Budget Preparation Manual

FY 2017

December 11, 2015
Version 1

Multnomah County
Budget Office

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FY 2017 Budget Process and Resources

Introduction

The Budget Manual is a general guide to assist Multnomah County departments with budget development. Guideline, direction, and deadline changes are common in any budget process; please check the Budget Office website multco.us/budget and watch for email communications from the Budget Office for updates. For questions regarding this manual or preparing your budget, please contact the analyst assigned to the department (page 13).

Financial Overview

The Portland metropolitan area economy continues to experience average to above average growth, and the County's Financial picture is relatively stable. This stability is due both to economic conditions and prudent financial management by the Board.

The County's FY 2017 General Fund 5-year forecast projects that General Fund revenues will exceed current service level expenditures by $16.4 million in FY 2017. However, by FY 2021, this turns into an operating deficit of $4.1 million due to slowing revenue growth and faster labor cost growth, driven in part by increased PERS costs.

Factoring in potential increased debt payments associated with the Downtown Courthouse, Health Department Headquarters, and other capital projects, the FY 2021 operating deficit grows to $11.6 million. This deficit, reflecting about 2.3% of expenditures, is manageable, but indicates that *the County will be unable to sustain, over the long-term, any additional or expanded programs in FY 2017*.

Using one-time-only funds for capital needs which reduces future debt obligations is one proactive approach to addressing the deficit. Another is reallocating existing, ongoing resources. This allows the County to simultaneously address capital needs, the deficit, and meet shifting community needs.

In light of this and to provide the Chair with options, departments will be asked to submit General Fund budgets that reflect a 2% reduction from current service level budgets as a starting point.

The full FY 2017 General Fund forecast can be found at multco.us/budget/economic-forecasts-and-revenue-information.

Policy Direction from the Chair's Office

General Fund Allocation – The Chair is asking departments to submit General Fund budgets that reflect a *2% reduction* from current service level budgets as a starting point.

Additional, New, Ongoing Funds and Backfill of Grants – Departments should focus on accomplishing their goals with existing resources or by reallocating within existing resources. Potential requests should be limited and discussed with the Chair's Office and the Budget Office at the January check-in. The same holds true for backfilling of grant funds with General Fund.

One-Time-Only Requests – Requests for one-time-only General Fund resources should be limited and discussed with the Chair's Office and Budget Office at the January check-in or sooner.

Restoration of Proposed Reductions – Programs offers requesting restoration of a proposed reduction to meet the 2% constraint will be accepted. They should be clearly scaled from the main program offer and marked out of target (page 17).

(Note: Departments are not required to provide scaled offers for every reduction, but will be asked as part of the January check-in how the 2% General Fund reduction was met.)

A Home for Everyone – New program offers will be accepted for consideration based on the PIPs (Proposed Investment Priority). These program offers should clearly reflect the PIP in substance and identification.

In addition, all of the above should be documented in the department's transmittal letter.

COLA for General Fund Human Services Contractors – **1.6% for FY 2017**
This COLA is included in the materials and supplies inflation rate in the General Fund constraint.

Department General Fund Allocations

The Budget Office will provide General Fund Allocations to departments on December 11, 2015 as part of the Big Release.

Departments are being asked to constrain their General Fund budgets (including Video Lottery funds) by 2% for FY 2017. Below are some general principles to keep in mind when developing the budget:

- Preserve direct services.
- Re-examine what programs do in light of the County's core mission.
- Look for innovative ways to do business.
- Avoid changes that reduce revenues.
- Resist the temptation to be overly optimistic about revenues.
- Avoid one-time-only solutions to bridge into the next year.
- Consider the effect of budget decisions on workforce, morale, safety, and recruitment/retention.
- Talk with other departments.

Reductions may not be taken in:

- Internal services: Internal services can change as part of general changes to programs—e.g., if an office closes, reduce expenses for facilities, IT, etc. Coordinate changes with the Internal Service providers and the Budget Office.
- Calculated personnel costs: Labor agreements govern employees' salaries and benefits and cannot be changes. However, FTE counts may be increased or decreased.

State Starting Point

Use the best information from the state as of January 1, 2016 as a starting point for budgeting state-funded programs. It is important for departments to use the same baseline for state funding - budgetary changes may come from the Legislature after January 1st but will be too late to be incorporated into the departments' budget submissions.

A few notes about state funding:

- **Be pragmatic about revenues.** For information on the state's economic condition, read their blog oregoneconomicanalysis.com/ or forecast site oregon.gov/DAS/OEA/Pages/economic.aspx.
- **Document assumptions.** Explain the assumptions used for major revenue sources (page 33). Include a description of assumptions in the department transmittal letter (page 55).
- **Document significant changes.** Explain major changes in state funding and how it impacts program operations and outcome and include the information in the department transmittal letter (page 55).

FY 2017 Budget Process and Resources

What's New

There are a number of changes from previous years (may not apply):

- **$15 Hour Minimum Wage** – the Chair and the Board of County Commissioners agreed to a phased in minimum wage increase. FY 2017 is the final year resulting in $15 per hour. The minimum wage applies to all full-time, part-time, temporary, and on-call positions.

- **Director's Transmittal Letter: List of Significant Reductions** – A list of program reductions by fund is required as part of the Department Director's Transmittal Letter (page 55).

- **FY 2017 Bed Inventory** – The Chair's Office has requested that the Budget Office collect the data necessary to quantify the number and type of proposed beds provided by the County. The information is due with the departmental budget submissions on February 12, 2016 (page 56).
- **Questica Upgrade** – Over the summer, Questica was upgraded. New features include: new name and look, homepages, notifications, documents search. Information is located at Upgrade Features.

- **Calculating Indirect** – For FY 2017, the County will only charge indirect rates on personnel related expenditures. Materials and Services will NOT be charged an indirect rate.

- **Electronics Charges (60420)** – This cost element is discontinued for FY 2017. All electronics charges going forward are included as part of the facilities rate and are budgeted in the facilities cost element 60430.

- **Shredding Contracts** – Previously these were budgeted by departments. Facilities built these contracts into the facilities base rate as part of their rate allocation.

- **Local 88 Wage Study** – Questica was updated based on all existing and settled labor contracts with the standard COLA and step increases. Due to ongoing negotiations, there may be subsequent changes to the following job classifications:
  - Office Assistant Series (6000, 6001, 6002)
  - Facility Security Officers (6258)
  - Corrections Technicians (6266)

- **Facilities Enhanced Services** – To track enhanced services, Facilities is requesting departments budget for facilities in two separate lines: one for the base facilities rate and a second that is enhanced services. Use the description text box to differentiate between the two.

Reminders

Video Lottery Fund – Revenues and expenditures in this fund were formally part of the General Fund. For ***ongoing*** programs funded in the previous year with Video Lottery Funds, use the same dollar amount. For General Fund target allocation purposes, the Video Lottery Funds are treated as General Fund resources. The Budget Office will contact departments after budgets are submitted to make final balancing adjustments. Please contact the budget analyst with Video Lottery Fund questions.

Director's Transmittal Letter: Span of Control – Departments report the span of control ratio in the transmittal letter. For information on how to calculate the span of control ratio go to multco.us/file/33777/download.

Director's Transmittal Letter: Equity Efforts – Describe the way the department enhances diversity and equity in the County (page 51). More information can be found at multco.us/diversity-equity.

Cash Transfers/Other Internal Service Reimbursements – Must be documented in the description field in Questica (page 92).

Contracted Services – The Contracted Services list be generated directly from Questica (page 40).

The Fee Schedule - Is a comprehensive list and description of the fees charged in the County (some exceptions may occur, e.g. the Health department's clinical fees for service). The final fee schedule is posted at multco.us/budget. **The Budget Office will send out due dates and templates for the fee schedule in April 2016.**

The Budget and SAP - there are two key areas where the budget and SAP intersect:

- **SAP Upload** – After the budget has been adopted by the Board, it is uploaded by the Budget Office and maintained as the legal budget in SAP Funds Management module (FM).

- **Downloading Actuals from SAP to Questica** – Actuals are imported to Questica on a regular basis. When importing actuals, any cost objects not in Questica will be created by the Budget Office. Actuals are imported by cost object/cost element at the summary level.

FY 2017 Budget Process and Resources

Budget Calendars

The budget "process" is a combination of many interdependent processes, from Board work sessions to each department's internal procedures and timelines. Tracking dates for all of these simultaneous and overlapping processes can be challenging. The calendars below specifically track major budget milestones, budget process technical tasks, and Board work sessions. All the dates shown are subject to change, so please check the Budget Office Website for updates.

Major Milestones

- December 1st — General Fund Forecast
- December 11th — Big Budget Release
- February 12th — Department Submitted Budget Due
- April 21st — Chair's Executive/Proposed Budget Released
- May 18th — Tax Supervising & Conservation Commission Hearing
- May 26th — Budget Adopted

Budget Process Technical Calendar

(subject to change)

Month	Date	Description
December		
	12/1	General Fund Forecast
	12/11	Big Release
	12/17-12/21	Department Training
January		
	1/25-1/29	Chair Meetings w/Departments #1
February		
	2/1	History Crosswalk Files Due to Budget Office
	2/12	Departments Submitted Budgets Due
	2/29	Program Offers Posted to Web
	2/29-3/4	Chair Meetings #2
March		
	3/4	Budget Adjustments Open in Questica
	3/10	General Fund Forecast Update
	3/14-3/18	Chair Meetings #3
	3/18	Chair Decisions Finalized
	3/21	Budget Office Sends out Chair Decisions
	3/25	Budget Adjustments/Program Offer Narratives Due
April		
	4/1	Department/Division Narratives Due
	4/21	Chair's Proposed Budget Released
	4/25	Budget Amendments Open in Questica
May		
	5/6	Department Only Amendments Due
	5/17	Department Amendments Presented to Board
	5/18	TSCC Hearing
	5/26	Budget Adoption
June		
	6/3	Board Amendments/Program Offer Narratives Due
	6/10	Department/Division Narratives Due
	6/30	Budget Complete/Upload to SAP

FY 2017 Budget Process and Resources

Budget Work Sessions and Hearings

Four to six weeks of budget work sessions and public hearings are scheduled prior to adopting the budget. Work sessions are open to the public but no public testimony is taken. Public hearings are open to the public an testimony is taken.

Work sessions are typically designed around three service areas: General Government, Public Safety, and Health and Human Services. Work sessions are schduled by the Board Clerk and information is posted at http://multnomah.granicus.com/ViewPublisher.php?view_id=3.

Google Calendar

The Budget Office tries to maintain a countywide Google Calendar located at multco.us/budget/calendar for milestones and tasks related to the budget process.

Budget Trainings

Narrative and Performance Measures – learn to create Program Offer narrative and performance measures, bookmark program offers, and run reports.

Budget Analyst Refresher – training for users familiar with Questica; includes refresher on entering expenditures, revenues, and position allocations. Training also covers what's new for the budget year.

More information available at: http://multco.us/budget/training-curriculum-calendar-and-registration. **Individual assistance** is always available from the budget office analysts**.**

Budget Office Contacts

Each County department has a budget analyst in the Budget Office who is responsible for helping departmental staff prepare department budgets and analyzing departmental budgets for the Chair and Commissioners. Analysts can assist with questions about the budget process or Questica.

Budget Office Assignments *multco.us/budget/contact-us*

Name	Title	Assignment	Phone Extension
Mike Jaspin	Interim Budget Director	County Budget Process	xt. 87696
Christian Elkin	Principal Analyst	NOND, Budget Production	xt. 87689
Shannon Gutierrez	Principal Analyst	Questica Project Lead	xt. 87989
Ching Hay	Sr. Budget Analyst	DCA, DCM	xt. 87988
Adam Brown	Sr. Budget Analyst	DCHS	xt. 87987
Allegra Willhite	Sr. Budget Analyst	MCSO, DA	xt. 88283
Chris Yager	Sr. Budget Analyst	DCJ, DCS	xt. 87581
Jeff Renfro	Sr. Budget Analyst	Health, Library, Questica	xt. 89788
Anna Plumb	Research & Eval Mgr.	Performance Measures	xt. 85836
Paula Watari	Administrative Analyst	Public Notices/Special Projects	xt. 87967

Budget Submission Checklist

By February 1, 2016

- Final History Crosswalk for program offers

By February 12, 2016

- ☐ Department Director's Transmittal Letter (Word or PDF)
- ☐ Program offers submitted in Questica
- ☐ Department/Division Narratives (fillable PDF forms)
- ☐ List of program offers by division (Excel or Word)
- ☐ List of Contracted Services generated in Questica
- ☐ Other Internal Service Reimbursements generated in Questica
- ☐ Cash Transfers generated in Questica
- ☐ FY 2016 Current Year Spending Estimates (expenditures, revenues, and FTE in Excel)
- ☐ FY 2017 Bed Inventory from the Health department, Community Justice, the Sheriff's Office and County Human Services (Excel)[1].

[1] The Chair's Office requested information on the beds the County is proposing to provide in FY 2017. At this time, only those departments need to include a separate spreadsheet with the relevant information as part of the budget submission.

Indirect Rates

The County's indirect cost allocation plan is prepared in accordance with the Office of Management and Budget-OMB guidelines.[2] Beginning December 26th 2014, OMB made changes that impacted the way the County calculates/sets its indirect rates and charges indirect rates.

For FY 2017, the County will only charge indirect rates on personnel related expenditures. Materials and Services will NOT be charged an indirect rate. Questions, please contact Heather Drake (ext. 87972) or Eric Arellano (ext. 86718) in General Ledger.

Rates are available here: https://commons.multco.us/general-ledger/fy17-indirect-cost-rates-and-countywide-cost-allocation-plan. For more information, see multco.us/finance/cost-allocation-plans. The full indirect cost allocation plan will be published near the end of December.

Internal Service Allocations

Internal Service allocations will be published on December 11, 2015 at multco.us/budget/fy-2017-budget

The Department of County Assets prepares internal service allocations for Fleet, Facilities and Property Management, Electronics, Records, Distribution, and Information Technology (including Telecommunications). County departments and agencies use these allocations in creating their budgets. These services are paid for through service reimbursement revenue credited to Internal Service Funds.

Internal service providers are responsible for meeting with departments to discuss levels of service, the department's needs for the upcoming year, and how costs are allocated to departments. If departments budget an internal service in an amount that is different than the allocation sheets provided by the Internal Service providers, document the differences and discuss them with the providers and the budget analyst.

There is only one publication date for internal service allocations. However, there may be additional changes during the Chair's Proposed budget development.

Cost element descriptions in **Appendix A** (page 92) provide extended detail on where to budget for Internal Service costs.

For questions regarding Internal Services, email dca.budget@multco.us.

[2] Chapters I and II, part 200 in the Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards as published in the Federal Register. The OMB consolidated and streamlined eight Federal Circulars into one comprehensive policy guide, the "Super Circular".

Preparing the Budget Submission

Introduction

This section provides instructions for assembling department budget submissions. Please contact your Budget analyst with any questions. For technical support and training handouts or resources please go to https://multco.us/budget/training-materials.

Program Offers 101

Program offers combine information on program narratives, budgets, and performance data for a given set of services. The Chair and the Board use this information to build the County's budget. **All** County functions—from operating programs to the General Fund contingency account—request funding through a Program Offer.

What Makes a Good Program Offer?

Conceptually, a good program offer is easy to understand, and shows the relationship between the program and the results it produces for the community. To do that well, program offers should:

- Be unique from other program offers.
- Include a clear, concise description of the program in the narrative.
- Describe desired outcomes.
- Show specific results for specific customers, for example, separate program offers for adult and child services.
- Be a manageable size for decision makers by having a General Fund cost of less than **$3.5 million.**[3] (Internal Service program offers should have a cost of less than **$5.0 million.)**
- Demonstrate the value provided for the cost.
- Use performance measures that accurately monitor the program's outcomes.
- Describe the link to existing county/departmental policy (as described in Department Director's Transmittal letter).
- Cite research, experience, logic, or other data that support the program.

[3] Program offers for programs operating in large single-purpose facilities that cost more than $3.5 million to the General Fund (e.g. jail facilities) are acceptable. Contact the Budget Office for further instructions if this applies to the department. Additionally, see the next page for scaling options and for assembling program offers.

Preparing the Budget Submission

Scaling Programs

Scaling programs provides transparency and allows decision makers to choose a particular service or level of service. Scaled program offers are typically used to:

- Budget for large facilities, such as jails.
- Identify where General Fund was used to backfill other funds.
- Expand services beyond their existing current service level.
- Provide levels of services for a program. For example, an Alcohol and Drug (A&D) Treatment program may offer 100, 150, or 200 slots.

To propose a scaled program offer:

1. Determine the base level of service. In the example above, the base level of service is 100 A&D slots. Assemble a Program Offer for this base level of service.
2. Determine incremental levels of service. In the A&D treatment example, one increment is 50 additional beds, and another, separate increment is 100 additional beds, giving decision-makers choice between adding either 50 or 100 beds. Assemble individual program offers for each discrete increment.
3. Services must be scaled in increments small enough to allow choice but large enough to keep the number of offers at a reasonable level. In the A&D treatment example, 10 offers of 50 beds is probably too small but one offer with 500 beds does not provide any choice. Contact your analyst for guidance.

Scaled offers have a letter at the end of their program offer numbers (e.g. 60035A-17 and 60035B-17. Department business managers determine when a program should be scaled or unscaled and work with the Budget Office to achieve these changes.

Preparing the Budget Submission

Program Offer Creation in Questica

The County uses web based software called Questica to assemble the components of the budget including narrative, expenditures, revenues, position costs, and performance measures.

The following sections walk through each step in building a program offer, following the left hand menu in Questica from top to bottom and include screen shots[4].

Starting Point

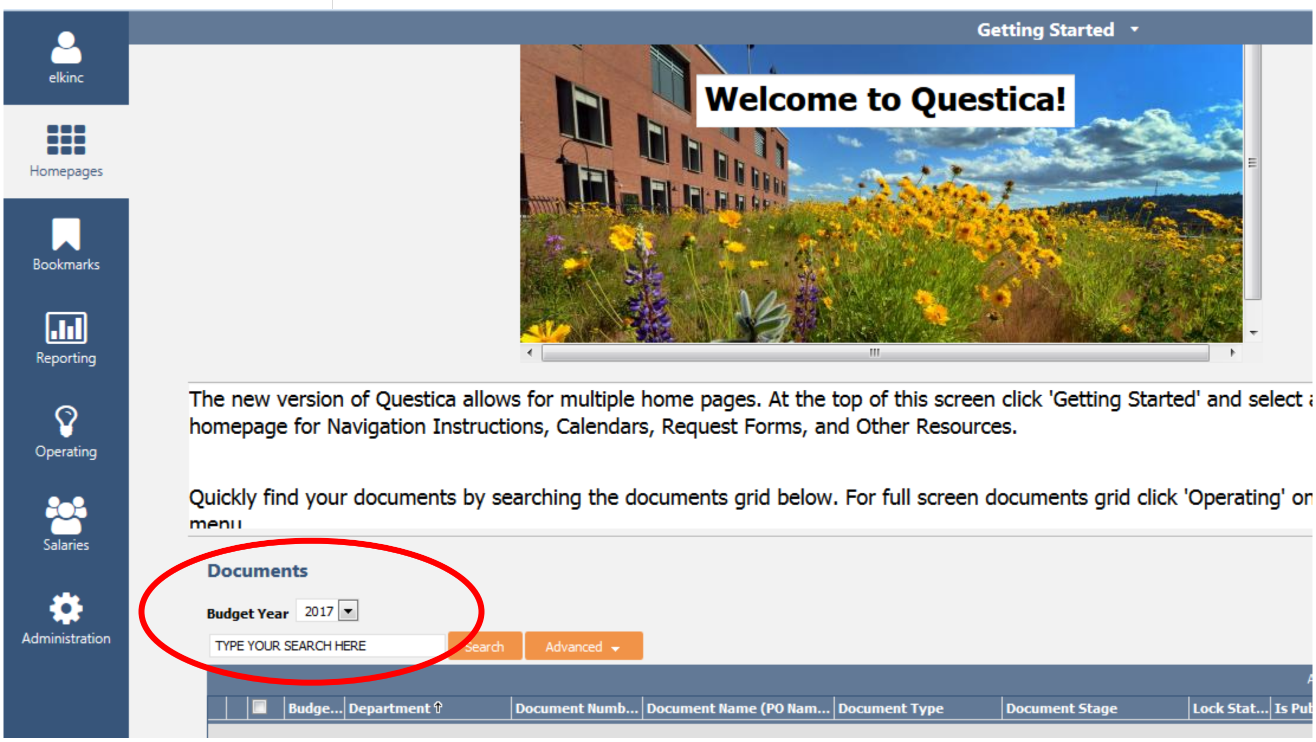
Department business managers determine what information from the previous budget year is copied to FY 2017 program offers (e.g. narrative, performance measures, revenues, expenditures, and positions) and create the initial program offer structure. Questions should be directed to the department's business manager to understand the starting point.

Individual departments determine who has access to the program offers; contact the department business manager for questions.

Finding a Program Offer Document

To locate a program offer document, log in to Questica and:

1. Scroll down on the welcome screen.
2. Select the budget year.
3. Type a search term such as the program offer number, name, or key word into the box.
4. Click search.

