Changes after Adoption: Budget Modifications

If the budget needs to be changed after adoption, this can be done through a Budget Modification (budmod). The Revised budget changes throughout the fiscal year as the Board approves budmods, and the Revised budget equals the Adopted budget plus approved budget modifications. This document discusses the following budmod types in more depth below:

- Formal Budmods – Require Board approval
- Internal Budmods – Require Budget Office approval instead of Board approval. They do not change legal appropriations or FTE. They also do not include position reclassifications.

Section 1: Formal Budget Modifications

Formal budget modifications are presented to and approved by the Board of County Commissioners. See Multnomah County Administrative Procedures, BCC-1, and Agenda Placement Timelines on the Commons for more information.

Formal budmods can include:

- Increases or decreases in revenues and expenditures,
- Increases or decreases to FTE,
- Transfers between fund hierarchies,
- Transfers from contingency (General Fund contingency transfers require a memo from the Budget Office),
- Position reclassifications, and
- Policy/programmatic changes, including operational reorganizations (like moving budget from one division or program offer to another), even if the budget impact nets to $0.
    - Note: The Chair's Office and/or Budget Office have the discretion to elevate a budmod from internal to formal.

Supplemental budgets are formal budmods that require additional public notice and public hearings. The Budget Office usually sponsors one supplemental budget during the fiscal year to appropriate beginning working capital (BWC). Individual budget actions by a department may also require a supplemental budget. The following actions require this extra public process:

- Increasing a fund hierarchy by more than 10% (countywide, not at the department level), including when transferring more than 15% from contingency,
- Creating a new fund hierarchy, or
- Appropriating beginning working capital (BWC).

Departments should talk to their Budget Office analyst if they think a change might require a supplemental budget.

Consent vs Regular Agenda

Formal budmods appear on the Board's regular agenda, with a few exceptions that can be approved on the consent agenda. Position reclassifications and FTE changes that do not change legal appropriation (other than service reimbursement changes) can usually appear on the consent agenda. Significant programmatic or policy impacts, or changes in the union status of a position, may elevate items to the regular agenda. The decision to place a budmod on the consent agenda is at the discretion of the Budget Office and/or the Chair's Office. However, any Commissioner may request that a consent agenda item be moved to the regular agenda for consideration.

Section 2: Formal Budmod Process

This section explains the steps that departments and the Budget Office follow for formal budmods.

1. Alerting Chair's Office to Budmods on Regular Agenda

Departments inform the Chair's Office of forthcoming formal budmods, and highlight significant related issues before placing a budmod on the BCC regular agenda.

General Fund contingency requests require explicit approval from the Chair's Office before submission.

2. Holding time on Board Agenda:

If necessary, departments work directly with the Board Clerk to hold time on the BCC regular agenda for the budmod.

3. Department drafts the budmod:

An Agenda Placement Request (APR) form, which is generated from Questica, accompanies all budmods. Use plain language in the APR to describe policy issues and provide context to decision makers and the public. Budmods continue the budgeting process, so the APR should continue to address annual budget values and priorities. The department enters APR language directly into Questica (see Section 5: Questica Entry for more information).

For the expenditure, revenue, and FTE changes in the budmod, departments will follow the same general process as they did for budget adjustments and amendments during the annual budget process. See the most recent Budget Manual and Questica Commons pages for more detailed instructions on this process.

The Budget Office recommends that a department start drafting its budmod a few weeks before the desired board meeting date (see "Department submits to Board Clerk" step below for detailed deadlines). Oregon budget law prohibits the spending of funds before appropriation by the Board, so it is important to submit budmods to the Board in a timely manner.

4. Signatures

Department directors must review and sign off on **all** formal budmods.

Any budmod that impacts FTE requires approval from **Departmental HR**. This includes:

- Position reclassification,
- Change in position FTE,
- Elimination of a position, and
- Adding a new position.

Any budmod that reclassifies a position or adds a new position requires approval from **Class Comp** (Central HR).

Promoting a budmod to "Budget Office Review" in Questica requires all signatures (except for the Central Budget Analyst). By entering signatures, the department certifies that all parties have reviewed and approved the budget modification for Board submission.

5. Department submits to Budget Office

Once a department has finished its budmod with all approvals, the department will 1) promote the budmod request form to "Budget Office Review " in Questica and 2) notify their Budget Office analyst of budmod promotion. Departments should complete the budmod review checklist before sending the budmod to the Budget Office.

