

Appendices

Fiscal Year 2019 Adopted Budget Resolution

Financial Policies



**Bealeton Depot Library
Bealeton, Virginia**

Adopted Budget Resolution

RESOLUTION

A RESOLUTION TO ADOPT AND APPROPRIATE THE FISCAL YEAR 2019 BUDGET, ADOPT THE FISCAL YEAR 2020 FISCAL PLAN, AND ADOPT THE TAX RATES FOR CALENDAR YEAR 2018,

WHEREAS, it is the responsibility of the Fauquier County Board of Supervisors (the Board of Supervisors or the Board) to approve and control the County's fiscal plan for Fiscal Year (FY) 2019; and

WHEREAS, it is the responsibility of the Fauquier County Board of Supervisors to set the tax rates for Calendar Year 2018; and

WHEREAS, the Board of Supervisors established an objective to adopt a two-year budget with the second year serving as a commitment by the Board of Supervisors, with adjustments being made only as a result of changes in revenue projections, imposition of newly mandated or regulatory requirements, or other significant events constituting an emergency that would require additional consideration by the Board of Supervisors; and

WHEREAS, on February 14, 2018, the County Administrator submitted the Proposed FY 2019 Budget, Calendar Year 2018 Tax Rates, and the Proposed FY 2019 -2023 CIP to the Board of Supervisors; and

WHEREAS, the Board of Supervisors received comments on the proposed budget, the proposed tax rates, and the proposed capital improvement program from citizens of Fauquier County at a duly advertised public hearing on March 15, 2018; and

WHEREAS, the Board of Supervisors held a duly advertised public hearing on March 15, 2018 to receive comments on the Proposed Real Property Tax Increase as a result of the quadrennial reassessment, effective January 1, 2018; and

WHEREAS, it is the intent of the Board of Supervisors that departments and agencies shall adhere to the budgeted funds in accordance with departmental budgets presented by the County Administrator and adjusted by the Board of Supervisors; and

WHEREAS, annually the Board of Supervisors authorizes the carryover of fund balance in the Conservation Easement Service District Fund, as the funds are limited in use to the established purpose of the Fund; and

WHEREAS, the Board of Supervisors has determined to present all fire and rescue related costs, both career and volunteer, in the same tax levy and fund and shift all career related costs from the General Fund and general real estate tax rate to the Fire and Rescue Fund and fire and rescue levy fund, with the related shift of local tax support adjusted between the two real estate tax rates; and

Adopted Budget Resolution

WHEREAS, as a result of increases in real estate tax rates for Tax Year 2018 there will be a resulting one-half year increase in revenues for Fiscal Year 2018 which will create one-time monies to be allocated to one-time purposes, and such monies shall follow the fund in which expenses were incurred in Fiscal Year 2018; and

WHEREAS, in the event the Commonwealth of Virginia has not approved and appropriated their FY 2019-2020 biennial budget by June 30, 2019, the Board of Supervisors will amend the Fauquier County FY 2019 adopted and appropriated budget as necessary to ensure the County's cash flow and ability to provide programs and services; therefore, be it

RESOLVED by the Fauquier County Board of Supervisors this 22th day of March 2018, that the following tax rates for Calendar Year 2018 be, and are hereby, approved, as set forth below; and, be it

RESOLVED FURTHER, That projects which have been included in the Capital Improvement Program may be funded in future years at the discretion of the Board of Supervisors using a combination of County funds, proffers, or funding from third parties including grants and donations; and, be it

RESOLVED FURTHER, That the following budget totaling \$330,914,007 is, and is hereby, approved effective July 1, 2018, as set forth below; and, be it

RESOLVED FURTHER, That local tax supported expenditures of the School Division's overall Operating Fund budget of \$140,771,345 shall not exceed \$89,255,351 of local funds; and, be it

RESOLVED FURTHER, That the following budgets totaling \$325,276,286 for Fiscal Year 2020 shall be approved as the fiscal plan for FY 2020; and, be it