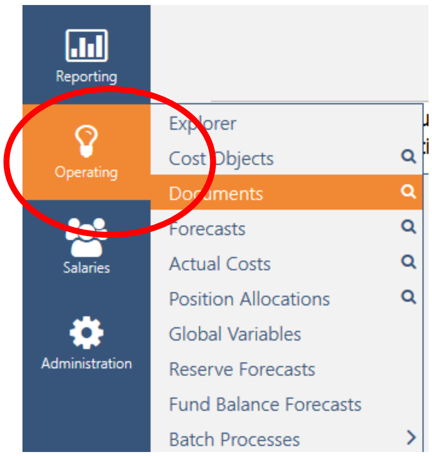


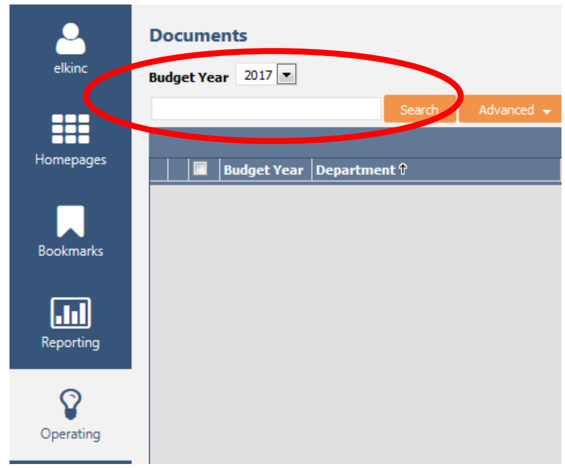
[4] Where there is no material change to the system, the screenshots may be from previous fiscal years' manuals for expediency.

Preparing the Budget Submission

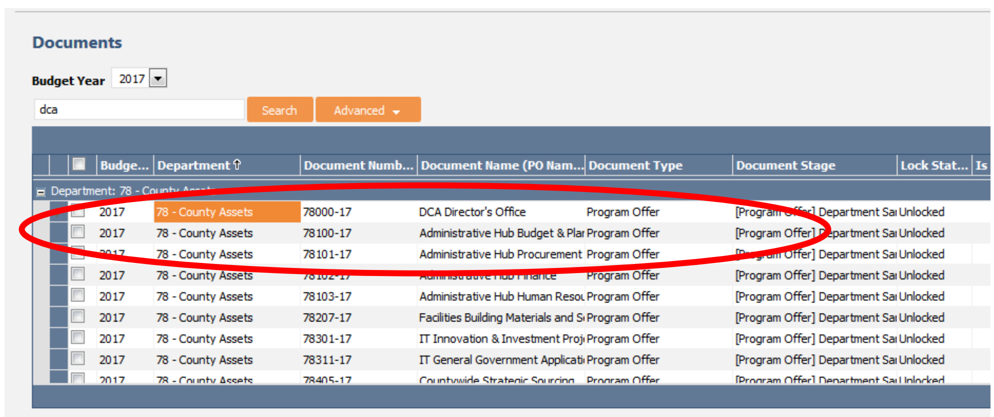
Alternatively,

1. Click on the operating icon on the left hand toolbar.
2. Type a search term such as the program offer number, name, or key word into the box.
3. Click search.





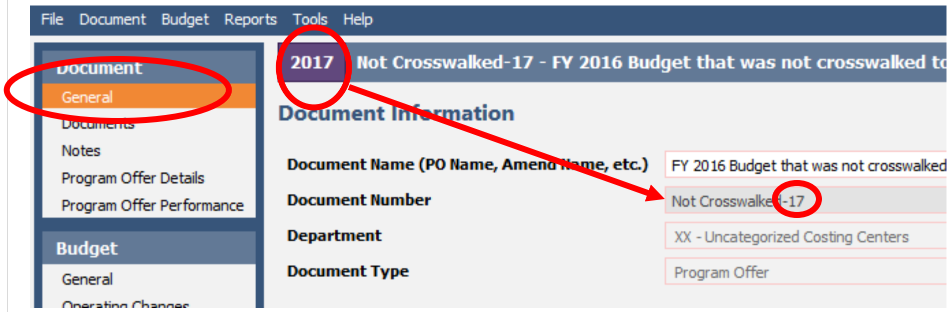
To open a program offer, double click anywhere on the row.



Preparing the Budget Submission

Program Offer Name and Number

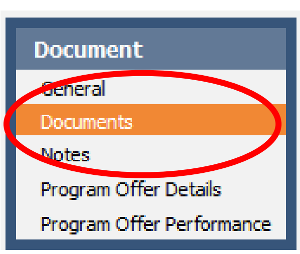
The following sections walk through each step in building a program offer, following the left hand menu in Questica from top to bottom. In the program offer document screen, select "General". Program offer numbers and names are unique to each program and from year to year. You will see the following screen:



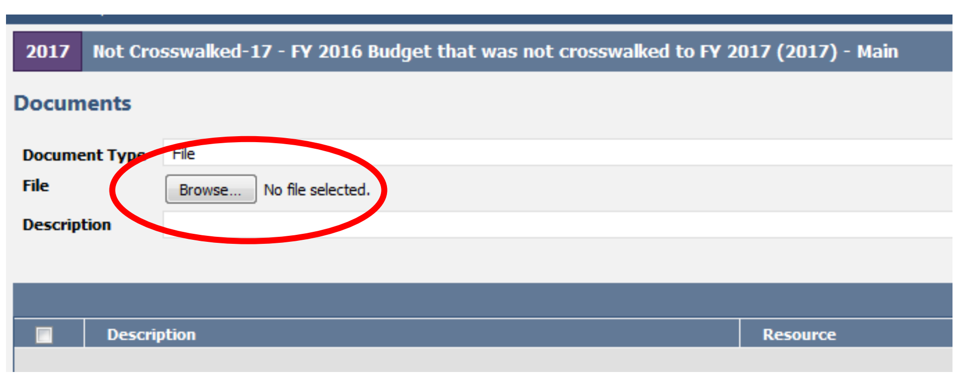
Fields to view/fill out in Questica:

- **Document Name** – enter or edit the Program Offer name.
- **Document Number** – (program offer number, e.g. 72100-17). Program numbers start with the department's two digit SAP number (e.g. 72 = Department of County Management). The "-17" indicates the fiscal year. This text box is not editable.
- **Department** – Department SAP number
- **Document Types** – Assigned by the Budget Office and not editable. If there is an error please contact your business manager.

Documents

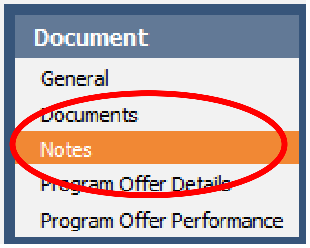


This section is not required, but departments can use it for internal purposes. Documents (word, excel, pdf, jpeg) related to program offers can be attached to program offers. Attached documents will not be published as part of the final budget and will remain internal.

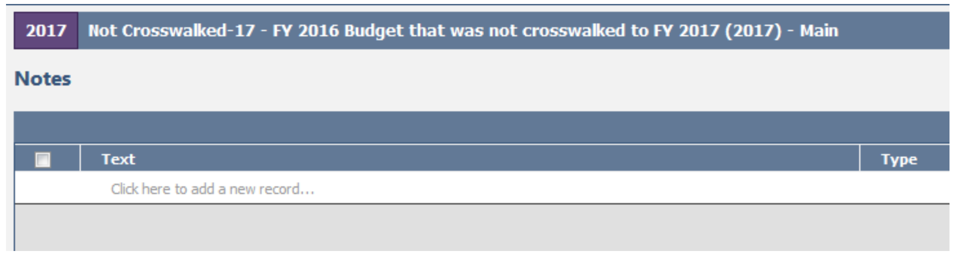


Preparing the Budget Submission

Notes



This section is not required, but departments can use it for internal purposes. Only those with access to the program offers in Questica can view notes.

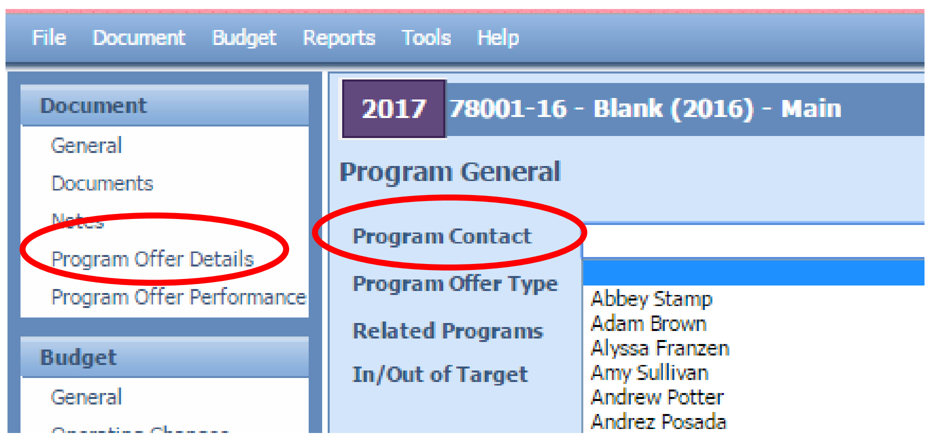


Program Contact

The program contact is someone with direct responsibility for the program who can answer program specific questions.

To add/change a program contact:

1. Select the Program Offer Details tab.
2. Use the drop-down box under program contact to type in the program contact name and search (list is preloaded and sorted alphabetically by first name. If a name is missing, contact the department's business manager).
3. Click on the desired contact name.

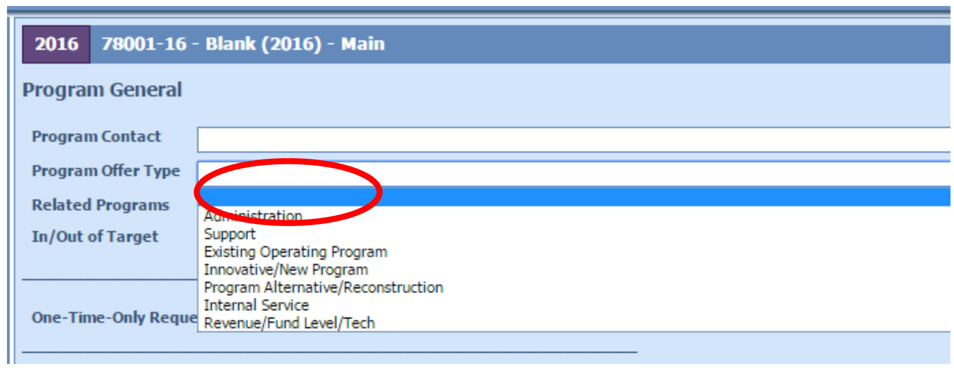


NOTE: User names followed by (disabled) are displayed at the bottom of the program contact list. These are users who are no longer with the County or assigned to program areas. They should not be assigned to a program offer.

Preparing the Budget Submission

Program Offer Types

There are seven types of program offers used by the County. The most widely used are Operating and Administration programs. To select a type, use the drop-down menu.



Administration

Administration program offers are department or division-level administration/management and related expenses (office space, supplies, telephones, etc.). **Note:** Direct program supervision **is not** considered to be administration.

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, or a department's Human Resources unit.

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 in the previous fiscal year with ongoing funding.

Innovative/New Program

Innovative/New Programs are either operational, 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.

IMPORTANT! Departments should focus on accomplishing their goals within existing resources and internal reallocations. Any potential new or ongoing request should be discussed with the Chair's Office and Budget Office at the January check-in with the Chair's Office (page 8).

Preparing the Budget Submission

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. Alternative program offers must:

- Be feasible in the (relatively) short term. The alternatives must be implemented at the start of the fiscal year, and be operational within three months.
- Document all new or enhanced revenue estimates or sources.
- **NOT** make changes that require negotiating labor contracts. In most cases, labor agreements limit the County from outsourcing services currently performed in-house. If departments are considering this option, contact Steve Herron in Labor Relations at xt. 84333.

Internal Service

Internal Service programs are in the Fleet, Information Technology, Facilities, and Distribution funds. These types of programs belong only to the Department of County Assets.

Revenue/Fund Level/Tech

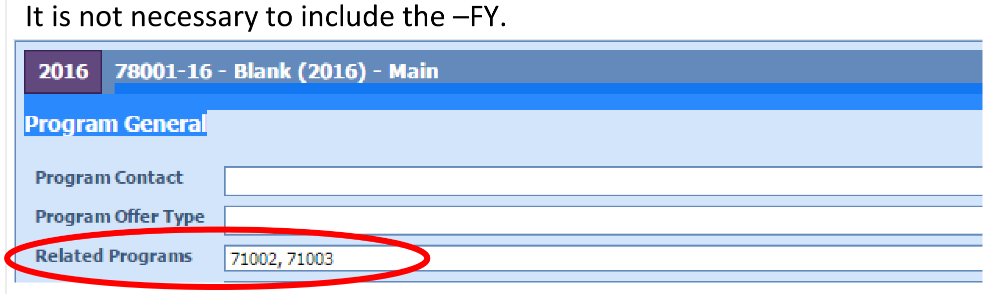
Revenue/Fund Level/Tech programs are generally only for Budget Office use. These programs are used to budget discretionary (primarily General Fund) revenues at the fund level.

Related Program Offers

Program offers can be associated with other programs (inside or outside a department). Related programs should:

- Have an *important operational link* that is *not intuitive or obvious*, for instance linking the Corrections Health programs in the Health Department to the jail programs in the Sheriff's Office.
- Not be programs that are in the same division.

To enter a related program, enter the five digit number of the program in the text box (only the number, **not** the name). When using more than one program offer number, separate them by commas i.e. 72001, 72002. It is not necessary to include the –FY.



Preparing the Budget Submission

Program Characteristics

There are five program characteristics that are used to refine and define program offers. They are a quick signal to the audience about what to expect from the program or the status of the program. (A program can have more than one characteristic.)

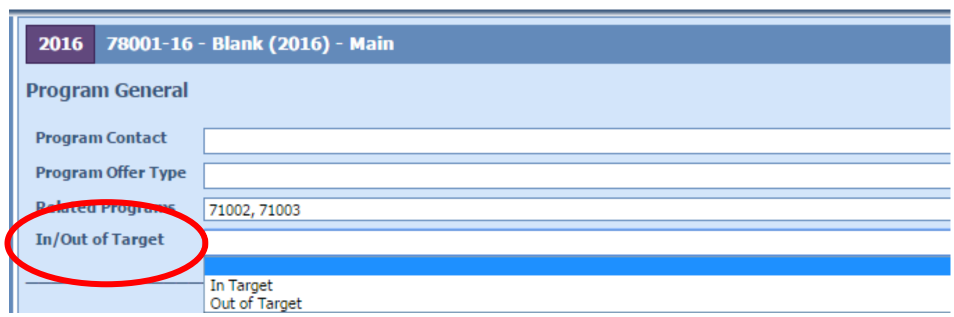
In/Out Target

In and Out of Target primarily identifies if a program offer is within a department's General Fund allocation (page 9).

- **In Target** program offers **are funded** within the department's General Fund allocation (or by Other Funds).
- **Out of Target** program offers are **not funded** within the department's General Fund allocation. These might include new or expanded programs or proposed program reductions due to the 2% constraint (page 8).

IMPORTANT! All program offers must be marked as either In or Out of target.

To select In/Out of Target click the drop down box and choose an option.



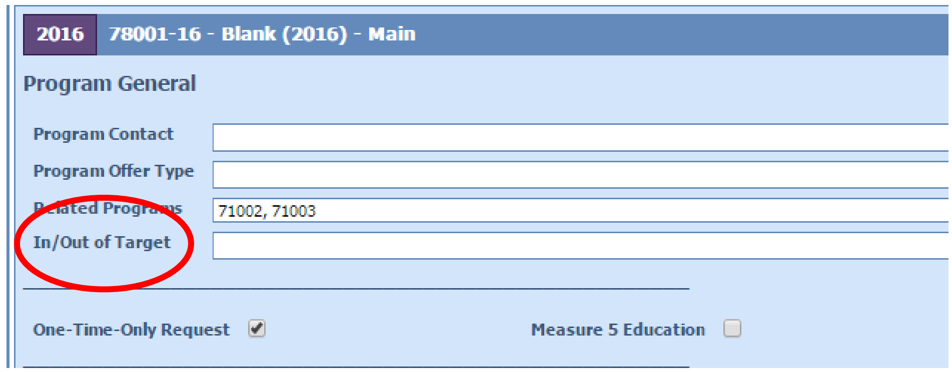
Note: Program offers can be scaled where the base offer (offer A) is In Target and additional offers (B-Z) are Out of Target (page 17).

IMPORTANT! Departments should focus on accomplishing their goals within existing resources and internal reallocations. Any potential new requests should be discussed with the Chair's Office and Budget Office at the January check-in with the Chair's Office (page 8).

Preparing the Budget Submission

One-Time-Only (OTO)

One-time-only (OTO) refers to expenditures that only require funding for a single fiscal year. Indicate one-time-only by marking the checkbox.



IMPORTANT! Requests for one-time-only General Fund should be limited and discussed with the Chair's Office and Budget Office at the January check-in or sooner (page 8).

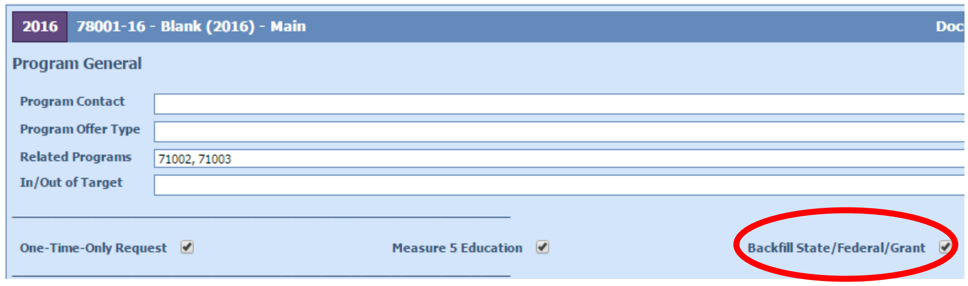
One-time-only programs must describe the following in the program offer:

- Funding source for the request.
- Description of project and goals. Is this a new process/project or an improvement to a current process? How is it different?
- 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 are the benefits and how soon can we see them?
- Performance measures that measure expected program benefits. If available, cite experiences from others or industry norms.
- What is the initial cost required prior to the project becoming fully operational (e.g. capital, licenses, training, installation, additional staff, etc.)?
- How soon before the project is fully operational? How certain is the timeline?
- What is the ongoing cost? Ongoing costs continue after the project is fully operational – maintenance, ongoing staff, licenses, etc. How certain are these costs? How will these costs be paid for in the future?
- Description of the amount saved as a result of funding this project. When will the benefits be realized?

Preparing the Budget Submission

Backfill State/Federal/ Grant

Backfill refers to using discretionary dollars (General Fund) to fund a program formerly funded by a grant, state, federal, or other outside funds. Indicate backfill using the checkbox.



IMPORTANT! Departments should focus on accomplishing their goals within existing resources and internal reallocations. Any potential backfill requests should be discussed with the Chair's Office and Budget Office at the January check-in with the Chair's Office (page 8).

Backfill is **not** used to propose an **increase** to a General Fund program. Some possible backfill scenarios are:

- If the grant goes away entirely and the department proposes continuing the program with General Fund, check the Backfill and In or Out of Target box.

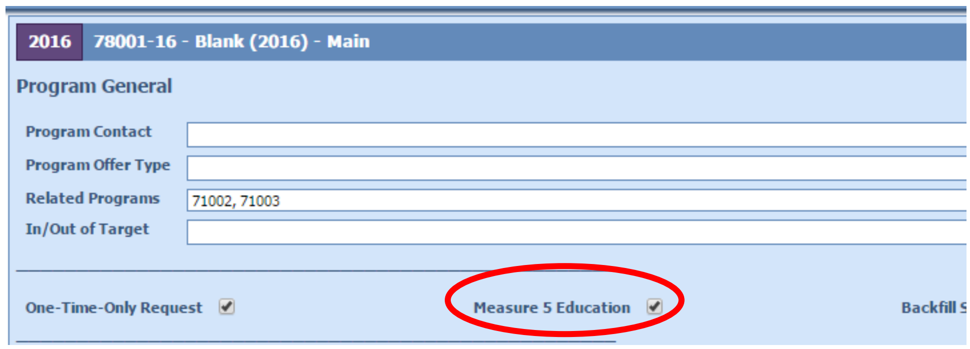
- If only a portion of the grant goes away, and the department proposes continuing the program at the same level by supplementing with General Fund dollars, scale the program (page 17). The base Program Offer (A) should be funded by the grant. This is NOT backfill. The second Program Offer (B)—the General Fund portion—IS backfill.

Please contact the Budget Office with questions about whether a program includes General Fund backfill or needs to be scaled for backfill.

Preparing the Budget Submission

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 for education exceeding $5 per $1,000 of assessed value. To demonstrate the County's compliance with the constitutional limitation on spending for educational services, Questica has a checkbox to identify such programs.



Departments that provide services that could be seen as educational services, check the Measure 5 Education characteristic for that Program Offer. Co-curricular activities conducted in school should be considered educational services for this purpose.