Departments must also submit the following documents, as attachments in Questica:

- A copy of the grant or revenue contract for new revenue sources or changes to existing revenue sources greater than $100,000.
- A copy of the approved Notice of Intent (NOI).

See the Quick Reference Guide and video on how to Add Attachments to a Request Form.

Departments must submit the budmod and relevant documents, in Questica, at least 3 full business days before the final APR and attachment are due to the Board Clerk.

6. Budget Office Review

The Budget Office will review the APR, revenues, expenses, and positions. They may ask departments to make changes to the narrative or technical details. The Budget Office requires 3 business days to review and approve budmods. After review, the Budget Office analyst will enter their signature, promote the budmod to Pending Board Approval stage in Questica, and email the Department's Budget/Finance Manager of the approval.

7. Department submits to Board Clerk

Departments must submit budmods, including the APR and the Budmod Exp/Rev/FTE/Detail report, to the Board Clerk by Wednesday at noon, two weeks prior to the requested Board meeting (one week for elected officials). Copy the following parties in the email:

- Deputy board clerk
- Chair's Chief of Staff
- Chair's policy analyst for the relevant area
- Central Budget analyst
- Budmod presenter(s)

The chart below provides a general timeline for formal budmods. (Note: the timing is different for Supplemental budgets. Discuss Supplementals with your Budget Office analyst.)

	Monday	Tuesday	Wednesday	Thursday	Friday
Week 1					Noon – Departments must submit Budmod to Budget Office*
Week 2			Noon – Department sends fully reviewed budmods to Board Clerk		Noon – Elected Officials must submit Budmod to Budget Office*
Week 3	Department presents budmod to Board Staff		Noon – Department sends Elected Officials' budmods to Board Clerk Noon - Final presentation slides and other background information to Board Clerk		
Week 4				Board Meeting to approve Budmod	

**Due dates may shift earlier when holidays occur before the following Wednesday.*

8. Board Staff

Departments should provide information about upcoming budmods at Board Staff meetings. The Commissioners' Chiefs of Staff meet weekly on Mondays. Departments schedule their attendance at Board Staff directly with the Board Clerk. Board Staff prefers that departments present the Monday of the week *before* the Board meeting, not the Monday of the week of the budmod presentation. For more information, see the Multnomah County Board Staff FAQ.

9. Updating Questica

If approved by the Board, the Budget Office analyst will promote the budmod to "Revised" in Questica. Department budget staff should notify the Budget Office to update Questica when position or cost object placeholders are set up in Workday.

10. Updating Workday

Once all placeholders in the budmod have been created in Workday and updated in Questica, the Budget Office will enter the budmod into Workday and notify the department. The Budget Office strives to enter budmods within 4 weeks of Board approval.

Section 3: Internal Budget Modifications

Internal budmods **can**:

- Fix accounting details, such as updating a ledger account or cost object

Internal budmods **cannot**:

- Change the adopted budget appropriation at the fund hierarchy level
- Change Internal Service Reimbursements,
- Reclassify a position, or
- Make any FTE changes.
- Make programmatic or policy changes, including operational reorganizations, even if the budget impact nets to $0. Departments should talk to their Central Budget Office analyst if they are uncertain whether such impacts are being made.

Section 4: Internal Budmod Process

The following steps apply to internal budmods:

1. **Department drafts the budmod:** Departments work internally to draft a budmod and provide a clear description to explain the need for the budmod and an accurate description of the changes being requested.
2. **Department submits to Budget Office:** Departments promote the request form to "Budget Office Review" in Questica and notify their Budget Office analyst.

3. **Budget Office review:** The Budget Office will review the Internal Budmod Description and technical details, and may ask departments to make changes. The Budget Office strives to review internal budmods in a week. Departments can work with their Budget Office analyst on time sensitive requests.
4. **Updating Questica:** The Budget Office analyst will approve the budmod by promoting the request form to "Revised." Departments need to notify the Budget Office to update Questica when cost object placeholders are created in Workday.
5. **Updating Workday:** After approval of the internal budmod, the Budget Office will enter the updated budget information into Workday and notify the department. The Budget Office strives to enter budmods into Workday within 4 weeks of approval.