RESOLVED FURTHER, That the Board of Supervisors does hereby grant a salary increase of two and four-tenths percent (2.4%) be given effective beginning year of FY 2019, which includes a one and four-tenths percent (1.4%) cost-of-living adjustments (COLA) and one percent (1.0%) merit increase, as eligible, to all full-time permanent and part-time permanent employees of the Fauquier County Government who are actively employed as of the day of this Resolution, and are still actively employed as such time as the salary adjustment is provided; and be it

RESOLVED FURTHER, That all outstanding encumbrances as of June 30, 2018, are hereby re-appropriated to the 2018-19 fiscal year to the same department or account for which they are encumbered in the 2017-18 fiscal year, as approved by the County Administrator or his designee; and, be it

RESOLVED FURTHER, That all unencumbered appropriations lapse for budget items other than capital projects, contracts and grants, economic development reserves, asset replacement projects, and capital/asset replacement amounts in the Fire and Rescue Levy Fund as previously approved by the Board of Supervisors, or otherwise re-appropriated by the Board of Supervisors; and, be it

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RESOLVED FURTHER, That appropriations designated for capital projects and asset replacement projects that are unexpended as of June 30, 2018, are hereby re-appropriated to the 2018-19 fiscal year to the same projects; and, be it

RESOLVED FURTHER, That the County Administrator may approve necessary accounting transfers between funds to enable the proper accounting for pass-through funding or capital and asset replacement projects; and, be it

RESOLVED FURTHER, That all outstanding encumbrances and unencumbered appropriations in the General Fund associated with the specific one-time projects and the quadrennial reassessment as of June 30, 2018, are hereby re-appropriated to the 2018-19 fiscal year; and be it

RESOLVED FURTHER, That the FY 2018 fund balance of the Conservation Easement Service District Fund is hereby re-appropriated to the same fund for the 2018-19 fiscal year; and be it

RESOLVED FURTHER, That one-time monies as a result of tax increases in Tax Year 2018 and receipted in FY 2018 that are in excess of appropriations, as a result of the tax increase for the June 2018 collections, shall follow the fund for which the related expenditures were incurred in Fiscal Year 2018 regardless of any shift in funding for Fiscal Year 2019 or Fiscal Year 2020; and be it

RESOLVED FURTHER, That the approval by the Board of Supervisors of any grant funds to the County constitutes the appropriation of both the revenue to be received from the grant and the County's expenditures required by the terms of the grant, if any. Grant appropriations unexpended as of June 30, 2018, are hereby re-appropriated to the 2018-19 fiscal year for those purposes. Upon completion of a grant project, staff is authorized to close out the grant and transfer any remaining balances back to the funding source; and be it

RESOLVED FINALLY, That all financial activities, purchases, travel, personnel actions, etc., shall be in accordance with the policies and procedures established by the Board of Supervisors and administered by the County Administrator.

Adopted Budget Resolution

CALENDAR YEAR 2018 COUNTY TAX RATES

REAL ESTATE

General Real Estate \$0.855 per \$100 of assessed valuation

Special District Levy (Countywide)

Fire and Rescue \$0.121 per \$100 of assessed valuation

Conservation Easement \$0.006 per \$100 of assessed valuation

Stormwater Management Fee \$13.64 per parcel

Special District Levy (District Only)

Marshall Electric Light and Business Improvement District Levy \$0.005 per \$100 of assessed valuation

Bethel Academy Street Improvement District \$522.06 per lot

PERSONAL PROPERTY

Tangible Personal Property \$4.65 per \$100 of assessed valuation

Business Furniture, Fixtures, and Equipment \$2.30 per \$100 of assessed valuation

Machinery and Tools \$2.30 per \$100 of assessed valuation

Motor Homes, Campers, and Boats \$1.50 per \$100 of assessed valuation

Motor Vehicle Carriers (30+ passengers) \$1.00 per \$100 of assessed valuation

Fire & Rescue Volunteer Vehicles \$0.25 per \$100 of assessed valuation

Handicap Equipped Vehicles \$0.05 per \$100 of assessed valuation

Aircraft¹ \$0.001 per \$100 of assessed valuation

Mobile Homes \$0.982 per \$100 of assessed valuation

¹Aircraft stored at the Warrenton-Fauquier Airport are subject to a special maintenance fee assessment.