Educational services include establishment and maintenance of schools, support services such as clerical, administrative, professional and managerial services; property maintenance, transportation, counseling, training and other services 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 are provided to the general public and not for the benefit of students.

Program Details

The program details section in Questica is where departments enter the program offer narrative information that will be published in the budget book.

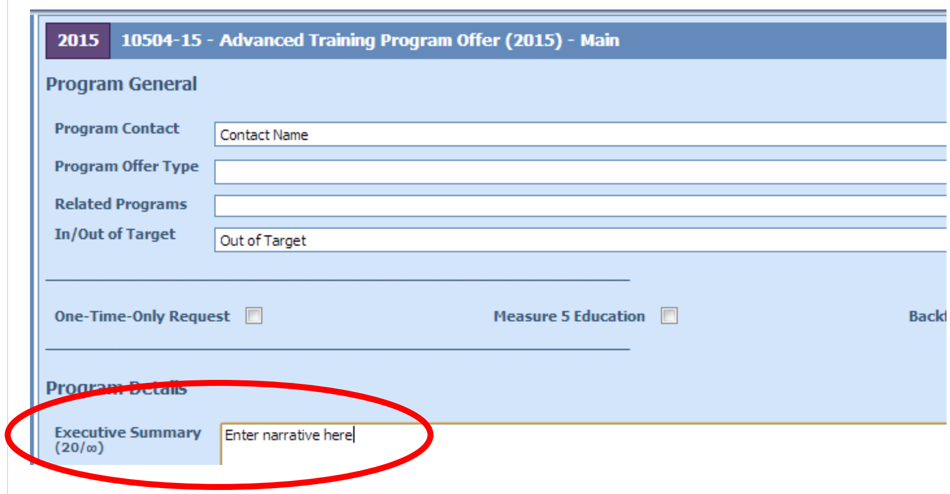
General Reminders

Character Count – Questica displays a character count for **all** the narrative sections (20/∞). The infinity symbol indicates that entering unlimited text is allowable; however, only a limited amount of text is visible in the printed program offers.

Narrative boxes are a guide to appropriate section length. In order to accurately view the text, use the PDF version of the program offer to confirm the text fits.

Executive Summary

In 50 words or less, write a clear and concise description of the program offer. Imagine having a few minutes to explain this activity to a neighbor.



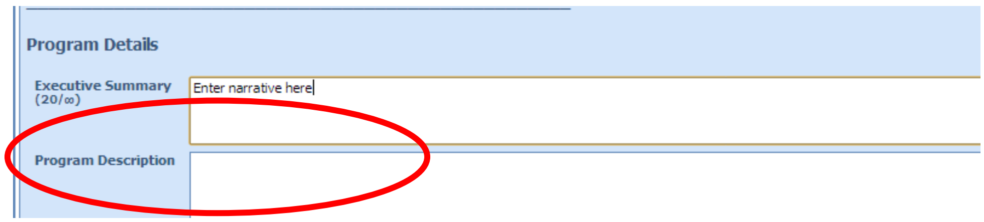
Program Description

The program description text box is used to briefly and clearly describe the activity or set of activities in a program offer.

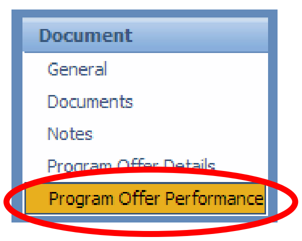
Tips:

- Indicate partnerships with other departments or organizations.
- Describe changes in current practice (reorganization, staffing levels, service hours, etc.) and the nature of the change.
- Use language that is understandable for the layperson.
- Describe how the offer supports department strategies for achieving results in the community.
- Cite research, experience, logic, or other evidence.
- If proposing new services, briefly describe how cost estimates were determined (e.g. historical costs, conversations with other jurisdictions or departments, or some other methodology).

- If the program offer supports a department-specific strategic plan, the Emergency Management Plan, Health Insurance Portability and Accountability Act (HIPAA), the Facilities Disposition Plan, the Climate Action Plan, the Five Year Capital Plan, or the Asset Preservation Plan, note the linkage.



Performance Measures

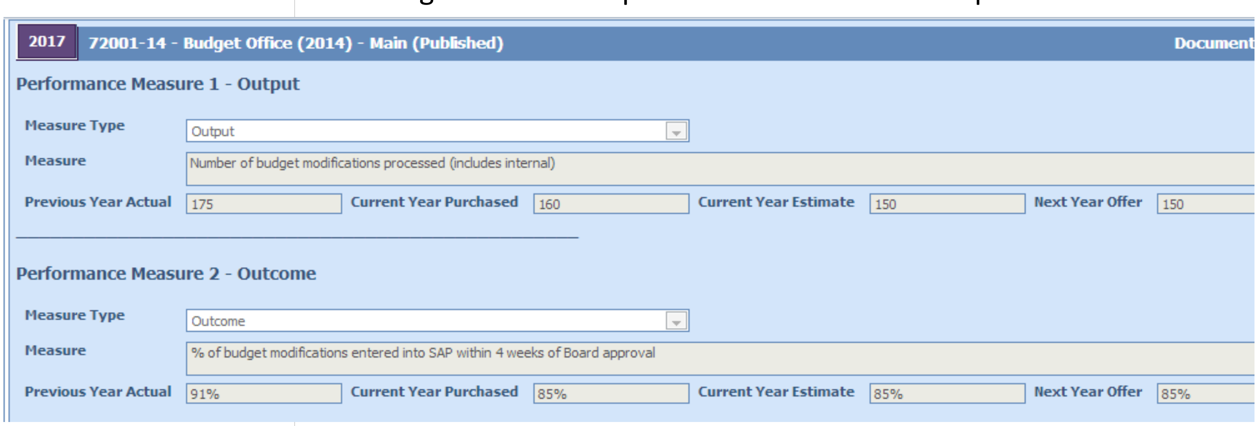


Performance measures explain how a program is producing its intended outcomes and desired results. Performance measures quantitatively tell something important about the programs and help decision makers refine strategies and improve results. Performance measurement involves developing meaningful and objective indicators systematically monitored to assess progress made in achieving predetermined goals.

Entering Performance Measures

At a minimum, each program offer is **required** to have one output and one outcome measure. Departments have the discretion to use two additional measures. Information on creating performance measures is in Appendix B (page 107).

Performance data is entered in the program offer performance tab. The following describes the performance measure components.



Measure Type - select the measure type with the drop down.

Measure - performance measure definition. Use simple definitions and avoid technical language, acronyms, and jargon.

Performance Data – performance measurement numbers.

- Enter performance data into the cells (Previous Year Actual, Current Year Purchased, Current Year Estimate, Next Year Offer). All fields should be filled in for existing programs. For new or substantially redesigned programs, some performance measure fields can be left blank.
- The data cells are text boxes; to show % or $, use those symbols. Data should be consistent across cells (e.g. decimal places, number types).
- Commas should be used to separate thousands (e.g. 1,000,000 not 1000000 and $5,000 not $5000).
- FTE should be entered to the second decimal place (i.e. 1.00 not 1.0 or 0.50 not 0.5).

Performance Measure Description - explain changes in existing measures, missing data, or major discrepancies in achieving program targets.

Scaled Offers – Each scaled offer's performance measures should report <u>only</u> services that the scaled offer supports. For example, if the base offer is for 10 residential treatment beds, the performance measure must reflect only those 10 beds. If the second scaled offer is for an additional 10 residential beds, additional performance measures must reflect only those additional 10 beds, and not the combined 20 beds.

Performance Measure Types

Performance measures types 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 combination of some or all of these measures. For performance measure training, please contact the Budget Office.

Input Indicators

Input indicators describe amounts of available resources for a specific service or program. Revenue/expense and FTE detail are reported in other sections of the program offer, so input indicators should cover other program resources that are managed or consumed. Input measures are helpful to illustrate scope of work, but not actual activities performed. Data are typically reported as numbers and not percentages.

Examples of Input Indicators

- Square feet of building space
- Number of computer workstations
- Number of clinics

Output Indicators (Required Measure)

Output indicators report the number of units produced or services provided. They describe activities a program has completed. Programs often have more than one output indicator. 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 (Required Measure)

Outcome indicators report the results of providing a service. They can be broken down into short-term (e.g., % of enrollees completing treatment), intermediate (e.g., % of completions remaining drug free at six months), or long-term (e.g., % of completions remaining drug free at one year). There should be a logical connection from outputs to meaningful outcomes. They can be reported as numbers, percentages or rates.

Examples of Outcome Indicators
- Percent reduction of juvenile recidivism
- Reduction in incidence of disease (rates)
- Reduction in repeat calls for service

Note: Reporting cases closed (e.g., case management, addiction treatment, cases prosecuted, etc.) is not a meaningful outcome. Terminating services/cases does not describe what was accomplished.

Efficiency Indicators

The two types of efficiency indicators examine how effectively a program is performing by measuring resources consumed per unit of output.

- <u>Simple efficiency indicators</u> focus on the ratio of outputs to the dollar cost of output production. For example, “cost per vehicle repair”.
- <u>Productivity measures</u> focus on rate of output per unit of input. For example, “vehicles repaired per labor hour”.

Good efficiency measures incorporate efficiency and productivity; for example “labor-hours per successful vehicle repair.” This measure includes the costs (labor-hours) of all vehicle repairs, including faulty repairs, in the numerator, but only successful repairs are counted in the denominator. Comparing total cost to number of successful repairs encourages both efficiency and outcomes.

Examples of Efficiency Indicators
- Cost per jail bed day
- Labor-hours per successful vehicle repair
- Cost per completed assessment

Quality Indicators

Quality indicators measure effectiveness in meeting the expectations of customers and stakeholders. Measures of quality include reliability, timeliness, safety, accuracy, courtesy, accessibility, responsiveness, and completeness associated with the product or service. Lack of quality can also be measured, e.g. percent of jobs requiring rework, error rates, or number of complaints per total service provided.

Examples of Quality Indicators

- Percent of reports that are error free
- Percent of records entered accurately in a data system
- Percent of customers that rank service as exceeding their expectation

Performance Measure – Description

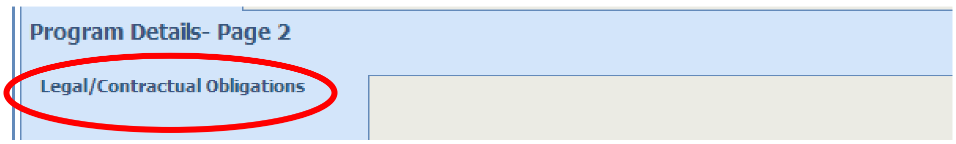
This text box describes the performance measure. If performance measures have changed, explain the new measure and why it is being changed. Also report data on the previous year's measure that is no longer being used.

Performance Measure Reporting

The Questica report titled 'Performance Measures by Program Offer' provides users with a quick look at all of a department's performance measures.

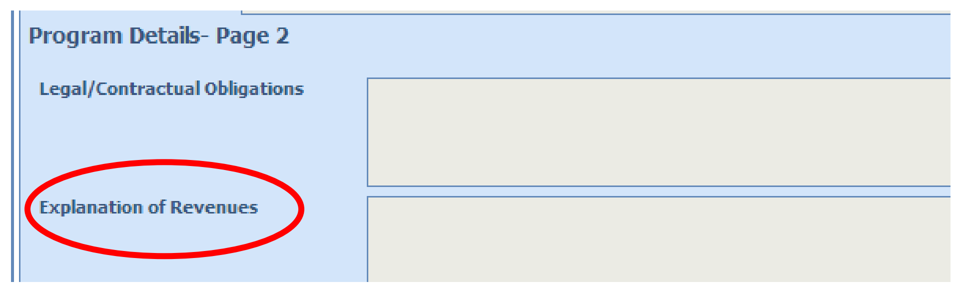
Legal and Contractual Obligations

If a program offer is affected by a legal or contractual mandate, note the mandate and its authorizing document (statute, a contract, etc.). 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 revenues were estimated and how they support the program. For grant, fees, or other non-General Fund revenues, describe how estimates were prepared, including a description of any assumptions behind state revenue estimates.



Document individual revenues and the estimates, for example:

- Estimated number of client visits multiplied by $X/client rate.
- Estimated caseload for the upcoming year and how funding is apportioned by a grantor to the estimated caseload.
- If funding is split over a biennium, what % of the funding is budgeted?
- Size of the grant award and length of award or the percentage of the grant to be received in the current fiscal year.
- State share of $/% of tax revenue (e.g. the County receives 22% of the State Department of Corrections funding which equals $$).

If the program uses both General Fund and other revenue sources, describe how 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.

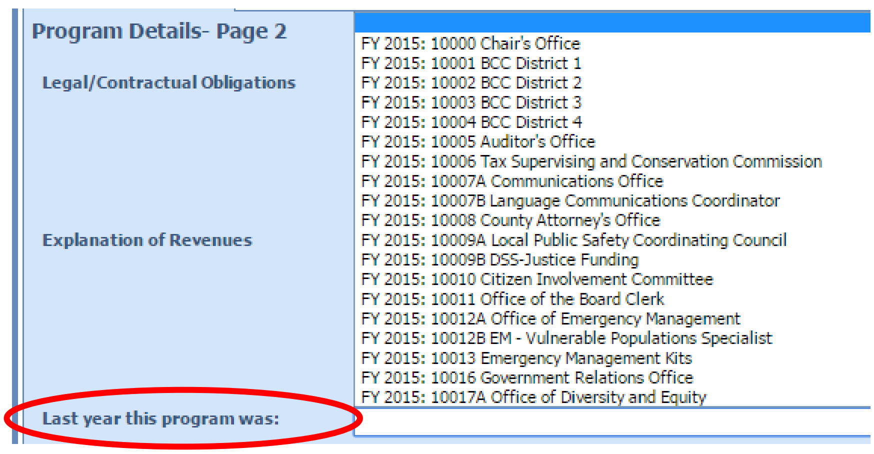
Preparing the Budget Submission

Be sure the description includes ALL revenues supporting the program. Add up the numbers in the Explanation of Revenues description to ensure the total matches the total shown in the revenue/expense detail.

QUESTICA HINT: Revenue detail (excel, word, pdf) can be saved in the program offer in the documents tab (page 20). This information is **<u>in addition</u>** to filling out the explanation of revenues section. The documents will **not** print with the program offer; this is supplemental information for departments to use internally.

Last Year this Program Was

Questica links program offers from one year to the next using a drop-down menu that contains the previous year's Adopted program offers in numerical order. If a program offer is missing, contact the department's budget analyst.



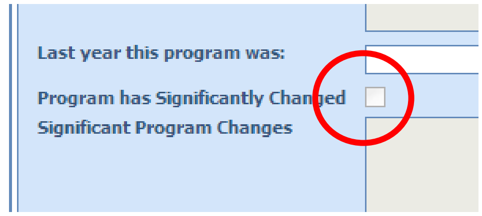
Remember:

- Program offer numbering can change between fiscal years.
- New program offers should not have a link to a previous year program offer and should be left blank.
- When combining program offers, choose the previous year's program offer that best represents the current year program. Reference the other offer(s) in the significant changes text box.

Significant Program Changes

This section is used to explain significant **programmatic** (NOT small financial "up and down") changes that affect the program.

Mark the check box if the program has significantly changed.



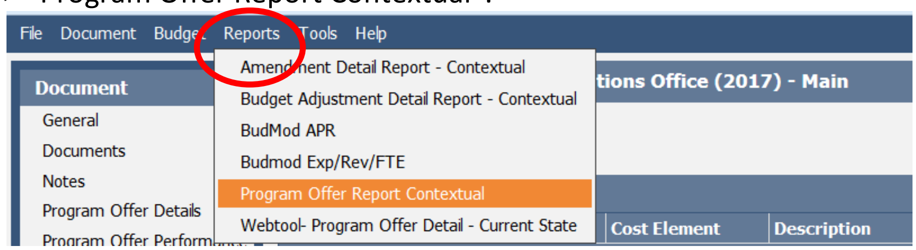
Be sure to include the following information:

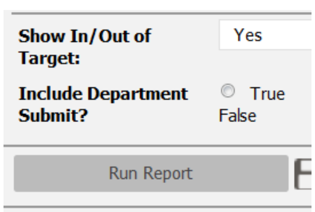
- Increases or decreases in the scope or level of services.
- Increases or decreases in net position resources (FTE).
- Revenue increases or decreases.
- How this change affects other departments and/or service delivery.

Note: Division narratives (page 50) also have a significant changes section used to describe significant changes at the Division level.

Reviewing Program Offers

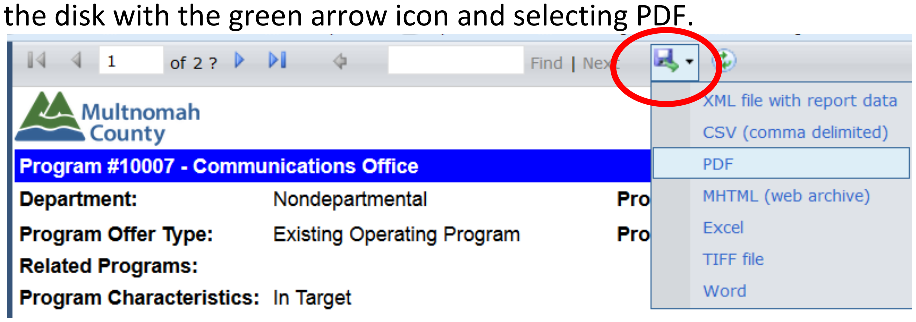
To preview the program offer, use the top tool bar and select "Reports" -> "Program Offer Report Contextual".





- Show In/Out of Target –program offers can be displayed with or without the In/Out of Target designation (page 24). Changing the designation on the report does not change the program[5].
- Include Department Submit – Click false/no[6].

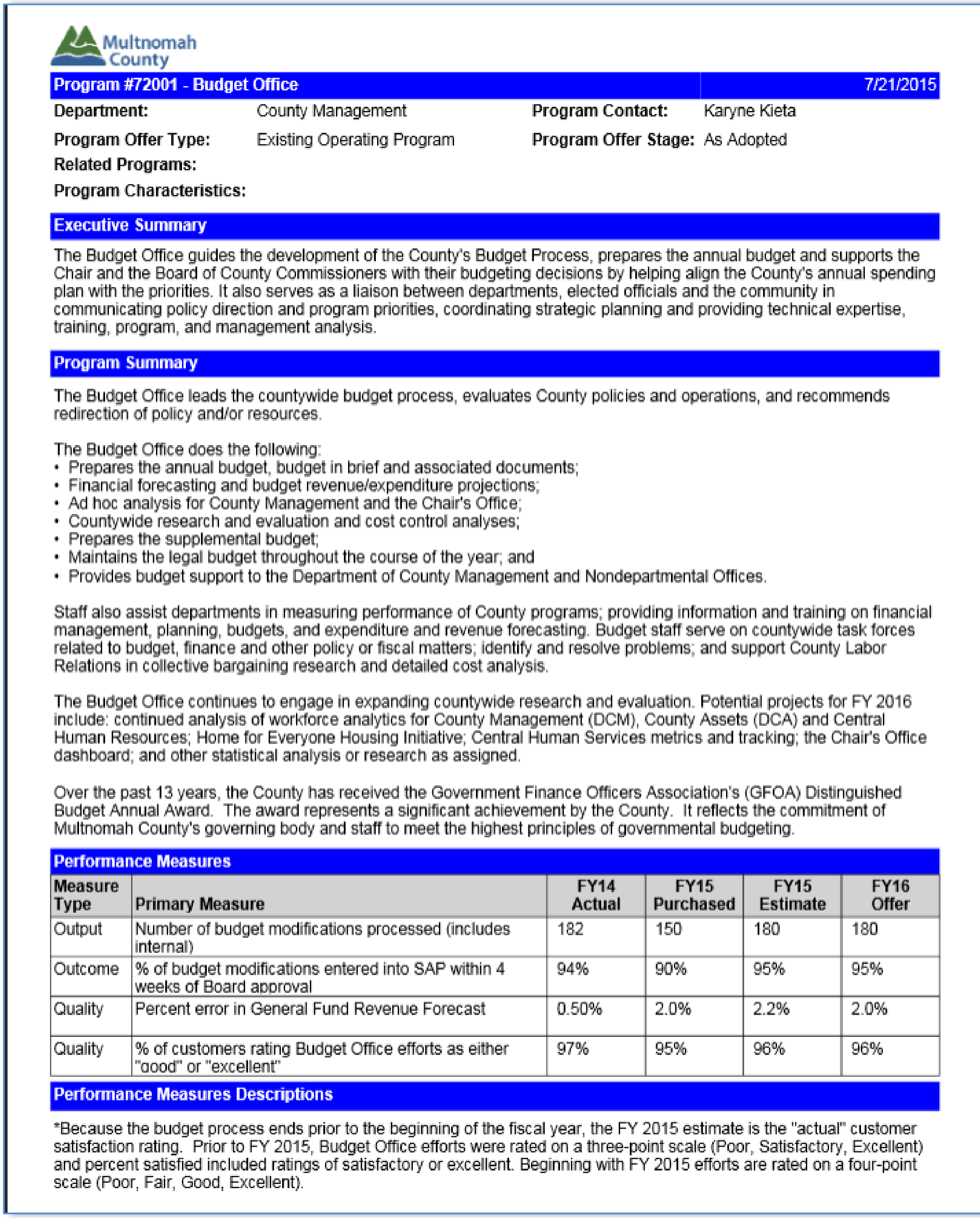
Preview as a PDF - to ensure the narrative fits and the document is correctly formatted, view the PDF version of the program offer by clicking the disk with the green arrow icon and selecting PDF.



