

Instruction Package for Amending a County Extension Budget

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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.

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 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 Row 1 of Column C of the adopted budget (IDOM Form 678), the budget must be amended using IDOM Form 653A-Miscellaneous, which can be obtained at:

<http://www.dom.state.ia.us/local/misc/index.html>

One of the most important deadlines for amendments is May 31. The extension council needs to conduct the public hearing on the amendment and move 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.

Amending expenditures budgets are normal IF it is for reasons such as increased programming income and offsetting programming expenditures. Another reason may be grants received that were obtained after the budgeting process, resulting in increased income and offsetting increased expenditures.

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. It is recommended you keep your local county auditor aware of this process as she/he may have updated processing instructions. **Filing directly with the State is different from the annual regular budget process.**

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".

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 budget. Amendment is only required if you project total year expenses to rise above your **present published and approved budget expenditures**. If you are only concerned about going over the budget a small amount, the best time to amend may be 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."

To accomplish this documentation, use your Director's (Detailed) Income & Expense Report. You will need to estimate what additional expenditures and the source of the income projection. A form is not provided, but a good place to start is the budget templates that were used for the next fiscal year budget, and using the re-estimated (middle) column.

Sometimes extension councils have a committee to review amendments. You will need to give them documentation for the amount they need 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 votes to sets budget & hearing date. (Publish 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 Iowa Code: 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 regional directors 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.

Budget Amendment Comprehensive Process Check List

- ___ Regional director reviews amendment procedure with the Council.
- ___ Regional director reads Iowa Department of Management (IDOM) Amendment Instructions.
- ___ Regional director and staff make an estimate of the needed budget increase using the county's IDOM budgeting forms the next fiscal year.
- ___ Regional director prints IDOM Form 653-A Misc (Notice of Public Hearing-Amendment of Current Budget).
- ___ Council set up an amendment committee.

Amendment Committee Meeting

- ___ Amendment committee approves a tentative increased budget.
- ___ Staff sends copy of budget projection to Regional Director

Council Meeting (May 15 at the latest)

- ___ Council review amendment committee's report.
- ___ Council approve amendment estimate (a quorum is necessary).
- ___ Council set date, time and place of public hearing (see Amendment Motions for wording).
- ___ Staff complete IDOM Form 653-A Misc for publishing and send copy to Regional Director.

Staff task prior to May 15

- ___ Publication of Notice of Public Hearing-Amendment of Current Budget (IDOM Form 653-A Misc). Council Meeting on or before May 31 (See [Public Hearing Script](#))
- ___ Public hearing as a part of the meeting of the Council, (A quorum is necessary).
- ___ Conduct hearing.
- ___ Motion to approve amendment to budget, (see [Amendment Motions](#) for wording).
- ___ Staff completes IDOM Form 653-A Misc and obtains signature of the Council Secretary.

Staff task ASAP Following Budget Hearing

- ___ Certify the budget amendment with your County Auditor by filing two copies of IDOM Form 653-A Misc and an affidavit of publication.
- ___ Send a copy of the amendment proceeding (Form 653A-Miscellaneous) to the Iowa Department of Management, Local Government Division, State Capitol Building, Des Moines, IA 50319.
This is different from the budget process.
- ___ Send one copy of IDOM Form 653-A Misc and two copies of approved Budget Amendment worksheet analysis to your regional director.
- ___ File all forms and documents used in the Amendment Process with your records of the Correct Fiscal Year Budgeting Process.

1. Communication with the Amendment Committee.
2. Worksheets and Records of Committee discussion (minutes).
3. Approved Budget Amendment Summary with supporting forms.
4. Signed original of IDOM Form 653-A Misc.
5. Affidavit of publication.

Filling out the IDOM Form 653A Miscellaneous NOTICE OF PUBLIC HEARING --AMENDMENT OF CURRENT BUDGET

The top of the form is the part that gets published. Space can be reduced and it can be collapsed for publishing. Some questions related to filling in the blanks on the form have come up in the past:

- Board = Extension Council
- Municipality = __ (county name) __ Agricultural Extension District
- The Fund = Education Fund (The legal title for our Education Operating Fund.)
- The \$ __ amounts refer to Budgeted Expenditures, not Total Requirements or Tax Request (See Form 678, Row I, Column C).
- Reason for increases. Examples = Unexpected programming income and offsetting expenses, or, increased grants income and expenditures, or unexpected equipment replacement.

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.

How to conduct the public hearing at the extension council meeting:

- A. The hearing needs to begin at the time stated in the official notice.
- B. The required quorum is a majority of the council (5 members).
- C. The hearing may be conducted as a part of the regular monthly meeting rather than as a separate meeting. Regular council business may be conducted before and after the hearing. Technically, the regular meeting ought to be recessed, the budget hearing opened, the budget hearing closed, and the regular meeting resumed. The meeting minutes need to reflect this series of actions.
- D. The purpose of the hearing is to provide an opportunity for citizens to comment on the budget. Details become important, thus, any citizen who attends the meeting and comments must share their name and address and their comments need to be accurately recorded in the minutes.
- E. Any budget figure may be changed following the hearing, however, neither the amount of the total budget nor of the tax request can exceed the amounts published in the hearing notice. These figures can only be reduced.

Use the following meeting agenda and script for the hearing portion of the meeting:

- A. Open regular council meeting (or open with the public hearing and go to E)
- B. Roll call.
- C. Approval of minutes of the previous meeting. (Continue until the published time, then go to D.)
- D. Motion to recess regular council meeting (at or after the time designated in hearing notice).

E. Public Hearing Script

1. "This is the time and place set for a public hearing on amending the county extension FYXX budget." (Chair)
2. "The notice of the public hearing did appear in the _____ newspaper on (date) as required by law." (Chair)
3. "Are there any objections or comments concerning amending the budget?" (Chair)
4. If comments are received, they need to be accurately recorded in the minutes with the person's name and address.
5. If no one asks to speak, the chair instructs the secretary to note that fact in the minutes.
6. Chair requests a motion to close the public hearing. "I move to close this public hearing." Motion seconded, and the vote recorded.

F. (Re) open (recessed) meeting.

Chair requests a motion to approve amending the budget. (A regular agenda item):

- a. Motion by _____ that the FYXX Extension Education Operating Budget expenditures be increased from \$ _____ to \$ _____. Motion seconded by _____.
- b. Motion carried by a vote of ___ to ___ with ___ abstentions. (If less than unanimous, need list names of all yes votes, name of all no votes, and names of all abstains.)

***To Newspaper Editor
On County Extension letterhead
Include Public Notice***

Date

Newspaper

Address

City, IA, Zip

Re: Publishing Legal Notice

Please publish the enclosed "Notice of Public Hearing -- Amendment of Current Budget" in a legal notice on _____ or between _____ (date) and _____ (date).

Please send us two copies of the Affidavit of Publication.

Please send invoice to ISU Extension and Outreach, _____ County .

Sincerely,

Council Treasurer or Designee

Enclosures