Adopted Budget Resolution

FY 2019 Revenue

Source	Amount
LOCAL REVENUE	
General Property Tax	
Real Estate	\$ 98,831,480
Public Service	6,100,000
Personal Property	24,980,000
Rollback Taxes	85,000
Bethel Academy	57,992
Delinquent Real Property	775,000
Delinquent Personal Property	245,000
Penalties	815,000
<u>Interest</u>	<u>350,000</u>
Total General Property Tax	\$132,239,472
Other Local Taxes	
Sales Tax (Local)	\$ 9,335,508
Utility Tax	1,445,000
Utility Consumption Tax	190,000
BPOL Tax	1,405,000
Auto Decals	1,950,000
Bank Stock Tax	150,000
Recording Tax & Fees (Deeds)	1,700,000
Recording Tax & Fees (Wills)	50,000
<u>Transient Occupancy Tax</u>	<u>105,000</u>
Total Other Local Taxes	\$ 16,330,508
Permit, Fees, and Licenses	
Dog Tags	\$ 38,000
Land Use Fees	350,000
Transfer Fees	2,600
Concealed Weapon Permits	10,000
Police Background Checks	25,000
State Primary Fees	5,200
<u>Community Development Fees</u>	<u>1,386,100</u>
Total Permits, Fees, and Licenses	\$ 1,816,900

Adopted Budget Resolution

FY 2019 Revenue

Source	Amount
Fines and Forfeitures	
Local Fines	\$ 425,000
Zoning Violation Fines	500
<u>Interest on Local Fines</u>	<u>7,000</u>
Total Fines and Forfeitures	\$ 432,500
Use of Money and Property	
Interest Income - General Fund	\$ 150,000
Rental of County Property	85,905
Rental Health Department	25,700
<u>Rental Hospital Hill Property</u>	<u>118,332</u>
Total Use of Money and Property	\$ 379,937
Charges for Services	
Excess Fees	\$ 80,000
Remote Access Clerk Fee	3,000
Sheriff Fees	3,742
Courtroom Security	145,000
Detention Fee	3,500
Law Library Fees	9,500
Local Cost	30,000
Inmate DNA	900
Inmate Processing Fee	11,000
Commonwealth's Attorney Fees	7,000
County Attorney Fees	15,000
Correction & Detention Charges	30,000
Street Signs	2,000
Police Report/Fingerprinting Fees	8,500
Parks & Recreation	500,491
Library Fees	78,000
<u>Sales of GIS Maps</u>	<u>5,000</u>
Total Charge for Services	\$ 932,633

Adopted Budget Resolution

FY 2019 Revenue

Source	Amount
Miscellaneous Revenue & Recovered Costs	
Farm Tour Donations	\$ 1,000
Admin Fees - Debt Set-Off	60,000
Lien Fees - Treasurer	45,000
Commonwealth's Attorney Collection Fees	155,000
Circuit Court Collection Fees	1,000
General District Court Collection Fees	3,500
J&DR Court Collection Fees	250
HR Background Checks	25,000
Wellness Dollars	25,000
HR Miscellaneous Revenue	15,681
Town Election Reimbursements	8,900
Miscellaneous Revenue	105,710
Other Government Charges	10,500
Work Release	65,000
Canteen Medical Reimbursements	6,500
Home Incarceration Fees	47,000
CSA Refunds	10,000
Warrenton Community Center Recovered Costs	19,000
<u>Miscellaneous Recoveries</u>	<u>2,000</u>
Total Miscellaneous Revenue & Recovered Costs	\$ 606,041
Total Local Revenue	\$152,737,991
STATE REVENUE	
Non-Categorical Aid	
Rolling Stock Tax	\$ 88,500
Mobile Home Titling Tax	25,000
Rental Car Tax	10,000
Personal Property Tax Relief	13,657,827
<u>Communication Tax</u>	<u>2,650,000</u>
Total Non-Categorical Aid	\$ 16,431,327