[5] When the submitted programs are published to the County's website the In/Out of target is displayed.
[6] This is immaterial until later in the budget process. See the Budget Adjustment section (page 57).

Preparing the Budget Submission

A sample program offer is shown on the next two pages.
Page 1



Multnomah County

Program #72001 - Budget Office	7/21/2015

Department: County Management **Program Contact:** Karyne Kieta
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Adopted
Related Programs:
Program Characteristics:

Executive Summary

The Budget Office guides the development of the County's Budget Process, prepares the annual budget and supports the Chair and the Board of County Commissioners with their budgeting decisions by helping align the County's annual spending plan with the priorities. It also serves as a liaison between departments, elected officials and the community in communicating policy direction and program priorities, coordinating strategic planning and providing technical expertise, training, program, and management analysis.

Program Summary

The Budget Office leads the countywide budget process, evaluates County policies and operations, and recommends redirection of policy and/or resources.

The Budget Office does the following:
- Prepares the annual budget, budget in brief and associated documents;
- Financial forecasting and budget revenue/expenditure projections;
- Ad hoc analysis for County Management and the Chair's Office;
- Countywide research and evaluation and cost control analyses;
- Prepares the supplemental budget;
- Maintains the legal budget throughout the course of the year; and
- Provides budget support to the Department of County Management and Nondepartmental Offices.

Staff also assist departments in measuring performance of County programs; providing information and training on financial management, planning, budgets, and expenditure and revenue forecasting. Budget staff serve on countywide task forces related to budget, finance and other policy or fiscal matters; identify and resolve problems; and support County Labor Relations in collective bargaining research and detailed cost analysis.

The Budget Office continues to engage in expanding countywide research and evaluation. Potential projects for FY 2016 include: continued analysis of workforce analytics for County Management (DCM), County Assets (DCA) and Central Human Resources; Home for Everyone Housing Initiative; Central Human Services metrics and tracking; the Chair's Office dashboard; and other statistical analysis or research as assigned.

Over the past 13 years, the County has received the Government Finance Officers Association's (GFOA) Distinguished Budget Annual Award. The award represents a significant achievement by the County. It reflects the commitment of Multnomah County's governing body and staff to meet the highest principles of governmental budgeting.

Performance Measures

Measure Type	Primary Measure	FY14 Actual	FY15 Purchased	FY15 Estimate	FY16 Offer
Output	Number of budget modifications processed (includes internal)	182	150	180	180
Outcome	% of budget modifications entered into SAP within 4 weeks of Board approval	94%	90%	95%	95%
Quality	Percent error in General Fund Revenue Forecast	0.50%	2.0%	2.2%	2.0%
Quality	% of customers rating Budget Office efforts as either "good" or "excellent"	97%	95%	96%	96%

Performance Measures Descriptions

*Because the budget process ends prior to the beginning of the fiscal year, the FY 2015 estimate is the "actual" customer satisfaction rating. Prior to FY 2015, Budget Office efforts were rated on a three-point scale (Poor, Satisfactory, Excellent) and percent satisfied included ratings of satisfactory or excellent. Beginning with FY 2015 efforts are rated on a four-point scale (Poor, Fair, Good, Excellent).

Page 2

Legal / Contractual Obligation

The Budget Office is not mandated, but the County is subject to Oregon Budget Law, ORS Chapter 294 & sections of ORS Chapters 280 & 310 related to filing and ballot title wording. The office is responsible for producing a financially sound budget that complies with the law and communicating the outcome from public funds entrusted to the County.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	**2015**	**2015**	**2016**	**2016**
Personnel	$1,486,801	$0	$1,729,145	$0
Contractual Services	$10,000	$0	$26,000	$0
Materials & Supplies	$88,900	$0	$74,000	$0
Internal Services	$190,167	$0	$311,528	$0
Total GF/non-GF	**$1,775,868**	**$0**	**$2,140,673**	**$0**
Program Total:	**$1,775,868**		**$2,140,673**	
Program FTE	11.00	0.00	12.00	0.00

Program Revenues				
Total Revenue	**$0**	**$0**	**$0**	**$0**

Explanation of Revenues

This program is supported by General Fund revenues.

Significant Program Changes

Last Year this program was: FY 2015: 72001 Budget Office

Responsibility for budget support for the Department of County Management and Nondepartmental Offices is being transferred from the DCA Hub to the Budget Office. An increase of 1.00 FTE Budget Analyst Principal will add capacity for overall budget support.

The Budget Office has increased Professional Services for TeamBudget training and continuing technical improvements, reports, and contracting to enhance the system. The Department of County Assets changed the drivers and methodology for allocating Information Technology charges, which resulted in a $120,000 increase to the Budget Office internal service line item.

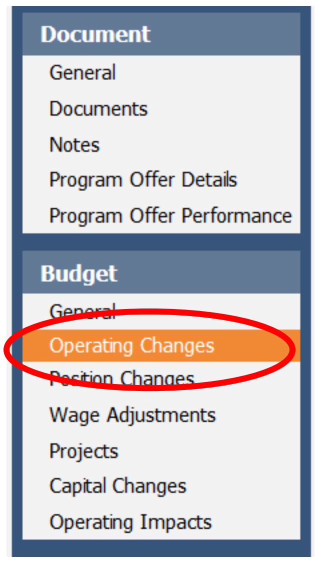
Budget Detail: Expenditures, Revenue, and Position Allocations

The County's budget is comprised of expenditures and revenues.

- **Expenditures** are what the County spends to provide services to the community. Expenditure categories include personnel, materials and supplies, internal services, contracted services, and capital.
- **Revenues** are tax and non-tax generated resources that are used to pay for services.

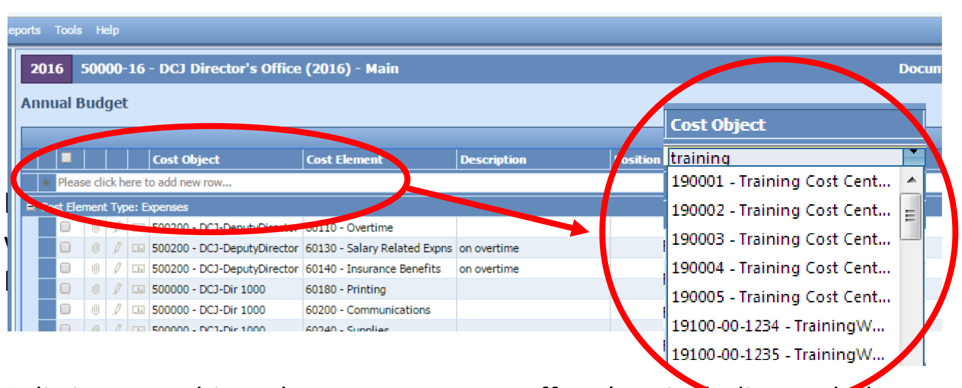
Expenditures and revenues are further categorized by cost elements. For a complete list of cost elements and descriptions, go to Appendix A (page 80).

Entering Expenditures and Revenues



Expenditures and Revenues are entered in the budget section - operating changes grid. All expenditure and revenue line items are required to have a cost object, cost element and 2017 budget amount. The following briefly describes the operating changes grid (supporting documents can be found at https://multco.us/file/7786/download).

Cost Objects (WBS elements/Cost Centers) – begin typing the cost object (cost center or WBS element) name or number and the dropdown selection list appears. Cost objects have been updated at the request of departments. If data is missing or a new cost object is needed, requests can be made online at multco.us/budget/questica-formerly-teambudget-support-page; select Questica Support Forms -> Request a New Cost Object.



Splitting cost objects between program offers (not including scaled program offers) is not recommended. Departments can create a new cost center or WBS element to maintain a one-to-one relationship between cost objects and program offers.

Placeholder Cost Objects – WBS elements or cost centers for new programs can be created as placeholders in Questica prior to creating the cost object in SAP.

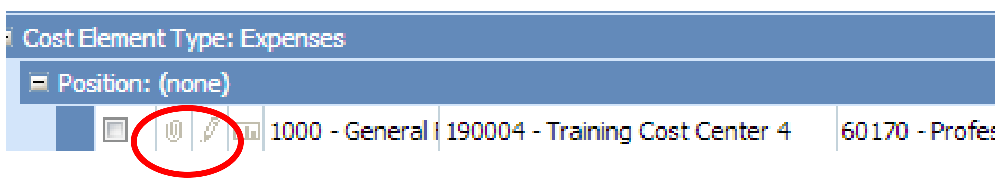
Fund Description – this field is auto generated in Questica. If this information is incorrect, please contact the Budget analyst. If a new five digit fund is needed, requests can be made online at multco.us/budget/questica-formerly-teambudget-support-page; select Questica Support Forms -> Request a New Fund.

2017 Budget Amounts – enter the expenditure and revenue budget amounts. All expenditures and revenues are entered as ***positive*** amounts. Questica does not calculate beyond the decimal point.

Description – there are multiple ways to document assumptions, notes, reminders etc. The easiest and most visible is the description field located in the grid. This is a required field for:

- Contracted services (page 40),
- Budgeting for Other Internal Services (page 92),
- Budgeting for Cash Transfers (page 92),; and,
- Manual adjustments to position costs (page 48).

Text notes and documents - can be added directly to the expenditure or revenue line item by clicking the paper clip (attach a document) or pencil (text note) symbols next to the line item. **Note:** this field is not published.



Saving Data - select the Shift Key + Enter or tab one additional time.

DO NOT enter personnel costs for positions (cost elements 60000, 60130, 60140) directly in the operating changes grid. These are auto generated by Questica when a position is *allocated* in the position changes grid. Manual adjustments are used in limited circumstances (page 48).

Entering Multiple Lines of Data

Multiple lines of data can be entered for the same cost object/cost element. For example: for more than one contract in a cost center enter individual lines. Questica aggregates cost elements into the correct expenditure and revenue amounts on the program offer report.

Operating Budget

Display Options Tools

Cost Object	Cost Element	Description	Vendor# - ...	Fund Description	2017
Cost Element Type: Expenses					
701000 - DCM Budget	60170 - Professional Svcs	Training Contract	Vendor A	1000 - General Fund	10,000
701000 - DCM Budget	60170 - Professional Svcs	100 A&D Outpatient Treatment Beds	Vendor B	1000 - General Fund	100,000
701000 - DCM Budget	60170 - Professional Svcs	Client Job Training and Work Readiness	Vendor C	1000 - General Fund	50,000
					(160,000)

Preparing the Budget Submission

Importing and Exporting Expenditures and Revenues

While data can be entered directly into Questica, often users prepare budget data externally in Excel to be uploaded. Due to strict data formatting requirements, uploaded data must be pasted into a spreadsheet that is generated from Questica. Data prepared in a spreadsheet outside of the Questica environment **cannot** be directly uploaded. Copy and paste data into the Questica generated spreadsheet to upload it.

The Budget Office developed an Excel add-in tool- 'the Upload Helper Tool'- to assist users in validating the data. Contact the Budget Office to have the tool installed.

Contracted Services

A list of contracted services is generated **directly** from expenditure information entered in cost elements 60150 (County Match and Revenue Sharing), 60155 (Direct Program and Client Assistance), 60160 (Pass-Through and Program Support) and 60170 (Professional Services).

Completed information in columns titled Vendor#–Vendor Name and Description is required when budgeting in the aforementioned cost elements.

Cost Element	Description	Vendor# - ...	Fund Description	2017
60170 - Professional Svcs	Training Contract	Vendor A	1000 - General Fund	10,000
60170 - Professional Svcs	100 A&D Outpatient Treatment Beds	Vendor B	1000 - General Fund	100,000
60170 - Professional Svcs	Client Job Training and Work Readiness	Vendor C	1000 - General Fund	50,000
				(160,000)

Vendor#-Vendor Name – should be entered in the same format as the title of the column, including the "–" (e.g. 12345-contractor). If no vendor is identified enter TBD (to be determined).

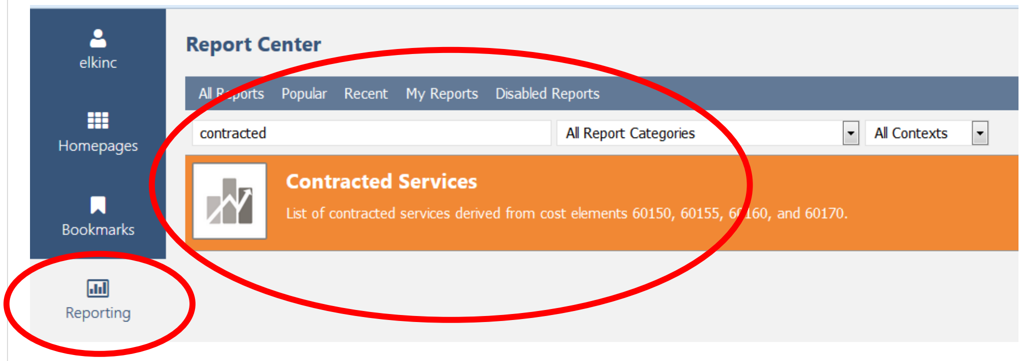
Description – should contain a meaningful description of the service being provided (i.e. 100 A&D residential treatment beds). It should not include the information from the vendor column.

In cases where the program offer, cost object, cost element, and description are the same, multiple contracts from a single vendor may be entered as a single line.

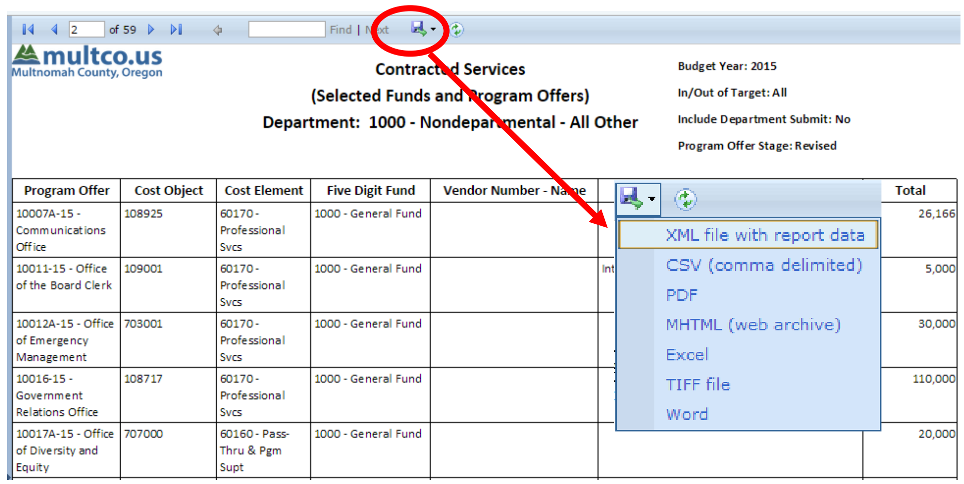
Contracted Services-Report

This report provides a summarized list of a department's contracted services. Departments submit this report as part of the budget submission.

Select Reporting on the left hand menu and then select Contracted Services -> Run Report.



Export and save the report by selecting the disk with the green arrow icon and select the format.

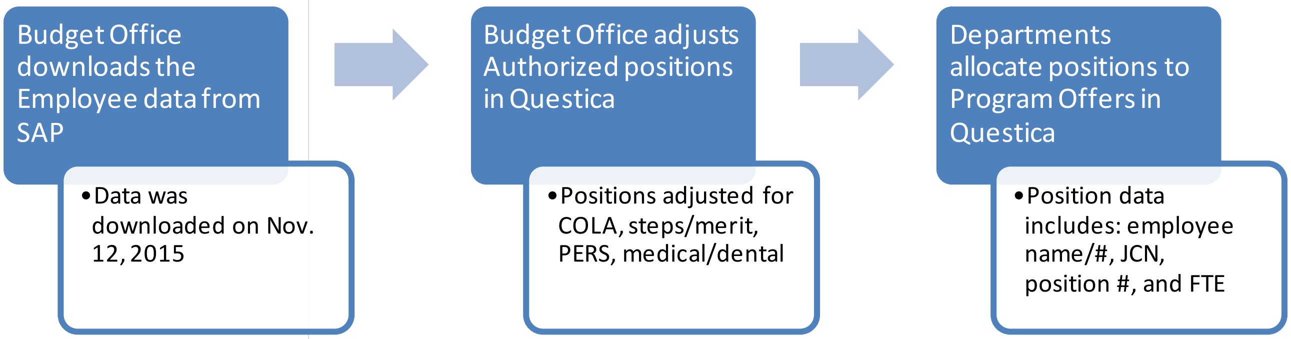


Preparing the Budget Submission

Costing and Allocating Positions

Countywide total personnel costs accounted for over $565 million[7] and 4,982 FTE in the FY 2016 Adopted Budget, making them one of the largest and most complicated aspects of the budget.

Budgeting for position costs has two components. The first is costing the positions including Permanent Pay (60000), Salary Related Expenses (60130), and Insurance Benefits (60140). The second is allocating the position to a program offer. The flow chart below details the process.



Authorized Positions

In FY 2016, the Board approved or "**Authorized**" a list of positions when they formally adopted the budget. Through formal budget modifications with Board approval, departments update and maintain the list of authorized positions.

In FY 2017, the budget process will use the **Authorized Positions** based on Board authorized permanent positions. The employees assigned to the authorized positions are based on November 12th SAP payroll data and include vacant positions[8].

Position Costing

Position costing is the process of estimating costs for positions a department plans to budget. Position costing starts with the list of authorized positions. Employee information from SAP is uploaded into associated authorized positions once a year.

Position costing in Questica is based off the employee attributes in SAP (including the job class number (JCN), not the job class number (JCN) in Questica. For instance, employees who are temporarily working out of class (WOC) would have had the temporary JCN assigned to the position. Position changes or manual adjustments may be needed to accurately budget for the position (page 44).

Questica is not used as an HR system; employee information is available to provide better costing for positions and is used for planning purposes.

[7] Includes cost elements 60000-60145.
[8] On-call, limited duration, or temporary are NOT included in the upload. See Appendix A (page 73).

Preparing the Budget Submission

Assumptions behind Position Costs

Below are the assumptions used for position planning. The full rate tables for Salary Related Expenses (60130) and Insurance Benefits (60140) are in Appendix A (page 80).

Represented employee wage scales were built using calculated base pay for FY 2017 including step increases, any recently added/adjusted steps, briefing pay adjustments, and 2,088 hours for hourly positions. COLA increases were calculated at 1.6% except for the Deputy Sheriff's Association which has a 2.0% floor built into the contract.

Non-represented/Management wage scales were built assuming merit increases and a 1.6% COLA increase.

60000 (Permanent Pay)

- Corrections Officers: 2.8% Security Briefing Pay adjustment
- Deputy Sheriffs and Corrections Officers bargaining units: wage scales averaged based on employees that were at that step

60130 (Salary Related)

The following groups receive VEBA:

- Deputy Sheriff's 1%
- FOPPO 1%
- Non-represented 1%
- Electricians Local 48 3%
- HVAC Engineers Local 701 3%
- Physicians Local 88-4 1%

60140 (Insurance Benefits)

The County estimates total County-wide costs for benefits and then uses a flat composite (average) rate per employee for budgeting purposes. Annual medical/dental insurance (60140) flat amounts are as follows:

- $15,001 per full-time employees
- $11,251 per Local 88 three-quarter-time employees
- $8,557 per half-time employees.

Preparing the Budget Submission

Types of Positions

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. Also includes the salary related expenses (60130) associated with FICA, Tri-Met tax, workers' compensation, and unemployment.

Limited Duration Employees: Any employee assigned for a defined period of time for a special project, a grant, or to perform duties that have other limited funding.

Update or Change Positions

Departments can request changes to positions by using the electronic forms at multco.us/budget/questica-formerly-teambudget-support-page. The form types are as follows:

- **Adjusting FTE:** to change a position's FTE (up or down), use the "Request a JCN (Reclass) or FTE Change to a Position".
- **Add a Position:** to request a NEW position, use the "Request a New Position".
- **Reclassify Positions:** to change a position's JCN, use the "Request a JCN (Reclass) or FTE Change to a Position".

DO NOT budget for salary savings. If there is a need to reduce position costs to balance the budget, positions should be reduced or eliminated.

Allocating Positions to Program Offers

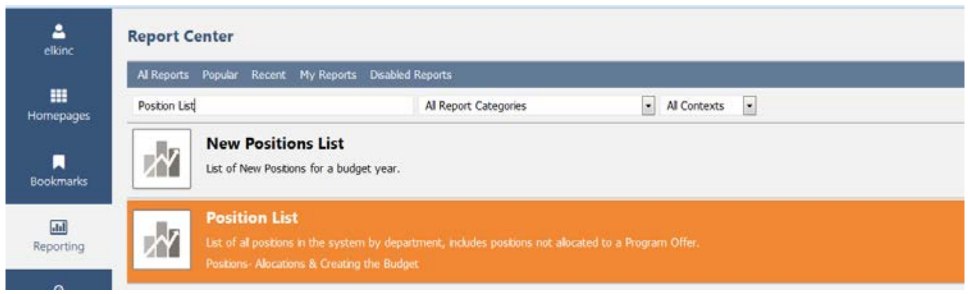
"Allocation" – the act of assigning a percent of a position to a Program Offer(s).