Section 5: Questica Entry

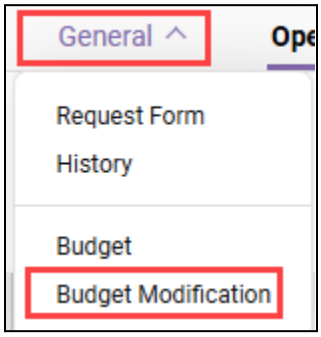
All budmods are created directly in Questica. See Questica Learning Resources on Commons for more training materials. The process is very similar to preparing a budget adjustment or amendment. The primary difference with a budmod is that an Agenda Placement Request (APR) form must also be created. The APR is filled out in Questica under the Budget Modification menu in the request form.

Step 1: Create a Budmod request form

See the Create a Request Form Quick Reference Guide and video for instructions.

Step 2: Fill out the APR questions.

The questions are found in the "Budget Modification" menu under the "General" tab shown in this screenshot:



You can download the APR questions in the final format by running the Budmod APR report, and then choosing to download as either a pdf or Word document.



See Appendix A for some prompts to consider while writing the APR.

Step 3: Allocate positions

See the Position Allocation Quick Reference Guides and videos on Commons.

If additional information is needed about how to cost and/or allocate a position, please see the "Budget Details – Costing and Allocating Positions" section of the most recent Budget Manual, which can be found on the Budget Office website.

Step 4: Enter Revenues and Expenditures

See the Expenditures and Revenues" QRGs and videos.

If additional information is needed, please see the "Budget Details - Expenditures & Revenues" section of the most recent Budget Manual, which can be found on the Budget Office website.

Technical Reminders when entering revenues and expenditures:

Adding Indirect, Risk Fund, and Internal Services

Budget modifications can affect indirect, the Risk Fund, or internal services. When they do, it is important to include related expenditures and revenues in the request form. The Budget Office provides a "cheat sheet" of Internal Service Offset Entries with all the information you need for those corresponding changes, including the program offer number, cost object, and ledger account information for the receiving fund. This is available on the Budget Office website under the "Other Resources, Forms and Templates" heading.

Remember: Departments must select a Ledger Account Detail category when budgeting the following:

- 50310 – Internal Service Reimbursement, whether it is for indirect or other internal service reimbursements.

- 60350 – Indirect Expense to identify whether they are budgeting Department Indirect or Central Indirect. If indirect is capped, state that in the Description field and include the percent or dollar amount of the cap.
- 50320 - Cash Transfer In
- 60560 - Cash Transfers Out

A department is not required to (although it may) use the Ledger Account Detail category for other internal service reimbursement expenditures (such as in ledger accounts 60410, 60430, etc.).

Contracted Services

Budget modifications that include ledger accounts 60150, 60155, 60160, and 60170 require information in the columns titled Supplier and Description. If the budmod is changing contracted services from the Adopted budget, make sure to use the same supplier(s) so that a negative budget isn't created at the supplier level.

Step 5: Attach any necessary documentation in Questica

This would include:

- a copy of the grant or revenue contract for any new revenue sources or changes to existing sources greater than $100.000
- a copy of the approved Notice of Intent (NOI) for grant budmods

See the Add Attachments to a Request Form Quick Reference Guide and related video.

Step 6: Validate that the budmod is balanced and all fields have been correctly filled out.

The budmod submission checklist may be helpful for departments when reviewing their budmods. The Budget Office has also provided a copy of the CBO checklist they use to review budmods. It's only included as a reference for users who would like to know what is looked for during the review process.

Step 7: Submit materials to the Budget Office

See the "Department submits to Budget Office" step in either the Formal Budmod Process or Internal Budmod Process sections above for the final submission steps.

Appendix A: APR Prompts for Questions 2 & 3

2. Provide a brief overview of the current program, and explain what is changing in the budget modification. Include both policy and operational changes, and provide details if this program provides services to specific communities. Please note which Program Offers this action affects.

    a. *Be specific about the services provided, whether County employees are providing the services, and what types of positions are being added or changed.*

    b. How was equity considered in the decision-making process? What are the impacts of these decisions on our community and our staff? Have those most likely to be impacted been engaged in the process? Who bears the burden and who will benefit from reductions or reallocations?

    c. W*hat population does this program seek to serve, and what are the demographics of program participants? How will this action impact those being served in the program?*

    d. Are these programs and/or budget changes designed to specifically reach populations most disparately impacted by the challenges this program addresses?

3. How will the changes from this budget modification be measured?

    a. How do these measurements provide robust information to inform the Board and community of program objectives and service delivery models? How are the measures designed to uncover and address racial and other disparities? For existing programs, how is the budget modification changing the existing performance measures?