

Yakima County Financial Policies

The Board of County Commissioners has the statutory authority, responsibility and obligation to manage County finances in a manner that will foster a broad spectrum of services to benefit the community of the County.

The financial health and welfare of Yakima County is highly dependent upon establishing and maintaining sound, financial-planning objectives and strategies of implementation. These financial management policies assist the decision-making process of the Board of County Commissioners while operating independently of changing service and financial circumstances and conditions. The implementation of wise fiscal policies enables County officials to protect the public interest and ensure public trust and confidence.

Financial Goals

Yakima County's financial policies shall address the following fiscal goals:

- Ensure the County maintains a financial base sufficient to provide a consistent level of County services.
- Maintain sound financial practices that meet all applicable standards and direct the County's financial resources towards balancing the County's eight priorities.
- Keep the County in a fiscally sound position in both the long and short term.
- Maintain sufficient financial liquidity to meet normal operating and contingent obligations.
- Maintain and preserve existing infrastructure and capital assets.
- Guide the Board in management and policy decisions that have significant financial impact.
- Provide a mechanism to regularly review programs and operational methods to improve productivity and eliminate duplication of functions.
- Promote cooperation and coordination with other governmental entities and the private sector in delivery of services.
- Ensure the County is able to remain financially stable independent of local and regional economic variations and adjust to changes in the service requirements of the community.
- Set forth operating principles that minimize the cost of government and financial risks.
- Promote sound financial management by providing accurate and timely information on the County's financial condition.
- Ensure the legal use of financial resources through effective systems of internal controls.

I. Priorities of Government Budget Model

The critical budgeting questions we hold ourselves accountable to are:

- What are the community needs expected from government and defined by our constituents?
- What are the priorities for County expenditures which will achieve those community needs?
- What are the functions (strategies and activities) we can implement and/or strengthen to most effectively achieve these priorities?
- What are the key budget policies necessary to effectively guide defined functions?

Definitions

Community Needs: A process by which county government formulates their leadership understandings of community needs. The process occurs through daily business activities and assessments, community hearings, and other interactions with our community. A preliminary budget is formed based upon those defined needs. The budget process embraces those needs by bringing together all elected officials to collectively embrace funding priorities.

Priorities: Major community-needed services are granted, mandated, or requested by Federal/State and/or Community. These community priorities can be partnerships or solely provided services by County government where the greatest efficiencies or effectiveness can be gained. These priorities go through an on-going review implemented through the resource allocation process.

- **Economic Development** – Efforts that seek to improve the economic well-being of our community by creating and/or retaining jobs and supporting or growing incomes and the tax base. Support for the Yakima County Development Association would be an example.
- **Governmental Services** – Indirect County services provided by government that support the internal functions of government. This support may be in the form of providing basic support services such as accounting services or human resources. Support may also take the shape of providing resources for the operation of the government through property assessment and collection.
- **Health and Human Services** – Efforts to improve the physical and mental well-being of the citizens of our community using preventative measures. Operational support of the Yakima County Health District would be an example.
- **Justice** – The ability to provide effective and timely resolution to legal matters while assuring dignified and fair treatment to all participants that meet Federal, State and local laws. The Superior, District and Juvenile Courts are examples.

- **Law** – The ability to provide effective and timely prosecution and defense of legal matters while assuring dignified and fair treatment to all participants. The Prosecuting Attorney, Public Defender and Clerk’s Office are examples.
- **Public Safety** - The protection of the general population from all manner of significant danger, injury, damage or harm as may occur during a criminal act or natural disaster, and the prevention of the same. This protection is typically provided by the Sheriff’s Department, Department of Security, and the Department of Corrections.
- **Public Services** – Direct services that are provided by government to its citizens that the private sector does not provide for or provides limited service. Examples include elections, document recording, planning, etc.
- **Quality of Life** – Efforts to improve the well-being of the community by providing services through cultural and recreational opportunities. Parks, pathways and investments in service organizations would be examples of quality of life programs.

Major Functions: (see example below) A subset of County priorities is distinguished by essential and specialized services necessary to achieve a County priority. To be a major function it must meet the following criteria:

- The community cannot effectively or efficiently provide this function without County government participation.
- County government must have adequate operational resources (financial/physical/human) to provide this major function.
- This function must clearly meet distinct needs of a community priority.

Minor Functions: (see example below) A group of related programs that fulfill major functions. To be a minor function, it must meet the following criteria:

- Minor functions are distinct components of a major function necessary to be fulfilled.
- A minor function requires operating resources such as financial, physical or human resources to complete a major function.