Questica does all position cost planning and allocations, which expands position reporting and improves position tracking. In general, position costs are **not** manually entered in the operating grid. Positions are allocated or assigned to program offers. The following provides instructions on how to allocate positions to program offers.

Position List Report

Step 1: Position List Report

This report allows users to see a list of all the positions assigned to the department. Select "Reporting" from the left hand menu, scroll down or search for "Position List", and click run report.



The default report parameters displays positions, FTE, JCN's, position allocations, and position costs for the department. Vacant positions are included. A sample is shown below.

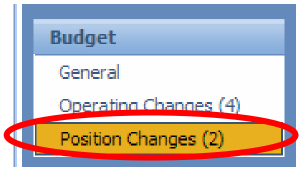
2 of 4   Find | Next

multco.us
Multnomah County, Oregon

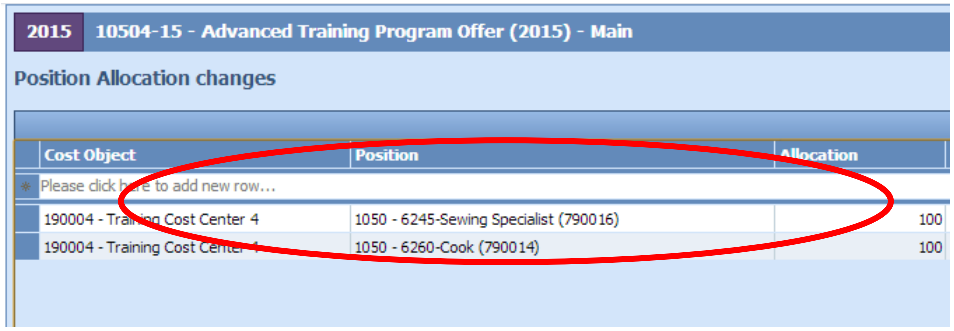
Position List
(Totals for Selected Bargaining Units, JCNs and Position Types)
Department: 60 - Sheriff

Budget Year: 2015
Filled/Vacant Status: Vacant
Allocation Status: All

Number	Status	Bargaining Unit	JCN	Employee Name (Number)	Start Date	End Date	Document Allocations	FTE
700174	Existing	04 - Corr Officers Assoc	2029 - Corrections Officer	VACANT	7/1/2014	None	60041G-15, Revised, 601422, 16%; 60041H-15, Revised, 601422, 84%	1.00
700338	Existing	04 - Corr Officers Assoc	2029 - Corrections Officer	VACANT	7/1/2014	None	60040E-15, Revised, 601410, 100%	1.00
700342	Existing	04 - Corr Officers Assoc	2029 - Corrections Officer	VACANT	7/1/2014	None	60033A-15, Revised, 601450, 100%	1.00



Step 2: Allocate positions to program offers – within the program offer select the position changes tab. The entry grid for position data looks similar to the expenditure/revenue grid.



Cost Object –begin typing the cost object name or number to view the dropdown list and select a cost object (page 38)

Position – type the position number.

Allocation DOES NOT equal FTE

Allocation – this is the **percent** of the position tied to the cost object. **ALL** positions included in the budget must be allocated at 100% but can be split across multiple program offers (page 47).

Description – optional field.

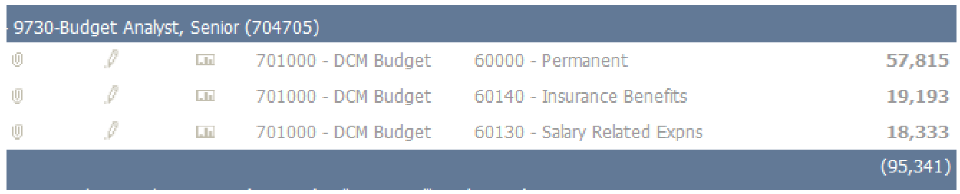
FTE – Questica automatically calculates this field based on the allocation percentage and the FTE linked to the position. For example, allocating 50% of a position with a 0.80 FTE results in 0.40 FTE.

Saving Data – select the Shift Key + Enter or tab one additional time.

Importing and Exporting Data- this function can be used to upload position data into Questica. To use the import tool for uploading positions, please contact the Budget Office (page 40).

Where are Position Costs?

After positions are allocated in the position changes grid, they automatically populate the operating changes grid with the Permanent Pay (60000), Salary Related Expenses (60130), and Insurance Benefits (60140). Additionally, the FTE totals are automatically filled in on the expenditure/revenue detail on page 2 of the program offer report (page 37).



Why are the position costs grey and uneditable?
Position costs are automatically calculated in the position grid. The act of allocating a position on the position changes grid automatically generates the costs. Position costs are not editable from the operating changes grid and can only be changed by making an allocation adjustment to the position or changing the attributes of the position (i.e. reclass, FTE change etc...) (page **Error! Bookmark not defined.**) or by adding manual adjustments (page 48).

Allocating Positions to Multiple Cost Objects or Program Offers

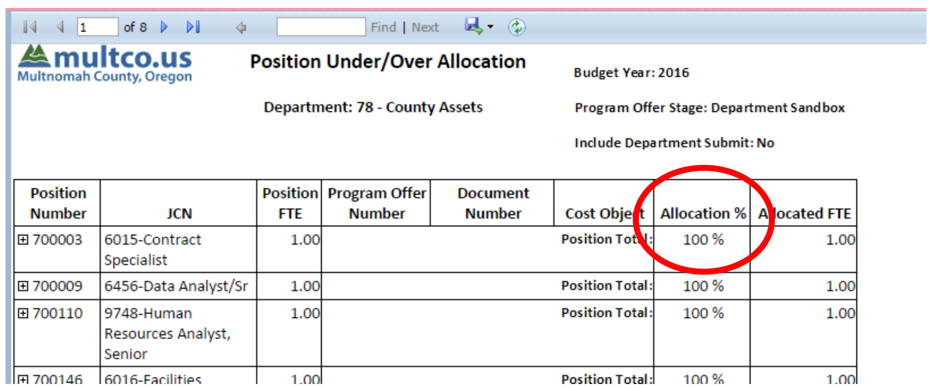
When allocating a position to more than one cost object, determine the percent to allocate (e.g. 50% to cost object #1 and 50% to cost object #2) in order to allocate the position at 100%. The same principle applies for a position with less than 1.00 FTE. Allocate 100% of a 0.80 FTE (see previous page FTE section for more information on FTE and allocation in Questica).

Positions can be also split across more than one program offer. Using the method above allocate 50% to program offer #1 and 50% to program offer #2. **DO NOT** budget position splits **smaller than 0.10 FTE**.

Under/Over Allocated Positions

Once positions are allocated, use the **Position Under/Over Allocation** report to confirm that every position is allocated at 100%.

Use the Allocation % column to identify under/over allocated positions.



Vacant Positions and Manual Adjustments to Position Costs

There are ***limited*** instances in which manual adjustments need to be made to position costs outside of allocating a position. Manual adjustments are entered directly in the operating changes grid. Some examples include:

Vacant Positions: Vacant positions do not have any attributes from an employee (i.e. PERS tiers, seniority, or wage); therefore, **all vacant positions are costed at the bottom of the salary range and at PERS Tier 3.** If there is enough information that a position will be hired at something other than the bottom of the range, a manual adjustment to increase 60000 (Permanent), 60130 (Salary Related Expenses), and 60140 (Insurance Benefits) is appropriate (see Appendix A page 80).

Overtime (60110) and Premium/Lead Pay (60120): when budgeting overtime, premium, and lead pay for permanent positions, users manually calculate and budget for 60130 (Salary Related Expense) and 60140 (Insurance Benefits) (see Appendix A page 80).

Limited Duration Positions – Limited Duration positions are temporary assignments. Their costs are budgeted in temporary cost elements, and are not allocated as a permanent position or counted in the department's FTE.

REQUIRED! If a position requires manual adjustments enter the position number and reason in the Description field. For example, "*increases vacant position 123456 to step 6".* Adjustments to a large group of positions can be entered as one line item with a brief description. Individual position numbers are not required in this instance.

IMPORTANT: manual adjustments **are not** shown in any of the position reports because they are not associated with positions. This information is only available in the in the expenditure detail reports.

Preparing the Budget Submission

Department Narratives

The published budget includes overviews of department activities and budget called department narratives. Department narrative is separate from program offers and provides readers with additional background information. The narrative reports on the following:

- Mission, vision, and values that guide the department's work,
- The department's budget,
- The past year's successes and the upcoming year's challenges, an
- The department's diversity and equity activities.

Departments submit narratives using fillable PDF forms located at multco.us/budget/fy-2017-budget-manuals-forms-calendars-and-other-resources.

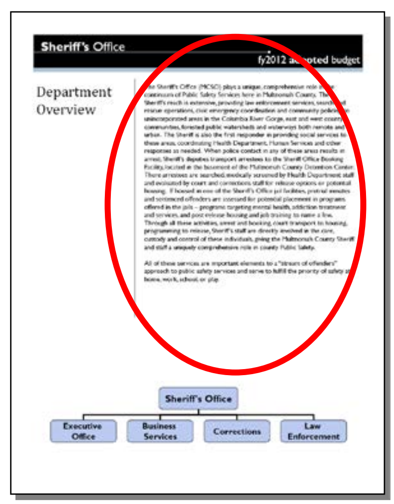
NOTE: Save the forms to the desktop **BEFORE** entering text, if text is entered before saving the document it **will not** save. All of the narrative forms text boxes are locked in all aspects (length, font size, and margins) for consistency.

Department Overview

The department overview introduces the department and should include the following:

- The main work of the department.
- Its role at the County.
- 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), found at multco.us/board/mission-vision-values-statement. Identify which areas of the MVV are relevant to the department and demonstrate how the department's activities contribute to those areas.



The department overview is limited to the white space shown in the circle. The organization chart at the bottom of the page is submitted via your Department Director's transmittal letter.

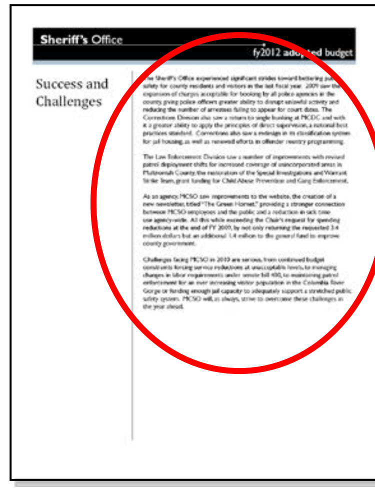
Budget Overview

The budget overview is prepared by the Budget Office. It summarizes the department's policy decisions and budget. The summary is written after the Chair's decisions are finalized and updated again for the Adopted Budget. Departments have the opportunity to review this section before it is published.

Preparing the Budget Submission

Successes and Challenges

The successes and challenge section identifies key successes of the previous fiscal year as well as any anticipated challenges in the upcoming fiscal year.


Sheriff's Office

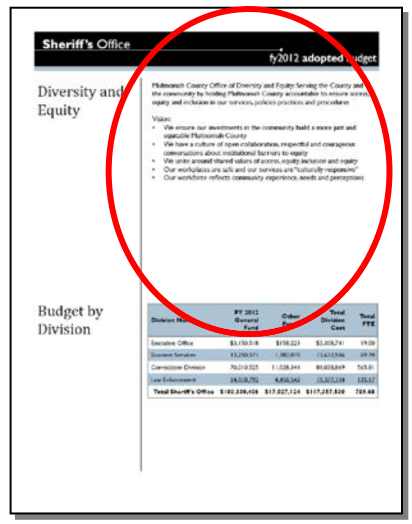
fy2012 adopted budget

Success and Challenges

Diversity and Equity

The diversity and equity section explains how the department's programs contribute to the County's diversity and equity goals 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 multco.us/diversity-equity.

Please contact Ben Duncan at 503.988.9090 for any questions.


Sheriff's Office

fy2012 adopted budget

Diversity and Equity

Budget by Division

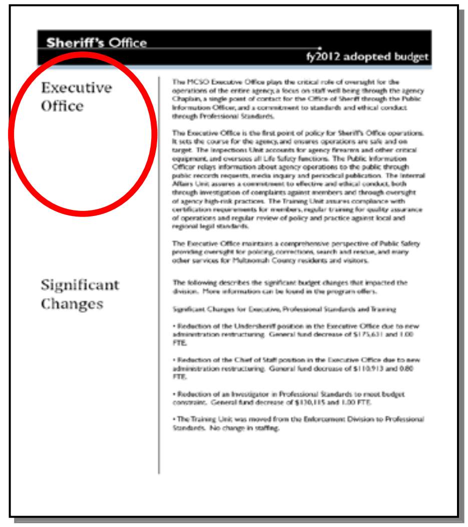
Budget by Division Table

The budget by division table is compiled by the Budget Office. The Budget Office creates the table using the "program offer by division" file sent as part of the department's budget submission. This table is prepared after the Chair's decisions are finalized and updated for the Adopted Budget.

Preparing the Budget Submission

Division Narrative

The narrative section describes how the department's programs are organized operationally. Download the template multco.us/budget/fy-2017-budget-manuals-forms-calendars-and-other-resources and save a copy for each division. Enter the name of the division in the space shown in the red circle.


Sheriff's Office

fy2012 adopted budget

Executive Office

The MCSO Executive Office plays the critical role of oversight for the operations of the entire agency, a focus on staff well being through the agency Chaplain, a single point of contact for the Office of Sheriff through the Public Information Officer, and a commitment to standards and ethical conduct through Professional Standards.

The Executive Office is the first point of policy for Sheriff's Office operations. It sets the course for the agency, and ensures operations are safe and on target. The Inspections Unit accounts for agency firearms and other critical equipment, and oversees all Life Safety functions. The Public Information Officer relays information about agency operations to the public through public records requests, media inquiry and periodical publication. The Internal Affairs Unit assures a commitment to effective and ethical conduct, both through investigation of complaints against members and through oversight of agency high-risk practices. The Training Unit assures compliance with certification requirements for members, regular training for quality assurance of operations and regular review of policy and practice against local and regional legal standards.

The Executive Office maintains a comprehensive perspective of Public Safety providing oversight for policing, corrections, search and rescue, and many other services for Multnomah County residents and visitors.

Significant Changes

The following describes the significant budget changes that impacted the division. More information can be found in the program offers.

Significant Changes for Executive, Professional Standards and Training

• Reduction of the Undersheriff position in the Executive Office due to new administration restructuring. General fund decrease of $175,631 and 1.00 FTE.

• Reduction of the Chief of Staff position in the Executive Office due to new administration restructuring. General fund decrease of $110,913 and 0.80 FTE.

• Reduction of an Investigator in Professional Standards to meet budget constraint. General fund decrease of $130,115 and 1.00 FTE.

• The Training Unit was moved from the Enforcement Division to Professional Standards. No change in staffing.

The division narratives should describe:

- The division's strategic plan.
- The division's work.
- The community need or problem the division addresses.
- The division's clients.
- The division's successes.

The **significant changes** section is a place to note operational changes at the division level:

- Reorganizations.
- Service delivery model changes.
- New programs.
- Programs that were eliminated.

Include a reference to related program offers so readers can find additional information about the changes.

Current Year Spending Estimate (CYE)

The budget is a plan for how the department anticipates spending funds in the upcoming fiscal year. Budgets set financial goals and current year spending estimates allow users to review actual performance against these goals. Because the budget is an estimate of future spending based on current information, actual performance should be similar to the budgeted amounts; however, it will never be exactly the same. Departmental spending estimates give a general sense of how the department is doing by comparing actual spending to budget.

Departments submit the current year spending estimates as part of the budget submission (page 14). Due to variation among departments, funding sources and lines of business, there is no one size fits all template. Generally, the estimate should compare the department's current year budget to current year spending and identify changes. It should also provide explanations for substantive differences.

Required categories for CYEs:

Expenditures - by fund, by division, and includes:

- Personnel services
- Contractual services
- Materials and supplies
- Capital outlay
- Internal services

Example

Expenditures			
Division A	General Fund		
	FY Budget	CYE	Difference
Personnel	18,712,398	18,900,000	(187,602)
Contractual Svcs	341,590	302,703	38,887
Materials/Supplies	811,651	783,883	27,768
Internal Services	1,752,565	1,752,565	0
Capital Outlay	0	0	0
Total	21,618,204	21,739,151	(120,948)
	Fed/State Fund		
	FY Budget	CYE	Difference
Personnel	4,929,539	4,823,543	105,996
Contractual Svcs	673,228	663,833	9,395
Materials/Supplies	61,912	4,196	57,716
Internal Services	515,602	515,602	0
Capital Outlay	0	0	0
Total	6,180,281	6,007,173	173,108
	Total		
	FY Budget	CYE	Difference
Personnel	23,641,937	23,723,543	(81,606)
Contractual Svcs	1,014,818	966,536	48,282
Materials/Supplies	873,563	788,079	85,484
Internal Services	2,268,167	2,268,167	0
Capital Outlay	0	0	0
Total	**27,798,485**	**27,746,325**	**52,160**

Revenues - by fund, division, and revenue source.
Note: If revenues are expected to be “materially” different (more than +/- 10%; minimum of $25,000) than budgeted, provide a brief explanation.

Example

	Fund	Revenue Source	Budget	CYE	$ Change	% Change
Division A	1000	Inspection Fees	442,936	442,936	0	0%
		Permits	212,634	212,634	0	0%
	1505	State Medicaid	171,738	171,738	0	0%
Division A Total			**827,308**	**827,308**	**0**	**0%**
Division B	1505	State Medicare	885,012	945,782	60,770	7%
		Parental Rights	1,256,896	1,238,447	(18,449)	-1%
		Transportation	192,907	220,592	27,685	14%
		Veteran's Services	285,703	276,404	(9,299)	-3%
	1516	Tri-Met	2,015,900	1,977,699	(38,201)	-2%
Division B Total			**4,636,419**	**4,658,924**	**22,505**	**0%**
Grand Total			**5,463,726**	**5,486,232**	**22,505**	**0%**

<u>FTE:</u> Provide the current year FTE using the Revised Budget amount (e.g. Adopted FTE plus any changes made through budget modifications as of December 31st of the current year).

History Crosswalk

The history crosswalk is used to populate the prior year Adopted Budget columns in program offers. The goal of the history crosswalk is to map the prior year’s Adopted Budget to the current year’s program offers, including expenditures, revenues, and FTE to provide a year over year view of the budget. Typically, the previous fiscal year’s entire budget is crosswalked to the current year program offers with some noted exceptions:

- One-time-only programs.
- New programs.
- Program offers proposed to be cut.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	**2015**	**2015**	**2016**	**2016**
Personnel	$391,235	$0	$556,233	$0
Contractual Services	$50,000	$0	$50,000	$0
Materials & Supplies	$25,646	$0	$10,500	$0
Internal Services	$182,496	$0	$36,713	$0
Total GF/non-GF	**$649,377**	**$0**	**$653,446**	**$0**
Program Total:	**$649,377**		**$653,446**	
Program FTE	2.00	0.00	3.00	0.00
Program Revenues				
Other / Miscellaneous	$646,932	$0	$646,932	$0
Total Revenue	**$646,932**	**$0**	**$646,932**	**$0**

In late January, the Budget Office will send the business managers detailed crosswalk files and instructions. The crosswalk is due on **February 1, 2016**.

The Budget Office will load history into the program offers before releasing them to the Chair's Office and the Internet.

Department Director's Transmittal Letter

The Department Director's transmittal letter formally conveys the department's budget proposal to the County Chair. See multco.us/budget/fy-2017-budget-manuals-forms-calendars-and-other-resources for a recommended outline. The transmittal letter should:

1. **Give the strategic context for the department's budget submission.**

- Explain how programs and services help the department reach long-range goals, and note issues that have gained importance over time.
- Explain how the department aligns with the County's Mission, Vision, and Values located at multco.us/news/board-adopts-mission-vision-values-statement.
- Explain how the department met its General Fund allocation target. At a high level, describe the department's assumptions and impacts related to state/federal funding and large grants.

2. **Describe major program changes.**

- Explain the rationale behind new, innovative, or alternative program offers.
- Identify one-time-only or backfill programs.
- Describe any reallocation of resources among program offers or reorganization of services.

3. **Report on program reductions.** Identify and explain any programs that are not offered. Be sure to identify the funding being reduced.

4. **Describe changes in organizational structure and management.** Include an organization chart down to the division level. (The Budget Office will use this chart in the published budget).

5. **Describe the department's equity efforts.** Describe how the department enhances diversity and equity in the County. More information can be found at multco.us/diversity-equity.

6. **Report span of control at the department level**. Include the span of control ratio for the department and discuss any changes from last year. Instructions on how to calculate the span of control are at multco.us/file/33777/download.

Bed Inventory

The Chair's Office has requested that the Budget Office collect data necessary to quantify the number and type of proposed beds provided by the County or third-party contractors funded through the County. The template for preparing the data can be found at multco.us/budget/fy-2017-bed-inventory. The spreadsheet is due with the departmental budget submission on February 12, 2016.

