your program?
- What aspects of program performance are valued by these customers or beneficiaries? What performance standards would our customers, clients, Board of Commissioners, department managers, and grantors like to see us achieve on these measures?
- How can you explain numerically what the program accomplishes to an average person who is interested in your services?

Here are some considerations for you as you develop and choose appropriate performance measures for your program offer:

Who should be involved? The appropriate program managers and staff, budget and finance staff, and research and evaluation staff from the department should all be at the table to review and discuss the program offer's characteristics and how to measure performance.

What types of performance measures should be used? Identify what services will be delivered, who the primary customers/clients are, and list the program inputs, outputs, outcomes, efficiency, and quality measures.

What inputs does the program need to function? List the program inputs such as funding, FTE, materials (PCs, fleet vehicles, buildings); they are the resources needed to accomplish the program's goals.

What are the program's activities? Review the program offer description; understand the specific service the program is to deliver. Think about how the program works and how the service is delivered. Briefly list the activities that lead to a product or service being delivered.

Appendix B: Performance Measures

Performance Measurement Challenges

What are the program outputs? Identify program outputs; list what was accomplished (e.g., PC's repaired, fleet vehicles maintained, cases managed, people served).

What are the program's results or outcomes? Identify the various outcomes (i.e., results) of the program: both the outcomes expected immediately after the service is delivered (i.e., short-term), the intermediate and the long-term outcomes expected for the clients/customers who received service. Consider benchmarks or industry standards available when considering measure options. Are the outcomes related to the primary function of the program?

How efficient is the program in achieving its results? From the inputs, outputs, and outcomes consider efficiency indicators: how much does it cost in staff or dollars? How long does it take (hours or days) to get an output or outcome? Are there any efficiency mandates that need to be addressed?

There are challenges in capturing and conveying information on performance measures. Sometimes direct measurement is difficult or costly. Often, however, measurement difficulties are due to unclear program outcomes. Clarifying the program results will go a long way towards developing meaningful measures. Below are several common reactions to using performance measures.

You can't measure what I do. Areas thought to be immeasurable, such as prevention, education, and even international relations, have been shown to be measurable using an innovative approach. In some cases, the outcome of a program may not be realized for many years – a problem that can be addressed by identifying meaningful output-oriented milestones that will lead to achieving the long-term outcome goal.

The measures aren't fair because I don't have total control over the outcome or the impact. It is rare for a program to have total control over the outcome. At the same time, if a program cannot demonstrate any impact on the desired result, then why should it be funded?

Often programs from various departments all contribute to achieving the same goal. The contribution of any one program may be relatively small or large. One approach to this situation is to develop broad, yet measurable, outcomes shared by a collection of programs, while also having program-specific performance goals.

It will invite unfair comparisons. Comparisons between programs happen all the time as part of the budget process, whether programs invite it or

Appendix B: Performance Measures

not. Program information is not limited to performance results: clearly articulating the program's target audience and services can limit apples-to-oranges comparisons. Consider working with other programs of similar design to use the same measures.

Performance data will be used against the program. Demonstrating transparency and accountability, even when the news is not so good, inspires trust, gives the program performance data credibility, and shows that the departments understand their programs and the difficulty of providing services. If programs are open about the need to improve, and discuss action being taken to address the need, most people will give a program the benefit of the doubt as long as programs demonstrate improvement plans.

We don't have the data or we can't get the data. Considering the investment the County has made in information technology, there may be untapped data sources. Collecting it can be as simple as a desktop spreadsheet using information collected from a hard-copy log. What is important is that critical indicators of success are identified and measured consistently and conscientiously.

We don't have the staff resources to collect the data. While this may seem like the case in a given moment, dedicating a small percentage of a program's staff time to collecting data on thoughtful measures and using the data to manage for results will generally save more time than would be spent correcting problems down the road.

We don't know how to measure prevention. Programs with a prevention focus can be difficult to measure for a variety of reasons. Most importantly, measuring prevention requires consideration of what would happen in the absence of the program. Also, it is often difficult to isolate the impact of the individual program on behavior that may be affected by multiple other factors. If performance measures reflect a continuum from lower-level outputs to higher-level outcome measures related to the overall goal, it is important for prevention programs to choose measures that are far enough along the continuum that they tie to the department's overall priorities as well as to the program's activity. This will help ensure that the measures are both meaningful and genuinely affected by the program.

There are programs where failure is not an option. For programs where failure to prevent a negative outcome would be catastrophic, such as programs to prevent terrorism or a pandemic disease outbreak, traditional outcome measurement might lead to an "all-or-nothing" goal. As long as the negative outcome is prevented, the program might be

Appendix B: Performance Measures

considered successful, regardless of the costs incurred in prevention or any close calls experienced. In these cases, proxy measures can be used to determine how well the deterrence process is functioning. These proxy measures should be closely tied to the outcome, and the program should be able to demonstrate how the proxies tie to the eventual outcome. Because of the risk, multiple proxy measures should be used. Failure in any one of the safeguards would be indicative of the risk of an overall failure.