

## Instructions for Amending County Extension Budget

### Overview

Amendments to certified budgets may be considered and adopted at any time during the fiscal year. The budget must be amended before utilizing the additional budget authority the amendment permits. Amendments have to be done when a county's expenditures for the year are anticipated to exceed the amount of total expenditures approved in the legally adopted budget. It is possible that a county may have to amend more than once in a year. **The most important date for amendments is May 31.** The Extension Council needs to conduct the public hearing on the amendment and make the motion to increase the county expenditures by May 31. There is a risk in missing this date -- the risk of not receiving approval to increase expenditures.

*The purpose of the amendment is to increase the allowable maximum expenditures for the present fiscal year. The tax levy cannot be changed with an amendment.* The tax levy is established by the original budget process and cannot be amended. Therefore, the increased expenditures must be covered by new revenues, such as grant income, or by spending down the county's balance.

If during the year, expenditures in the Education Operating Fund are expected to exceed the approved expenditure amount in column C of the adopted budget (IDOM Form 678), the budget must be amended using IDOM Form 653A-Miscellaneous. In accordance with section 24.9 of the Iowa Code, *the amendment must be effective before any of the expenditure amounts are exceeded.* Budget amendments require the same notice and hearing procedures as required for the adoption of the original budget.

The Unemployment Compensation Fund or Tort Liability Fund would not usually be amended. If the County has expenditures in either of these funds that are greater than the current year budget, the additional expense may be levied for in the next fiscal year.

Two copies of the amendment proceedings (Form 653A-Miscellaneous) and proof of publication must be filed with the County Auditor. Also a copy of the amendment proceeding (Form 653A-Miscellaneous) must be filed directly with the Iowa Department of Management, Local Government Division, State Capitol Building, Des Moines, IA 50319. *This is different from the budget process.* Two copies of the amended CB-2 should be forwarded to your Area Extension Director.

## Deciding to Amend

To amend the *present* fiscal year county budget, create a new file by saving the next fiscal year County Budget Worksheets as "FYXX (current year) Amendment Worksheets". **You will put revised information in Form CB-1 only.** There are two columns in the CB-1 for the present fiscal year: **Adopted** and **Estimated**. **Adopted** is the legal budget that was certified for this year. **Estimated** is the estimate of the full year's expenses which will provide the information necessary to predict the amount that will be needed to amend before the end of the fiscal year. If it is necessary to amend the current year budget, the **Total Expenditures** at the bottom of the Expenditures Regular Budget column in CB-1 will show that the **Estimated** column's total is larger than the **Adopted** column's total.

Extra income you have received does not require budget amendment unless you spend it this year and the spending of it will put you over your budget. Amendment is only required if you project total year expenses to rise above your *present published and approved budget*. If you are only concerned about going over the budget a small amount, the best time to amend is April. In April you will have a better view of the end of the year.

**At audit time** the State Auditors will be interested in the amount of your expenditures related to the date of your budget amendment. In the Instructions it says, "**The amendment must be effective before any of the expenditure amounts are exceeded.**" In other words, your expense total on any date cannot exceed your published and approved budget amount effective on that date.

## The Process

The Notice of Public Hearing for Amendments says that "A detailed statement of: additional receipts (other than taxes), cash balances on hand at the close of the preceding fiscal year, and proposed disbursements, both past and anticipated, will be available at the hearing."

The revised information entered in Form CB-1 will automatically revise Forms 674A-Att 1 and CB-2 which will fulfill the requirements for the Public Hearing.

Sometimes Extension Councils have a committee to review amendments. You will need to give them documentation for the amount you want to increase the budget. When you and the committee have reached agreement on the amount of increase, then the whole Council needs to do a process similar to the budgeting process:

1. Motion to increase the budgeted expenditures.
2. Motion to set a public hearing and publish it in the newspaper.
3. Conduct a public hearing.
4. Final motion to increase the budgeted expenditures.
5. Certify and report the amendment.

In case you are in a hurry, the fastest this process can be done is:

- Council Chair calls a meeting. (24-hour minimum Public Notice required)
- Council sets budget & hearing date. (Published not less than 10 days before)
- Council conducts hearing and approves new budget. (12 days total - minimum)
- Secretary signs official document for filing.

### **The Risk of Amending a County Budget after May 31**

According to Section 24.9 of the Code of Iowa: The proposed amendment of the budget is subject to protest within ten (10) days of the decision of the Extension Council to set a new amended budget (ie, after the public hearing and passing the motion to adopt the new budget). The "Protest Process": First, a protest is filed within 10 days of the order to set the new budget, then a hearing on the protest is held, then appeal to the state appeal board and review by that body, all in accordance with Sections 24.27 to 24.32, so far as is applicable.

There is a statement in the Iowa Department of Management's Instructions on Amendments which says, "An amendment of a budget after May 31, which is properly protested but without adequate time for hearing and decision on the protest by June 30, is void." (Section 24.9) What this means to CEEDs and their Extension Councils is that amending the budget in June runs the risk of someone or some group filing a protest which would result in an automatic voiding of the amendment by statute. It is important that you plan ahead. If someone or some group protests, the Council can lower the published amount. It cannot raise the amount without another publication and another public hearing.