- Definition of Beds:
  - Beds provided directly by department if it is available for use for the full year, unless otherwise noted. Examples include beds in warming shelters, beds in jails, beds in rehabilitation facilities, etc.
  - Beds provided by third party contractors funded through Multnomah County. Only include beds paid for through the County, not the total number of beds provided by the contractor.
    - For funds provided directly to target population, only beds resulting from funds intended to be spent directly on beds should be counted. As an example, if a renter received rental assistance the beds in their apartment *would* count. If a renter received utility bill assistance, the beds in their apartment *would not* count.
- Data Entry Notes:
  - Data is organized by type of bed.
    - Make multiple entries for the program offer, using a separate row, if the portion of the program offer dedicated to providing beds uses more than one of any of the following:
      - Revenue source other than General Fund,
      - Cost object,
      - Bed/Facility type, or
      - Expected third party vendor providing beds.
  - For revenue source other than General Fund, please specify if the funding is Federal, State, Local, or Other and specify the program providing funding if available.
  - If the daily bed capacity fluctuates, report an annual daily average.
  - Under population served, please make entries only if the program offer directly targets certain populations. The spreadsheet gives help in defining target populations.
    - If the program offer provides beds to multiple, discrete groups, please list the groups with entries separated by a comma (e.g. low-income families, homeless adults)
    - If the program offer specifically targets an underserved population, list it in the "Underserved Populations…" column.

For questions or assistance, please contact Jeff Renfro in the Budget Office at 503-988-9788.

Section 2

Preparing the Proposed Budget: Budget Adjustments

Preparing the Proposed Budget – Budget Adjustments

Budget Adjustments

After departments submit their budgets, work begins on the Chair's Proposed budget. Any changes made in this phase are done through budget adjustment documents in Questica. Changes include updating, adding, or removing expenditures, revenues, and position allocations.

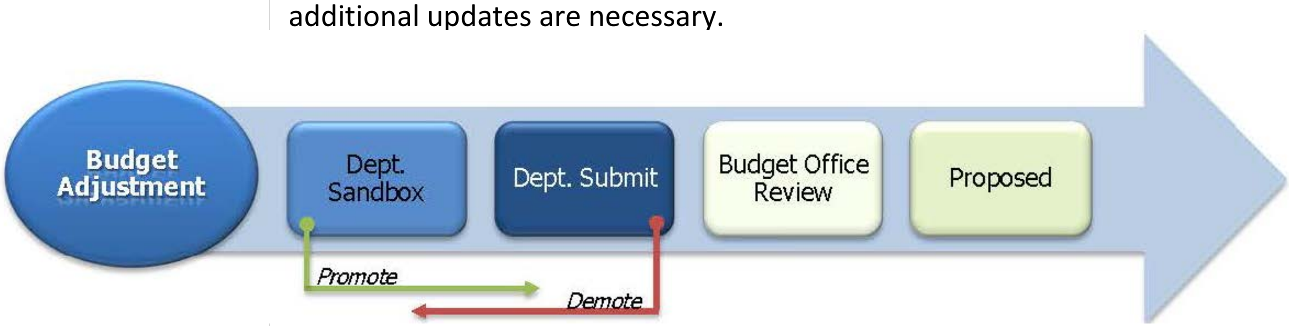
Changes implemented through budget adjustments are typically limited to Chair-directed decisions or technical issues identified by the Budget Office. All budget adjustments are approved by the Budget Office and the Chair's Office. This is not an opportunity to continue working on program offers; this is a chance to implement changes necessary to balance the Chair's Proposed budget.

Budget Adjustment Documents Overview

Budget adjustment documents are similar to program offer documents:

- Same structure.
- Same technical process to add/change/delete revenues, expenditures and positions.
- Similar workflow to promote/demote program offers.

Departments have two stages to promote and demote between to help manage internal workflow (Dept. Sandbox and Dept. Submit). When finalized, the department's business manager promotes the document to the Budget Office Review stage. Unlike program offers, budget adjustments can be demoted back to departments by the Budget Office if additional updates are necessary.



Preparing the Proposed Budget – Budget Adjustments

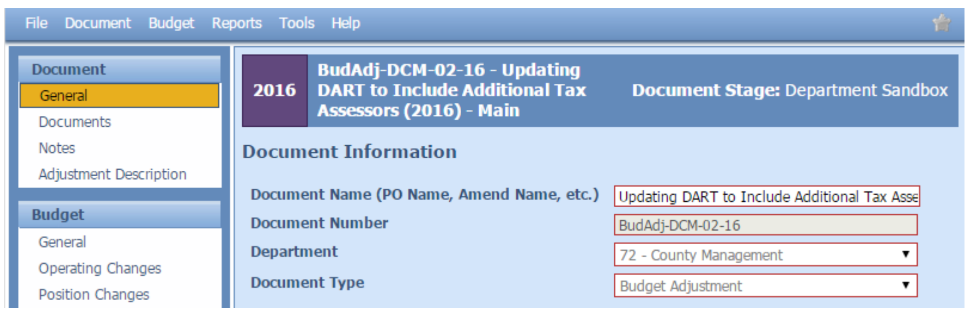
Preparing Budget Adjustment Documents

This section provides instructions for assembling budget adjustment documents in Questica. Headings in the sidebar correspond to sections in Questica. These sections are nearly identical to program offers with some minor changes. For information on how to find a document in Questica refer to page 18. Budget adjustment training documents are located at multco.us/file/33930/download.

Organizing Budget Adjustments - Budget adjustments are not limited to a single program offer. They can be used to change multiple program offers or address a policy issue. Changes should be grouped in a logical way. Departments should not group unrelated changes. Technical changes that affect multiple offers can be included in one document.

General Information

In this section, users can enter or edit the name of the budget adjustment. For a description of the remaining fields please see page 20.



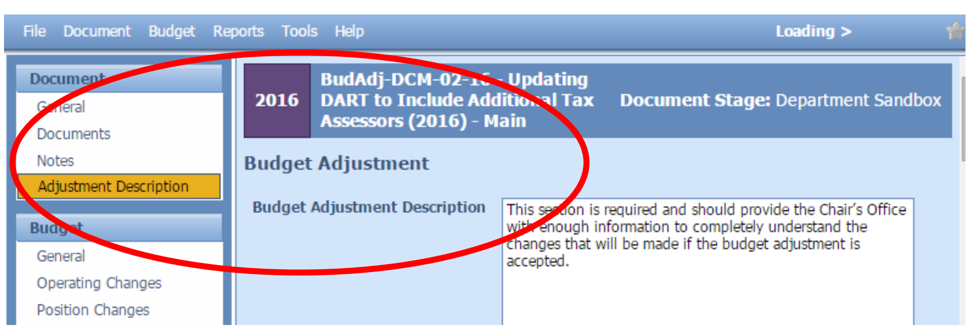
Budget adjustments use the following naming convention: BudAdj-Department Abbreviation-Series Number-Fiscal Year, e.g. BudAdj-NOND-01-17.

Documents and Notes

Are used at the department's discretion for attaching relevant documents or recording notes. For more information see page 20.

Adjustment Description

Use the adjustment description to explain changes that will incur if the budget adjustment is accepted. These descriptions are not printed as part of the budget document but are released to the Chair's Office.



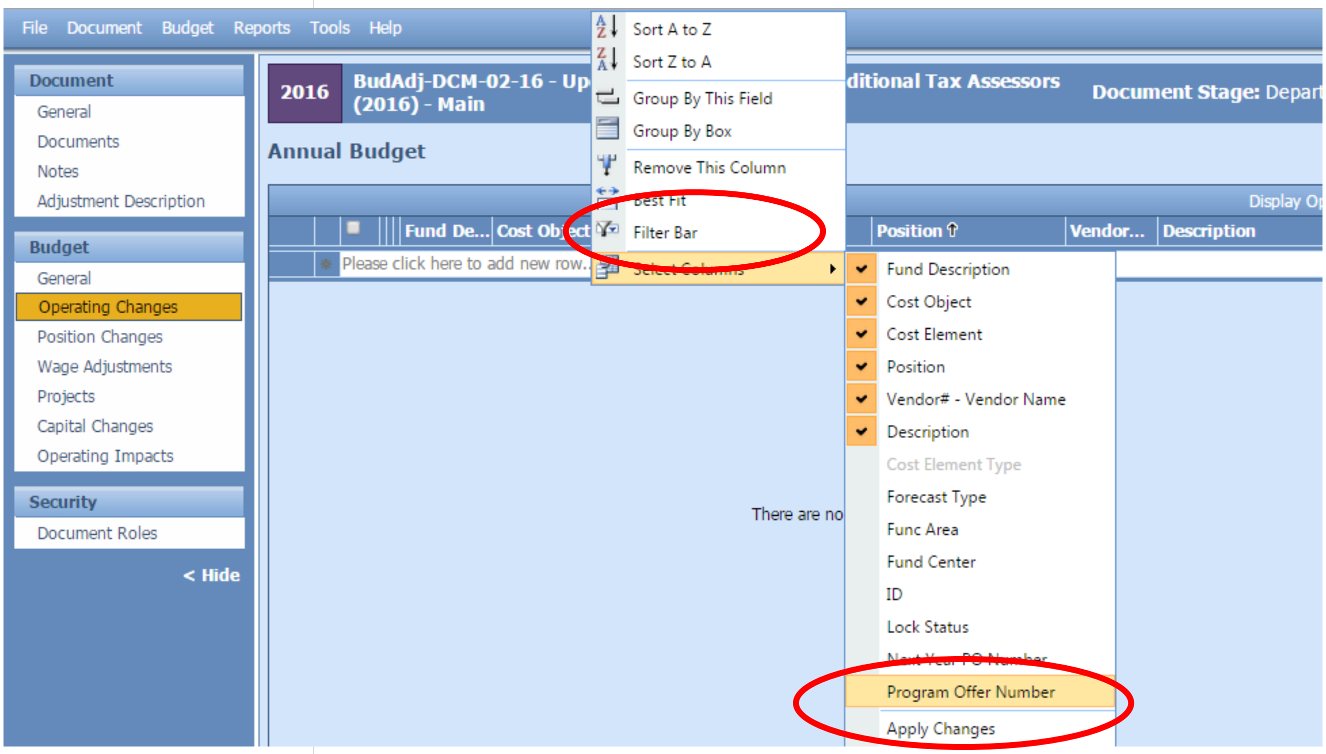
Preparing the Proposed Budget – Budget Adjustments

Expenditures and Revenues

Expenditures and revenues are entered in the operating changes grid, identical to the process used for program offers with one notable exception (page 38). Budget adjustments require the assignment of a program offer for each expenditure/revenue line.

To assign a program offer, use the dropdown field in the program offer number column. This column contains program offers for all budget years (make sure to select the program number with the correct fiscal year, e.g. for FY 2017 select the program offer ending in -17).

Questica is configured to display this column. If it is not showing, right click on any of the column headers, select columns, and click program offer number, then apply changes.



Balanced Transactions

From a technical perspective, budget adjustments work like budget modifications. All expenditures and revenues are balanced at the fund level and include changes to indirect and internal services. Please consult with the Budget Office if a document is purposefully unbalanced.

Examples of common changes executed through budget adjustments:

- Changing a cost object/cost element – move budgets from one cost object or cost element to another. Generally only for policy impacts, not to fix technical errors. Technical errors can be remedied post adoption with an internal budget modification.

- Increase or Decrease Revenues/Expenditures in Other Funds – similar process to adding a grant during the year, you can increase or decrease revenues and corresponding expenditures.

- Increase or Decrease General Fund Expenditures – similar to contingency requests, balancing this transaction requires a corresponding offset to expenditures in the General Fund Contingency cost element (60470).

Adding Indirect, Risk Fund, and Internal Services

Like budget modifications, budget adjustments can affect indirect, the Risk Fund, or Internal Services, requiring the corresponding expenditures and revenues to be included in the transaction. A list of the service area, program offer number, and cost center data needed to enter the transactions titled 'FY 2017 Cheat Sheet Related Documents' will be available at multco.us/budget/training-materials under Chair's Proposed Phase, after the budgets have been submitted.

Contracted Services

Budget adjustments that include cost elements 60150, 60155, 60160 and 60170 **require** information in the columns titled Vendor#–Vendor Name and Description. For more information (page 40).

Positions Allocations in Adjustments

Positions can be removed, added, or updated from the Department Submitted budget through budget adjustments.

Positions are allocated to budget adjustments in the position changes grid, same as program offers. For more information on position allocations see page 45. To request a change to a position record or a new position record in Questica use the same forms as during the Department Submitted phase (page 44).

REMEMBER: all positions are allocated at 100% or 0% total. Use the Position Under/Over report and the 'Include Department Submit' parameter to validate all positions are correctly allocated prior to submitting budget adjustments (page 45).

Examples of common position changes executed through budget adjustments:

- Allocate a Position or Create a New Position – If the position exists in Questica but was not allocated to a program offer in the Submitted Budget, allocate the position in the budget adjustment.

- Remove or Unallocate a Position – If a position was allocated in a submitted program offer, duplicate the allocation using a negative percentage to remove the position.

IMPORTANT - View the original allocation of a position in the Position Allocation for Excel report to ensure changes to a position are occurring in the correct cost objects. This is especially important for positions split across multiple cost objects or program offers.

- Reclassify a Position or Change an FTE – Request a reclassification using the online forms (page 44). A position record is created using R#-[original position record] indicating that the original position record is retired. The original number for the position record will have the updated JCN or FTE. In the budget adjustment, unallocate the retired position record from the program offer and allocate the position record with the updated JCN or FTE.

REMEMBER: If manual adjustments were made to a position they may need updating. Review the original program offer for any manual adjustments.

Editing Narrative and Performance Measures

All narrative changes as a result of budget adjustments will be done directly in the submitted program offers. To edit narrative and performance measures, departments request that their Budget Office analyst promote the offer to the Dept. Edit Proposed stage. The Department Edit Proposed stage ONLY allows a user to make edits to narrative and performance measures. Changes to expenditures, revenues, or positions are done in a budget adjustment document.

NOTE: Users who had narrative editing rights during the Department Submit phase will continue to have editing rights on program offers while they are in the Department Edit Proposed stage, unless otherwise indicated by the department's business manager.

Preparing the Proposed Budget – Budget Adjustments

Adding a New Program Offer

Some changes require a new program offer document. The process to add a new program offer in the Chair's Proposed phase is as follows:

1. Department requests a new program offer through the Budget Office.
2. Budget Office creates a program offer document (that will start in the Dept Edit Proposed stage) and a corresponding budget adjustment document (that begins in Dept Sandbox).
3. Department adds *only* the narrative and performance measures to the program offer document.
4. Department adds expenditures, revenues, and positions in the budget adjustment document.
5. Department promotes both documents to the same stage (Department Submit or Budget Office Review). When in the same stage, Questica combines the narrative and budget in the program offer report.

Adding a Program Offer that was Created but Never Submitted

In some instances, departments create a program offer but do not promote it as part of their Submitted Budget. The process to promote the program offer from the sandbox to the Budget Office Review stage is as follows:

1. Department notifies the Budget Office that it will be including the program offer in the Proposed Budget.
2. Budget Office creates a budget adjustment that corresponds to the program offer.
3. Departments remove expenditures, revenues, and positions from the original program offer and add them to the budget adjustment document.
4. Budget Office verifies there are no expenditures, revenues, or position allocations and promotes the program offer document to the Department Edit Proposed stage.
5. Departments make any necessary narrative changes in the program offer document.
6. When finished, departments promote the program offer document from Department Edit Proposed to Budget Office Edit Proposed and the budget adjustment to Budget Office Review.

Preparing the Proposed Budget – Budget Adjustments

Delete a Program Offer

If a program offer is not included in the Chair's Proposed Budget, the program will stay in the Budget Office Review stage.

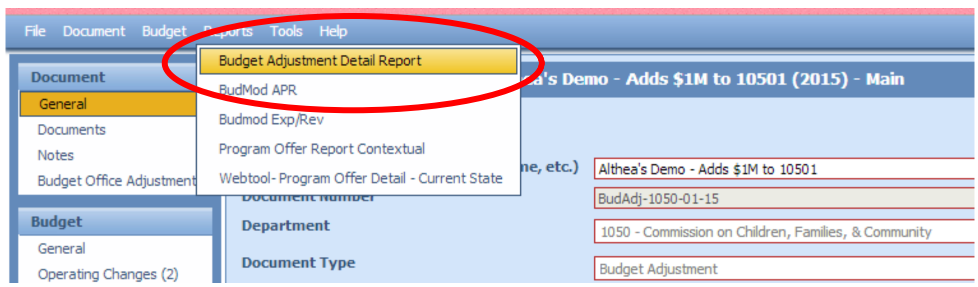
Budget Adjustment Reporting

Budget Adjustment Detail Report

The report is generated from within the budget adjustment. The report includes three pages:

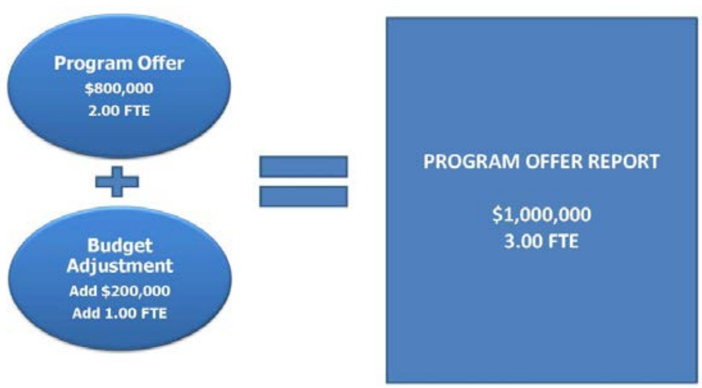
- Page 1 is a summary of the general information and description.
- Page 2 provides the expenditure/revenue changes.
- Page 3 is a list of the position changes.

To see the detail of your budget adjustment, go to the top tool bar and select Reports -> Budget Adjustment Detail Report.



Program Offer Report

When a budget adjustment document and a program offer document are in the same stage, the program offer report combines information in the program offer document and changes in the budget adjustment document in the program offer report.



Include Department Submit Parameter
To view the impact of a budget adjustment on a program offer before submitting to the Budget Office for review, use the "Include Department Submit" parameter. This parameter pulls in any related documents, such as budget adjustments, to merge with the original program offer. If this parameter is not selected the reports will only display documents in the current stage, that is, only the original program offer. To use this parameter, set the parameter to "True" on the report.

How to Use the 'Include Department Submit' parameter
1. Make sure the budget adjustment is in the Department Submit stage.
2. Go to the program offer. From the top menu select Reports -> Program Offer Report Contextual.
3. When asked whether to 'Include Department Submit' select True. This will combine the information from the budget adjustment document with the program offer document.

Budget Adjustment List Report
This report, found under the Reporting tab, provides a list and summary of all the department's budget adjustments (regardless of stage).

Expenditure Revenue Detail for Excel- Current State Report and Position Allocations by Program Offer for Excel- Current State Report
These reports contain line item detail for all budget adjustment documents once they are promoted to the same stage as the program offers. For example, use to see Chair's Proposed budget detail once all documents are in the Proposed or later stages.

Section 3

Preparing the Adopted Budget: Budget Amendments

Preparing the Adopted Budget – Budget Amendments

Budget Amendments

Each year, the County makes 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 and presented by a Commissioner during budget work sessions.
- Department amendments include: program, technical, staffing, revenue, and carryover.

All amendments require a majority vote of the Board during budget adoption.

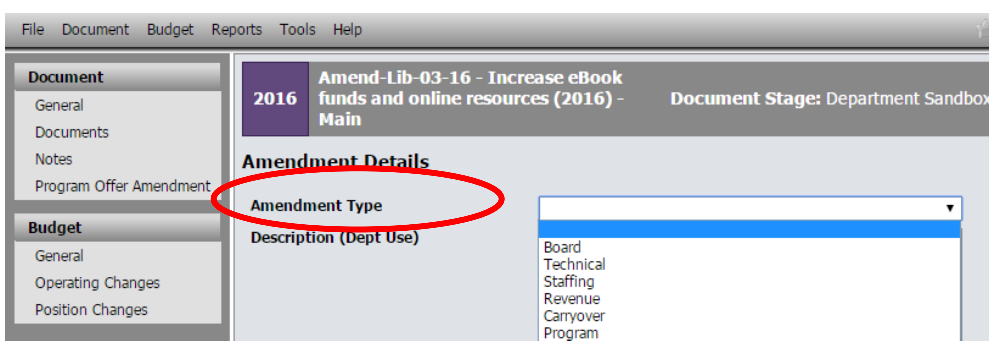
The primary purpose of the amendment process is for the Board to make changes to the Approved budget. All budget amendments must be presented and explained to the Board, and so department amendments should be prepared for clear and simple presentation.

10% Rule

The sum of all departments' amendments approved by the Board cannot increase a fund by more than ten percent (10%) from the Approved budget. Changes that increase a fund by more than 10% have to be implemented via a supplemental budget after the Board adopts the budget (page 78).

Amendment Types

The County uses six types of budget amendments described as follows. When building an amendment in Questica, departments can select the type from a drop down on the general tab in the amendment document.