Tasks: Work or job activities that have distinct and describable elements to fulfill minor functions.

Example:

Government Services					
Year	Total	%	General	3/10th's	Dedicated
2009 Actual	\$14,900,423	9.49%	\$5,733,667	\$0	\$9,166,756
2010 Actual	\$32,005,391	17.85%	\$4,995,569	\$0	\$27,009,822
2011 Actual	\$10,715,375	6.13%	\$5,135,634	\$0	\$5,579,741
2012 Budget	\$11,798,570	6.70%	\$5,653,215	\$0	\$6,145,355
2013 Budget	\$11,121,445	7.00%	\$5,570,730	\$0	\$5,550,715

Major Functions					
Treasurer					
Year	Total	General	3/10th's	Dedicated	
09 A	\$9,260,401	\$951,834	\$0	\$8,308,567	
10 A	\$27,644,730	\$890,793	\$0	\$26,753,937	
11 A	\$6,050,432	\$943,488	\$0	\$5,106,944	
12 B	\$6,615,795	\$993,772	\$0	\$5,622,023	
13 B	\$5,927,010	\$1,046,957	\$0	\$4,880,053	

Minor Functions					
Debt Service					
Year	Total	General	3/10th's	Dedicated	
09 A	\$7,892,744	\$50,851	\$0	\$7,841,893	
10 A	\$26,179,352	\$47,590	\$0	\$26,131,762	
11 A	\$4,716,543	\$57,329	\$0	\$4,659,214	
12 B	\$5,126,649	\$60,429	\$0	\$5,066,220	
13 B	\$4,335,726	\$62,628	\$0	\$4,273,098	

Tasks									
Bonds					RID's / LID's				
Year	Total	General	3/10	Dedicated	Year	Total	General	3/10	Dedicated
09 A	\$7,789,153	\$0	\$0	\$7,789,153	09 A	\$36,197	\$0	\$0	\$36,197
10 A	\$26,080,949	\$0	\$0	\$26,080,949	10 A	\$35,329	\$0	\$0	\$35,329
11 A	\$4,621,014	\$0	\$0	\$4,621,014	11 A	\$31,533	\$0	\$0	\$31,533
12 B	\$5,027,378	\$0	\$0	\$5,027,378	12 B	\$31,072	\$0	\$0	\$31,072
13 B	\$4,237,591	\$0	\$0	\$4,237,591	13 B	\$26,963	\$0	\$0	\$26,963

II. Budget Policy

Objective

The County budget is the central financial planning document that encompasses all operating revenue and expenditure decisions. It establishes the level of funding to be provided to each department within the restrictions of anticipated County revenues. Budgetary controls have been implemented so that expenditures may not exceed appropriations. The Board of County Commissioners encourages elected officials and managers to budget and spend prudently.

Budget Classifications

The expenditure budget is classified into five major categories as defined by the Washington State Auditor's Budgeting, Accounting, and Reporting System (BARS) as follows:

- Salary/Benefits – Includes salary costs, overtime, extra help, benefits and year end leave accruals (objects 10 and 20 in BARS).
- Supplies – Includes supplies, fuel consumed, and small tools and minor equipment (object 30 in BARS).
- Other Services and Charges – Includes professional services, communication, travel, advertising, operating rentals and leases, insurance, utilities, repairs and maintenance, intergovernmental services and other miscellaneous costs (objects 40 and 50 in BARS).
- Capital Expenditures – Capital expenditures include one-time improvements such as software upgrades, equipment, furniture and limited term projects not funded as an ongoing portion of the annual operations budget. (object 60 in BARS)
- Debt Service - Principal and interest payments related to bonds, loans or other debt. (objects 70 and 80 in BARS)

Allocated budgets to salaries and benefits cannot be used to pay for costs in the other major categories described above. Other major category budgets may pay for costs in salaries and benefits. Departments must request from the County Commissioners the use of excess salary and benefit budgets for non-labor purposes.

Scope of the Budget

The annual budget will be adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with Generally Accepted Accounting Principles (GAAP). Annual appropriated budgets are adopted at the level of the fund, except in the General Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Appropriations lapse at year-end.

Operating Budget Control

The County will maintain a budgetary control system to ensure compliance with the budget. The County will provide access to the County Financial Management System (FMS) for departments to prepare status reports comparing actual revenues and expenditure to budgeted amounts.

The Board of County Commissioners, County Treasurer, County Auditor and the Financials Services Director will meet quarterly to review the County's budget and financial condition by