Board Amendments

Members of the Board can sponsor an amendment to a department's budget up until the final vote to adopt the budget. In practice, Board members work with departments to propose changes. Departments are responsible for entering the technical detail for a Board Amendment.

Preparing the Adopted Budget – Budget Amendments

Program Amendments

Program amendments make a programmatic or policy-driven change, for example:

- Changes to a service delivery model from in house to contracted services.
- Increase in grant funding adding a new school based health center.

Program amendments also require a supplemental staff report supporting the requested change (contact the Budget Office for details).

Technical Amendments

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

The Budget Office approves all technical amendments. The Board has limited time to review amendments. Departments should consider using an internal budget modification after budget adoption in lieu of technical amendments whenever possible.

Staffing Amendments

Staffing amendments are technical amendments that only affect positions and reflect no bottom-line changes in a department's FTE count at the 4-digit fund level. In general, there are two groups of staffing amendments:

- The Countywide staffing amendment implementing reclassifications already approved by the Board; and
- Department staffing amendments detailing changes to positions not yet approved by the Board.

In the amendment description, indicate the date the position change was approved by the Board. The Budget Office will determine if the amendment is part of the overall county staffing amendment or a department staffing amendment.

The following is the criteria/timelines to evaluate staffing amendment requests:

- February 12th – May 12th Board approvals can be included in the Overall Staffing Amendment.
- May 13th – June 30th Board approvals will be included as a department staffing amendment.
- Post June 30th - Reclassifications with no scheduled Board approval need to be done as part of the regular budget modification process and approved by the Board.

Preparing the Adopted Budget – Budget Amendments

Revenue Amendments

Revenue amendments recognize revenues not included in the Approved budget. For example:

- A grant awarded to a department in April, after the department's program offers were submitted, that does not equate to a programmatic change or increase an overall county fund by more than 10%.

- Beginning working capital in excess of the amount in the department's submitted budget that does not equate to a programmatic change or increase an overall County fund by more than 10%.

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. The department's current year ending balance (unspent appropriation) must cover the purchase in the new year.

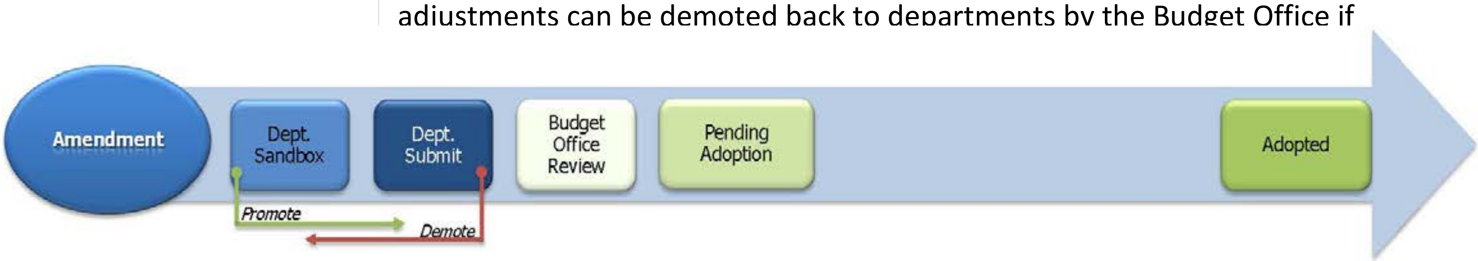
Carryover amendments are ONLY accepted for items purchased but not received by June 30th. Provide the Budget Analyst with the applicable SAP Purchase Order (PO) number.

Budget Amendment Documents Overview

Budget amendment documents are similar to program offer and budget adjustment documents[9]:

- Same structure.
- Same technical process to add/change/delete revenues, expenditures and positions.
- Similar workflow to promote/demote program offers.

Departments have two stages to promote and demote between to help manage internal workflow (Dept. Sandbox and Dept. Submit). When finalized, the department's business manager promotes the document to the Budget Office Review stage. Unlike program offers, budget adjustments can be demoted back to departments by the Budget Office if



[9] Budget adjustments, budget amendments, and later budget modifications are often referred to as related documents.

Organizing Budget Amendments- Budget amendments are not limited to a single program offer. They can be used to change multiple program offers or address a policy issue. Each amendment document should correspond with the amendment being proposed to the Board. An amendment document should not include multiple amendments.

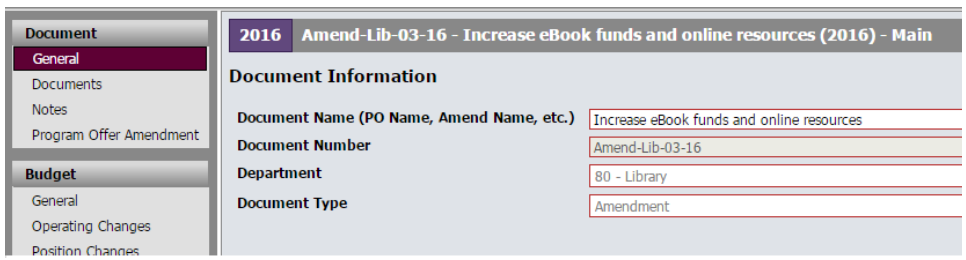
Preparing Budget Amendment Documents

This section provides instructions for assembling budget amendment documents in Questica. Headings in the sidebar correspond to sections in Questica. These sections are nearly identical to program offers with some minor changes. For information on how to find a document in Questica refer to page 18.

Budget amendment training documents are located at https://multco.us/file/33932/download.

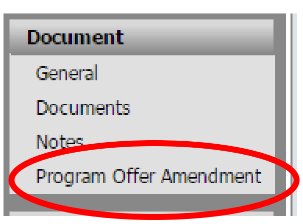
General Information

In this section, users can enter or edit the name of the budget adjustment. For a description of the remaining fields please see page 20.

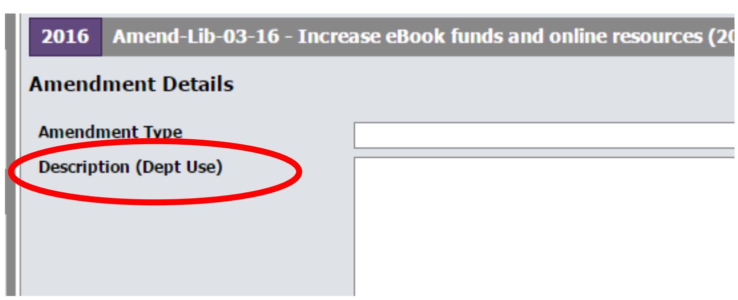


Budget amendments use the following naming convention: Amend-Department Abbreviation-Series Number-Fiscal Year, e.g. Amend-NOND-01-17.

Amendment Description (Dept. Use)



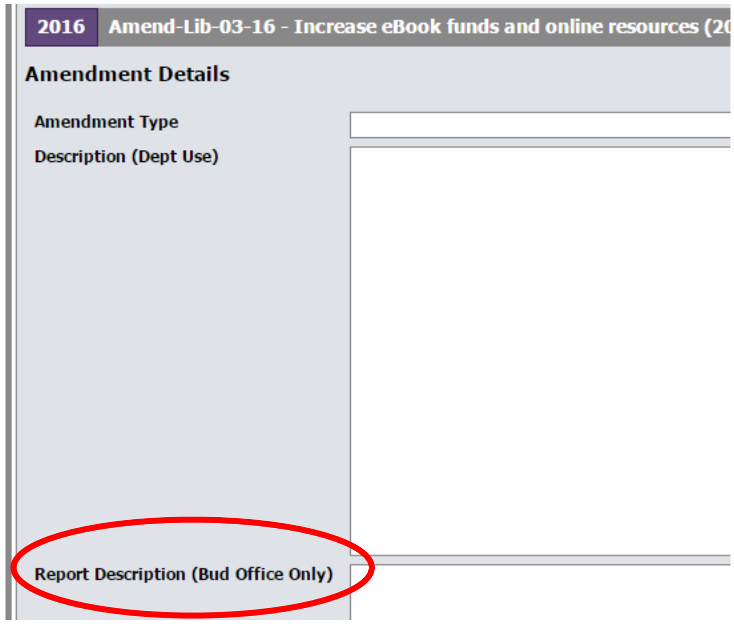
This field is completed by departments and provides the Board with enough information to understand changes made if the amendment is adopted. Begin the description with two or three executive summary style sentences (who, what, why, and how).



Preparing the Adopted Budget – Budget Amendments

Report Description (Bud Office Only)

The Budget Office will use the department description as a basis for the Report Description (Bud Office Only) field that will be presented to the Board for review during the amendment work session.



Expenditures and Revenues

Expenditures and revenues are entered in the operating changes grid, identical to the process used for budget adjustments (page38).

From a technical perspective, budget amendments work like budget modifications. All expenditures and revenues are balanced at the fund level and include changes to indirect and internal services. Please consult with the Budget Office if a document is purposefully unbalanced.

Examples of common changes executed through budget adjustments:

- Changing a cost object/cost element – move budgets from one cost object or cost element to another. Generally only for policy impacts, not to fix technical errors. You can remedy technical errors post adoption with an internal budget modification.

- Increase or Decrease Revenues/Expenditures in Other Funds – similar process to adding a grant during the year, you can increase or decrease revenues and corresponding expenditures.

- Increase or Decrease General Fund Expenditures – similar to contingency requests, balancing this transaction requires a corresponding offset to expenditures in the General Fund Contingency cost element (60470).

Preparing the Adopted Budget – Budget Amendments

Adding Indirect, Risk Fund, and Internal Services

Like budget modifications, budget amendments can affect indirect, the Risk Fund, or Internal Services, requiring the corresponding expenditures and revenues to be included in the transaction. A list of the service area, program offer number, and cost center data needed to enter the transactions titled FY 2017 Cheat Sheet Related Documents will be available at multco.us/budget/training-materials under Chair's Proposed Phase after the budgets have been submitted.

Contracted Services

Budget adjustments that include cost elements 60150, 60155, 60160 and 60170 **require** information in the columns titled Vendor#–Vendor Name and Description. For more information see page 40.

Position Allocations

Identical to the process in budget adjustments, positions are allocated to program offers in the position changes grid. Using budget amendment documents, positions can be removed, added, or updated from the Department Submitted budget. For more information go to page 61.

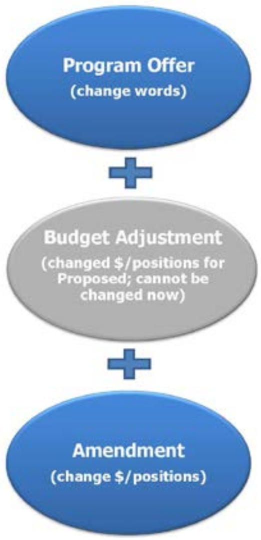
Editing Narrative and Performance Measures

All narrative changes resulting from budget amendments are done directly in program offers. To edit narrative and performance measures, departments request that their Budget Analyst promote the offer to the **Dept. Edit Adopted** stage.

The Department Edit Adopted stage ONLY allows a user to make edits to narrative and performance measures. Changes to expenditures, revenues, or positions will be done in a budget amendment document.

Preparing the Adopted Budget – Budget Amendments

Adding a New Program Offer



Some changes require a new program offer. The process to add a new program offer in the Adopted phase is as follows:

1. Departments request a new program offer through the Budget Office
2. Budget Office creates a program offer document (that will begin in the Dept Edit Adopted stage) and a budget amendment document (that begins in Dept Sandbox).
3. Department adds *only* the narrative and performance measures to the program offer document.
4. Department adds expenditures, revenues, and positions in the budget amendment document.
5. Department promotes both documents to Budget Office Edit Adopted or Budget Office Review stage where Questica combines the narrative and budget in the program offer report.

Adding a Program Offer that was Created but Never Submitted

In some instances, departments create a program offer but do not promote it as part of their Submitted budget. The process to promote the program offer from the Sandbox to the Budget Office Review stage is as follows:

1. Department notifies the Budget Office that it will be adding the program offer to the Adopted Budget.
2. Budget Office creates a budget amendment that corresponds to the program offer.
3. If present – Departments move expenditures, revenues, and positions from the original program offer document to the budget amendment document.
4. Budget Office verifies there are no expenditures, revenues, or position allocations and promotes the program offer document to the Department Edit Adopted stage.
5. Departments make any necessary narrative changes in the program offer document.
6. When finished, the department promotes the program offer document from Department Edit Adopted to Budget Office Edit Adopted and the budget amendment to Budget Office Review.

Preparing the Adopted Budget – Budget Amendments

Delete a Program Offer

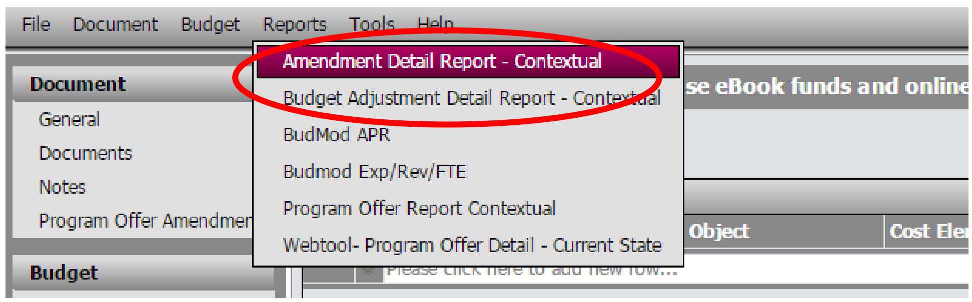
If a program offer is not included in the Adopted Budget, the program will stay in the Approved stage.

Amendment Reporting

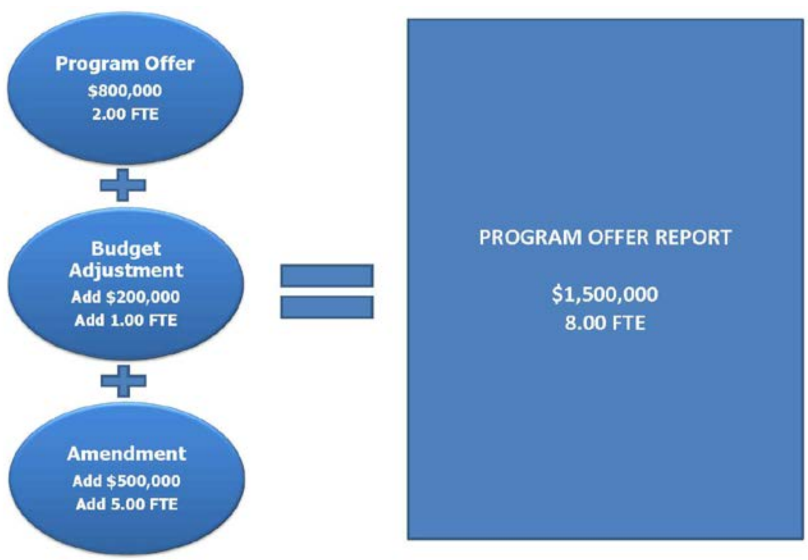
Budget Amendment Detail Report
The report generates three pages.

- Page 1 is a summary of the general information and description.
- Page 2 provides the expenditure/revenue changes.
- Page 3 is a list of the position changes.

To see the detail of the budget amendment within the document, go to the top tool bar and select Reports -> Budget Amendment Detail Report.



Program Offer Report
When a budget amendment document and a program offer document are in the same stages, the program offer **report** takes all the information in the program offer document, any changes from a budget adjustment document, along with any changes in the budget amendment document, and combines all the information together into the Program Offer Report.



Include Department Submit

In general, for the Adopted phase of the budget, only budget amendments that are in the Adopted document stage will combine with program offer documents also in the Adopted document stage to form the Adopted program offers. Departments can override this logic by using the 'Include Department Submit' parameter. This parameter pulls in any related documents that are in the department submit stage when the parameter is set to True.

How to Use the 'Include Department Submit' parameter override:

1. Make sure the budget amendment is in the Department Submit stage.
2. Go to the program offer. From the top menu select Reports -> Program Offer Report Contextual.
3. When asked whether to 'Include Department Submit' select True. This will combine the information from the budget amendment document with the program offer document.

Budget Amendment List Report

This report, found in the reporting tab provides a list and summary of all the department's budget amendments (regardless of stage). This report is the basis for the report presented to the Board during the adoption process.

Expenditure Revenue Detail for Excel- Current State and Position Allocations by Program Offer for Excel- Current State

Both of these reports contain the line item detail for all amendment documents that correspond to the selected program offer stage. These reports allow you to see the detail of the Adopted budget once all documents are in the Adopted stage or later stages. Again, departments can use the 'Include Department' submit parameter to override the stage logic and include related documents in the Department Submit stage.

Section 4

Changes after Adoption: Budget Modifications

Changes after Adoption – Budget Modifications

Formal Budget Modifications (Budmods)

Formal Budget Modifications (budmods) change appropriations at the department fund level and need Board approval. This includes:

- Transfers between funds.
- Transfers from contingency.
- Changes in revenues, appropriations, and FTE.
- Position reclassifications.

See Multnomah County Administrative Procedures, BCC-1, Board Agenda Submissions and Process at commons.multco.us/administrative-procedures-and-executive-rules/multnomah-county-administrative-procedures for more information

The Budget Office requires three days to review and approve an item before submitting it to the Board Clerk. The Budget Office submits an electronic copy of the agenda packet 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 are required to submit the agenda package one week prior to the requested Board meeting. Contact the Budget Office for 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 Board. The Budget Office enters the budmods in the FM module of SAP.

Budmods stipulating a new revenue source, or a change of $100,000 or greater in the existing revenue stream, must be accompanied by documentation from the revenue providing agency confirming the amount of revenue anticipated and the estimated date of receipt.

All budmods are done directly in Questica. Questica training materials are available at multco.us/budget/training-materials (see Revised Phase).

Changes after Adoption – Budget Modifications

Internal Budget Modifications

Internal Budget Modifications do not change the Adopted budget appropriation and do not:

- Increase or decrease total expenditures by fund, department, or FTE.
- 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 approval from the Budget Office prior to making changes.

Contingency Requests

Contingency requests must be reviewed and approved by the Budget Office prior to submission for the Board agenda. Contingency requests must meet the required standards for a budmod. In addition, they must include a memo from the Budget Office addressing whether the request meets our Budget and Financial Policies regarding the appropriate use of contingency funds. A copy of the County’s current Budget and Financial Policies is at multco.us/budget/fy-2016-adopted-budget.

Notices of Intent (NOI) to Apply for Grants

The Budget Office must review and approve Notices of Intent (NOI) to apply for grants 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.

More information can be found at the commons Multnomah County Administrative Procedures, BCC-1, Board Agenda Submissions and Process at commons.multco.us/administrative-procedures-and-executive-rules/multnomah-county-administrative-procedures.

Supplemental Budget

A supplemental budget allows the County to make changes to the budget that are 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, or creating a new fund. A supplemental budget is an entire budget process in miniature, with public hearings and public notices.

The Budget Office usually sponsors one supplemental budget during the fiscal year to appropriate excess beginning working capital and makes other changes. Contact the Budget Analyst for more information.

Appendix A[10]

Cost Element Definitions Expenditures & Revenues

[10] The County does not budget in all available cost elements. For questions about budgeting in cost elements other than those identified, please contact the Budget Office.

Personnel Costs

The following cost elements are 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. Questica auto calculates the base pay for a position (current, new, or vacant) by doing the following:

- **For bargaining unit (Hourly) employees:** Multiplies 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, Questica determines how many work hours are paid at the beginning rate and how many work hours fall after the step increase. These figures added together equal the total base pay for that position.
- **Exempt Employees:** Multiplies the employee's semi-monthly rate by 24. If an exempt employee is entitled to a merit increase, Questica applies it as of July 1st. Questica determines if an exempt employee is at the top of the range before determining whether to apply a merit increase.
- **Limited Duration Employees:** Permanent 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.
   - Overtime pay for permanent employees includes the same Salary Related Expense and insurance components as for permanent pay excluding medical/dental insurance. Budget these in 60130 and 60140.
   - Overtime pay for temporary employees includes the same Salary Related Expense and Insurance components as for temporary employees. Budget these in 60135 and 60145.
   - 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 receive in addition to 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. Analysis includes:

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

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

Note: when recording lead pay under 60120 (Premium), remember to calculate figures for Salary Related Expense and Insurance Benefits based on this amount. Premium pay for permanent employees includes the same Salary Related Expense and Insurance components as for permanent pay excluding medical/dental insurance. Budget permanent related amounts in 60130 (Salary Related) and 60140 (Insurance).

Premium pay for temporary employees includes the same fringe and insurance rates for temps. Budget associated amounts for temp in 60135 (Salary Related/Fringe) and 60145 (Insurance). Find the appropriate rates in the Salary Related Expense and Insurance rate tables.

60130
Salary Related Expenses

This cost element accounts for permanent employee benefit costs, including PERS and FICA (Social Security) benefits, VEBA and the Tri-Met payroll tax. Questica auto calculates these costs, by doing the following:

1. Determines the employee's bargaining unit and pension category (uniformed or not), and
2. Chooses which of the five rates applies from the table below.
   - ***Don't know which rates apply?*** Check the employee's labor agreement at multco.us/employee-labor-relations/labor-contracts.
   - ***Does the employee get a VEBA?*** Add the percent (page 42).
   - 60110 (Overtime) and 60120 (Premium) pay salary related benefits for permanent positions are *manually* calculated and budgeted here.

Calculating benefits for temporary or overtime pay or for limited duration and temporary positions see 60110.

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%	19.72%	8.25%	0.74%	**36.36%**	7.65%	23.60%	8.25%	0.74%	**40.24%**
OPSRP Employees	7.65%	14.07%	8.25%	0.74%	**30.71%**	7.65%	18.18%	8.25%	0.74%	**34.82%**

** FICA on first $118,500 of salary is 0.0765; and 0.0145 for wages over $118,500.*

***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 FTE's. Questica auto calculates insurance expense by doing the following:

1. Chooses the appropriate rates (see table below).
2. Adds an amount for medical and dental insurance. The County uses an average rate. The rates are flat amounts are:
   - **$15,001** for full-time employees
   - **$11,251** for Local 88 three-quarter time employees
   - **$8,557** for half-time employees.

Component Pieces of Insurance Benefits (60140) Rates

	Worker's Comp	County Attorney	Liability	Unemployment	Health/ Benefits Admin*	Retiree Medical	LTD/ STD/ Life	**Total 60140 RATE**
NOND**	1.00%	1.40%	0.35%	0.25%	1.00%	2.00%	0.75%	**6.75%**
DA	1.00%	1.40%	0.35%	0.25%	1.00%	2.00%	0.75%	**6.75%**
DCHS	1.00%	1.40%	0.35%	0.25%	1.00%	2.00%	0.75%	**6.75%**
Health	1.00%	1.40%	0.85%	0.25%	1.00%	2.00%	0.75%	**7.25%**
DCJ	1.50%	1.40%	0.35%	0.25%	1.00%	2.00%	0.75%	**7.25%**
MCSO	2.00%	1.40%	2.10%	0.25%	1.00%	2.00%	0.75%	**9.50%**
DCM	1.00%	1.40%	0.85%	0.25%	1.00%	2.00%	0.75%	**7.25%**
DCA	1.00%	1.40%	0.85%	0.25%	1.00%	2.00%	0.75%	**7.25%**
Library	1.00%	1.40%	0.35%	0.25%	1.00%	2.00%	0.75%	**6.75%**
DCS	1.50%	1.40%	0.60%	0.25%	1.00%	2.00%	0.75%	**7.50%**

* *Includes Countywide bus pass benefit cost.*

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

Note: Overtime and Premium pay insurance benefits for permanent positions are *manually* calculated and budgeted here.

60100 Temporary and Limited Duration Employees

This cost element is used to account for the cost of temporary AND limited duration employees. These positions are **not** auto calculated by Questica and must be manually budgeted in Questica. To estimate the amount to budget for temporary employees, do the following:

1. Document what you anticipate temporary employees will do (the nature of the work, or the project they will be working on).
2. **Document how you determined your budget.** Document your rationale if you base your budget figures on historical/projected usage rather than actual position-by-position calculations.
3. Calculate salary related expenses and insurance amounts for the temporary employees, and record them in 60135 and 60145.

Insurance rates for temporary employees include workers' comp, liability and unemployment. *See the Personnel Rules for more information.*

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 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.

IMPORTANT $15 Hour Minimum Wage: – the Chair and the Board of County Commissioners agreed to a $15 an hour minimum wage.

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, premium or overtime pay for temporary or limited duration employees.*

Salary Related Expense rates for temporary employees include FICA and Tri-Met payroll tax (and retirement if applicable).

FOR TEMPS: Components of Salary Related Expenses (60135)

For All Departments

	FICA *	Tri-Met	TOTAL 60135 PCT
All Employees	7.65%	0.74%	**8.39%**

** FICA on first $118,500 of salary is 0.0765; and 0.0145 for wages over $118,500.*

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, premium or overtime pay for temporary or limited duration employees.*

Insurance rates for temporary employees include workers' comp, liability and unemployment. Personnel Rules are found 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%	0.35%	0.25%	**1.60%**
DA	1.00%	0.35%	0.25%	**1.60%**
DCHS	1.00%	0.35%	0.25%	**1.60%**
Health	1.00%	0.85%	0.25%	**2.10%**
DCJ	1.50%	0.35%	0.25%	**2.10%**
MCSO	2.00%	2.10%	0.25%	**4.35%**
DCM	1.00%	0.85%	0.25%	**2.10%**
DCA	1.00%	0.85%	0.25%	**2.10%**
Library	1.00%	0.35%	0.25%	**1.60%**
DCS	1.50%	0.60%	0.25%	**2.35%**

** 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 items departments' need: contracts, supplies, etc. Please read definitions carefully, as they may change slightly from year to year.

60150
County Match & Revenue Sharing

These are payments from funds the County is either required to make or has elected to obligate in support other jurisdictions or organization programs. For example, the County's share of budgets for "City-County Organizations", such as the County's support for Regional Arts & Culture Council activities.

Questica details these payments in the Contracted Services report. Include details about who is providing the match and ratios in the Description column (page 40).

60155
Direct Program & Client Assistance

Use this cost element for services or materials purchased by the County on behalf of clients within a County program. Expenses budgeted in this cost element meet the new Federal definition (2 CFR, Chapters I and II, Part 200, et al) (see omni-circular) of a contractor relationship rather than a subrecipient relationship. The intent of this cost element is to consolidate non-sub recipient client services into one account for reporting purposes. This cost element also separates client expenses from County operational expenses.

Examples include: rent assistance, food, bus passes, clothing, and prescriptions.

Questica details these payments in the Contracted Services report (page 40).

60160
Pass-Through & Program Support

These are funds passed through to other agencies, *via a contract or grant*. Expenses are for services and programs that meet the 2 CFR, Chapters I and II, Part 200, et al federal definition of a subrecipient, regardless of funding source (see omni-circular).

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 service contracts are budgeted in this cost element. This cost element, along with 60155 (Direct Client Assistance), separates client expenses from County operational expenses. Payments budgeted here may be subject to fiscal monitoring by Central Fiscal Compliance.

Subrecipient payments must include the vendor name and/or contract number for Fiscal Compliance monitoring.

Questica details these payments in the Contracted Services report (page 40).

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 service contracts are budgeted under cost element 60250 (Food).
- Contracts with human service providers are typically budgeted for 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 in Questica.

Questica details these payments in the Contracted Services report (page 40).

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 for 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 waste removal 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 dca.budget@multco.us with questions about utilities estimates.

Note: utilities paid for on behalf of others, for example by issuing utility vouchers for program clients, are budgeted 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 expenses for moving/adding/changing telephone services, videoconferencing stations, internet service (purchased outside the County network) and employee reimbursement for personal mobile phone usage. These discretionary items are billed directly to departments. Contact the department Telecom Liaison or IT Help Desk to obtain equipment lists, prior year long distance bills, and moves/adds/changes estimates to use for budgeting purposes.

All charges for mobile devices (cell phones, smart phones, tablets, pagers and iPads) data plan costs, and long distance charges are budgeted for in cost element 60370 (Telecom) except for reimbursements to employees, the Sheriff's Office, and District Attorney's Office.

Note: *Budget for most costs for telecommunications, including desktop telephones, fax machines, credit card terminals, videoconferencing, and long distance charges 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. Budget lease/purchase agreements that exist for more than one year here. Leased or rented copying equipment is budgeted in 60180 (Printing). Budget equipment lease to purchase agreements as a purchase in 60550 (Capital Equipment).

Notify Mark Campbell at xt. 86229 if the department plans 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 maintenance and repairs. Budget for repairs with no pre-existing maintenance agreement and for maintenance contracts or service agreements with contractors outside the County. Software maintenance should be budgeted for in 60290 (Software License & Maintenance). Repairs may be to machinery, buildings, or equipment and are not capital in nature (costs are not capitalized). Expenditures that will lead to the creation of a capital asset, rather than routine repairs, should be budgeted for in 60170 (Professional Services).

Use this cost element to budget an estimate for Facilities and Electronics Service Requests. Service requests are charged back to your department in the "95430" settlement (secondary) cost element. For help with budgeting email dca.budget@multco.us. For a detailed list of your department's service request expense history, go 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: *Budget Mail & Distribution internal service charges to cost element 60460 (Intl Svc Dist/Postage)*.

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 not capital. Food for County business meetings is budgeted here. Budget for client food in 60155 (Direct Client Assistance). The maximum cost per single item is $5,000. Items that cost $5,000 or more are capital; budget those 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 are 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 or more per item (such as a dentist chair) are capital and are budgeted under cost element 60550, Equipment.

Note: drugs and vaccines (including Depo-Provera, topical antibiotics, lidocaine, etc.) are budgeted under 60310 (Drugs).

Purchases at the Multco Marketplace for medical/dental suppliers default to 60246.

60250
Food

This cost element is used for food services purchased in bulk or provided by contract for County clients—for example, for inmates in County detention facilities.

Notes:

- Budget food or catering supplied for County business meetings or hearings d as supplies in cost element 60240.

- Budget food purchased for individual client assistance in 60155 (Direct Client Assistance).
- Budget per diem expenses for Travel & Training in cost element 60260 (Education & Training).

60260
Travel & 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.

60270
Local Travel and Mileage

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

- County programs providing bus/train tickets to specific clients should budget these costs in cost element 60155 (Direct Client Assistance).
- All bargaining units now use the Federal mileage reimbursement rate, which is **$0.575 per mile** beginning January 1, 2015. *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 to record the costs for the purchase of new software and licenses. Budget costs of information technology services provided by the County Information Technology division in cost element 60380 (Data Processing Services).

Note: *Departments should notify IT of any software purchase needs.*

60310
Drugs

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

60330
Claims Paid

This cost element is 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, contingency is 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 because 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 take great care estimating budgets for 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. Do not choose contingency instead of anticipated or necessary expenditure estimates.

60480
Unappropriated Balance

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

Only use this cost element to account for proceeds that are expected to be held in reserve for future purposes. It is not an appropriation and 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.

Only budget Unappropriated Balance in the General Fund and the County's bond repayment funds. Other dedicated funds may budget an

Unappropriated Balance in lieu of an operating Contingency. The Fleet Management Fund is an example of an acceptable use – proceeds are used to fund future year purchases for vehicle replacements.

Questions, consult Mike Jaspin in the Budget Office at xt. 87696.

60490
Principal

This cost element is for principal payments on long-term debt, such as General Obligation bonds, Revenue bonds, Full Faith and Credit Obligations or Certificates of Participation. The Finance division determines amounts budgeted here. 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) in the Internal Service section.

60500
Interest

This cost element is primarily for, but not limited to, interest payments on long-term debt, such as General Obligation bonds, Revenue bonds, Full Faith and Credit Obligations 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 (or when multiple components < $5,000 combine to create one 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. Detailed information related to Capital Assets, thresholds, and purchases is available in Administrative Procedure FIN-10.

Internal Service Reimbursements & Cash Transfers

Use internal service reimbursement cost elements to budget the costs of services provided by other County organizations. Internal service allocations are at multco.us/budget/fy-2017-county-assets-service-rates-cost-allocations.

Additionally, information about the Indirect Cost Allocation Plan can be found at multco.us/finance/cost-allocation-plans.

The following table is a quick look up for commonly asked questions about where to budget for certain internal services. The table does not include all services. Please refer to the cost element description for the full detail.

Internal Service Area	Cost Element
County Issued Cell Phones, iPads (etc)*	60370
Desktop Phones	60370
Long Distance	60370
Internet Service (outside County network)	60220
Videoconferencing Stations	60220
Employee Cell Phones (Reimbursed)	60220
PC/Software Maintenance/Replacement	60380
Network/Data Center Services	60380
Data Processing Contracts w/Non County Vendors	60290
New Software Purchases	60290
Service Requests for Facilities	60220
Enhanced Services for Facilities	60430

*MCSO and DA budget for mobile devices in cost element 60200

60350 Indirect: Central Admin

Rates and additional information can be found at multco.us/finance/cost-allocation-plans contact Heather Drake in General Ledger (xt. 87972).

IMPORTANT: for FY 2017 the County will only charge indirect rates on personnel related expenditures (page 15).

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, CFO, Budget, Human Resources, Purchasing, Payroll, AP, and the Auditor's Office.

60355
Indirect: Departmental Admin

Use this cost element to budget that portion of Department administrative support costs. Rates and additional information can be found at multco.us/finance/cost-allocation-plans contact Heather Drake in General Ledger (xt. 87972).

IMPORTANT: for FY 2017 the County will only charge indirect rates on personnel related expenditures (page 15).

The revenue generated by the departmental indirect rate is budgeted in the department's General Fund and helps to cover costs for departmental administration and support functions. Budget the indirect revenue in the General Fund in 50370 (Departmental Indirect Revenue).

60360
Administrative Hub

This cost element is only 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, and Nondepartmental offices and agencies. The cost of administering these services for the internal service providers is recovered through internal service rates. Questions? Email dca.budget@multco.us.

60370
Telecom

This cost element accounts for **County-supplied** telecommunications services including desktop digital and analog phones; long distance charges; and fax machine, alarm, and credit card terminals. Included are costs for County-issued mobile devices (cell phones, smart phones, pagers, air cards, tablets, and iPads) and associated data plans. Also the $8.00 per month per mobile device charge for IT's Mobile Device Management program.

Note: *the Sheriff's Office and District Attorney's Office budget for these costs in cost element 60200, Communications.*

Costs for moves/adds/changes, videoconferencing stations, internet service (purchased outside the County network) and employee reimbursement for personal mobile phone usage are budgeted in 60200 (Communications). For questions about this cost element email dca.budget@multco.us.

60380
Data Processing

This cost element accounts for all data processing or information technology services provided by the County's Information Technology division. Services include PC and software maintenance and replacement, network and data center services, Help Desk and network security services, SAP support, and both department-specific and enterprise-wide application development.

Questions? Email dca.budget@multco.us.

60410 Fleet Services	This cost element accounts for the purchase, maintenance, and use of all 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.
60420 Electronics (Retired)	**RETIRED:** this cost element is no longer being used. These charges are now budgeted as part of Facilities and Property Management (60430). For questions about this cost element, email dca.budget@multco.us.
60430 Facilities & Property Management	This cost element accounts 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, shredding services and debt service. If your program will require more/less/new space, work with Facilities Management to budget total costs. Enhanced services are also included here, and will be charged to the department in cost element 95430-Settle Service Requests. Budget enhanced services in Questica in a separate line with a description of "Enhanced Services". This cost element also accounts for electronic radios and other small electronic equipment in facilities and vehicles formerly charged to 60420. **NEW!** To better track enhanced services, Facilities is requesting departments' budget for facilities in the program offer in two separate lines: one for the base facilities rate and a second that only includes enhanced services. Use the description text box in Questica to differentiate between the two. **Do not budget Facilities service requests in this cost element.** Service requests are charged back to the department in the "95430" settlement (secondary) cost element. S ervice request expenses are budgeted in 60220 (Repairs & Maintenance). For questions about this cost element, or a detailed list of a department's service request expense history, email dca.budget@multco.us. Information is also on the Commons here.
60440 Internal Service Other	This service reimbursement is used to pay for work done by one department for another department in a different fund. For example, the Sign Shop in the Road fund makes a sign for the Sheriff's Office. When budgeting for this cost element include: • Explanation of the services provided; • Cost of the services; and • The fund being paid.

When using 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.

Users **MUST** document the partner who is receiving the reimbursement by department and cost object in the description field in Questica.

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 to budget here.

60460
Distribution & Records

This cost element accounts for U.S. postage and mail distribution for interoffice mail and U.S. mail. It is also used for Records costs. For questions about this cost element email dca.budget@multco.us. Detail your request if it is different from the cost allocation models for distribution and/or records.

Questica allows for multiple lines for the same cost object/element. Please budget separate lines for distribution and records and identify them in the description column.

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 explain which fund will be reimbursed in the Questica description field***. The fund being paid **must** be indicated so appropriate revenue can be included for that fund. Here are two helpful tips to remember:

- **EVERY** instance of cost element 60560 requires a corresponding instance of 50320 in another fund; and
- **ONLY** use this cost element for interfund transactions.

Questica is configured with 6056a to 6056z, each of which represent a cash transfer to a specific fund. For example, 6056a is used to budget a cash transfer to the General Fund. If you have questions about which cash transfer number you should use, please contact your Budget Analyst.

When using this cost element, document the other side of the transaction (department and cost object) in the description field in Questica.

Revenues

The following revenue codes distinguish between *program* and/or *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. Document all revenues in the Explanation of Revenues section of program offers. 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.

Include the following in documentation of revenue estimates:

- The origin of the revenue.
- From whom or where is the revenue received.
- Calculation used to develop the estimate.
- 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. 87696.

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.

50113
Govt-Shared: Program

Use this cost element for revenues shared with other governments – such as ODOT revenue shared by 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 provision of services 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 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. The Library Operating Fund (1510) records revenues from the Library District to this account.
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 nonprofit 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 General Ledger at glhelp@multco.us.

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 new Federal definition (2 CFR, Chapters I and II, Part 200, et al) (see omni-circular). 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 Lottery 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 cat, dog, food handler, marriage, restaurant, and swimming pool licenses. Examples of fees include 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 paid to the employee is 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 new Federal definition (2 CFR, Chapters I and II, Part 200, et al) (see omni-circular). Hence Medicaid payments are recorded in this revenue account for a better audit trail and to segregate this revenue from revenue reported for Single Audit purposes.
50240 Property Space Rentals	Use this cost element for revenue from rental of County property (buildings, offices, rooms, parking, and 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 and 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 for in 50340 (Asset Sale Proceeds).
50260 Election Reimburse-ment	**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 penalties.
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. Detail out the partner (department and cost object) in the description field in Questica.
50311-50319, 50321-50322	**These cost elements are normally used only by Risk Management.** Use these cost elements for service reimbursements to the Risk Fund for various insurance coverage. For questions or definitions, contact staff in the Budget Office or in General Ledger. 50322 supports the cost of the County Attorney Office via the Risk Fund. Only the County Attorney Office should use this cost element to budget revenue support. The funding is a component of the Liability rate from Insurance Benefits (60140).
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. 87696.

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 the 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; and 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 $50, 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.

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 Capital (BWC)

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.

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.

The actual amount for BWC is allocated in a journal by General Ledger and posted after the fiscal year is closed and all accounts and amounts are certain.

50270
Interest Revenue

Use this cost element to budget for interest earned on fund balances. See multco.us/finance/investments for a discussion of the County's investment policy along with an estimate of the rate to use for budgeting purposes.

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 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.

50320
Cash Transfer Revenue

Use this cost element to record scheduled cash transfers between funds.

For budgeting purposes, ***explain use of this cost element, including which fund will be reimbursed,*** in the Questica description field. The paying fund must be indicated so that the appropriate expense can be included for that fund. When using 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.

Users **MUST** document the other side of the transaction (department and cost object) in the Questica description field.

Contact Mike Jaspin at xt. 87696 with 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.

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, 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 for in a more specific revenue cost element.*

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

Appendix B: Performance Measures

Introduction to Performance Measurement

Not unlike budgeting, performance measurement is an art unto itself. Performance measurement helps managers and decision makers understand the extent to which a program is effective in producing its intended outcomes and desired results. Performance measurement involves developing meaningful and objective indicators systematically monitored 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 whether programs are meeting their goals.

Why should the County measure performance?

- Performance measures show progress toward the program's goals and objectives.
- Performance measures help decision makers refine strategies and improve results.
- Performance measures connect program offers with County goals and objectives.
- 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. Performance measures help the Chair and Board understand and evaluate what the County is "buying". In this way, performance measures are a way to explain your program logic to the Board and demonstrate your success. 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 accurately measures program activities and outcomes.

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?

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 lead directly to your desired outcome.

Effective, meaningful performance measures report what the program is trying to accomplish, and links, the activities being performed to outputs and outcomes. 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 national performance standards or benchmarks exist for this type of program, if any?
- What inputs and outputs are most important to achieving the desired outcomes?
- How can you measure efficiency and productivity?
- 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.

What are the program outputs? Identify program outputs; list what was or will be 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), and the intermediate and the long-term outcomes expected for the clients/ customers who received service. Consider benchmarks or industry standards, if available, when considering measurement options. Outcomes should be 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 to achieve one unit of output? How long does it take (hours or days) to get an output or outcome? Are there are any efficiency mandates that need to be addressed?

Performance Measurement Challenges

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. However, you still need to know if your inputs and outputs are having an effect on outcomes. 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 create program specific performance goals that relate to broader, yet measureable, outcomes that are shared by a collection of programs.

It will invite unfair comparisons. Comparisons between programs happen all the time as part of the budget process, whether programs invite it or not. Articulating meaningful performance measures will ensure you're your program is judged using fair and appropriate measures. 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. Performance data allow program managers and county leadership to monitor whether a program is effectively contributing to the County's overall goals and objectives. This is vital for both transparency and accountability. The Performance Measure Description section gives program managers the opportunity to outline specific circumstances that may have affected program outcomes, and describe program changes made as a result. Demonstrating transparency and accountability, even when the news is not so good, can inspire trust, give the program performance data credibility, and show that departments are committed to continuous improvement of their programs.

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.

For example, a children's vaccination program might measure the number of vaccinations given compare to the number of eligible children in the County (output) or the overall rates of a specific disease in the County over a relevant time period.

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 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.