Adopted Budget Resolution

FY 2019 Revenue

Source	Amount
Shared Expenses	
Commonwealth's Attorney	\$ 507,289
Sheriff	3,643,103
Commissioner of the Revenue	188,400
Treasurer	153,205
Registrar	46,977
Clerk of the Court	496,899
<u>Adult Confinement – Detention</u>	<u>200,000</u>
Total Shared Expenses	\$ 5,235,873
Categorical Aid	
Social Services	\$ 1,513,085
Comprehensive Services Act	2,712,730
Child Support Payments	5,000
VDSS DV Grant	33,193
DCJS VOCA Grant	52,934
Recordation Tax	435,000
Library Aid	157,263
Jury Duty Reimbursement	25,000
Adult Court Services – Pretrial	272,182
Community Corrections	245,379
Juv. Community Crime Control	36,836
E-911 Wireless Program	117,716
Prisoner Transportation	15,000
Armory	17,751
<u>Miscellaneous</u>	<u>2,000</u>
Total Categorical Aid	\$ 5,641,069
Total State Revenue	\$ 27,308,269
FEDERAL REVENUE	
Welfare Administration	\$ 2,536,524
Commissioner of the Arts	4,500
<u>Public Safety</u>	<u>39,248</u>
Total Federal Revenue	\$ 2,580,272
INTERGOVERNMENTAL	
Capital Improvement Fund	\$ 119,480
<u>Stormwater Management Fund</u>	<u>358,657</u>
Total Intergovernmental	\$ 478,137
Use of Fund Balance	\$ 987,697
Total General Fund	\$184,092,366

Adopted Budget Resolution

FY 2019 Revenue

Source	Amount
OTHER FUNDS	
Airport Fund	\$ 732,851
Ambulance Revenue Recovery Fund	1,456,617
Capital Improvement Fund	19,878,158
Conservation Easement Service District Fund	845,325
County Asset Replacement Fund	3,366,858
Debt Service Fund	12,728,609
Fire & Rescue Levy Fund	17,991,518
Fleet Maintenance Fund	3,506,492
Health Insurance Fund	34,173,313
Landfill Fund	6,093,239
School Division Operating Fund	140,771,345
School Nutrition Fund	5,645,825
School Textbook Fund	1,115,796
School Asset Replacement Fund	4,450,286
<u>Regional Governor's School Fund</u>	<u>1,561,050</u>
Total Other Funds	\$254,317,282
Total All Funds	\$438,409,648
<u>Less Local Support</u>	<u>(107,495,641)</u>
Total Revenue	\$330,914,007

Adopted Budget Resolution

FY 2019 Expenditures

Fund/Department	Amount
General Government	
Board of Supervisors	\$ 292,097
Commissioner of the Revenue	1,622,557
County Administration	966,619
County Attorney	754,625
Finance	1,499,971
Geographic Information Systems	356,560
Human Resources	2,938,092
Independent Auditor	186,105
Information Technology	3,962,744
Management & Budget	573,937
Registrar	467,087
<u>Treasurer</u>	<u>1,353,038</u>
Subtotal General Government	\$ 14,973,432
Judicial Administration	
Adult Court Services	\$ 979,707
Circuit Court	138,644
Clerk of the Circuit Court	1,270,046
Commissioner of Accounts	15,600
Commonwealth's Attorney	1,521,159
General District Court	32,700
Juvenile and Domestic Relations Court	17,726
<u>Magistrates</u>	<u>87,773</u>
Subtotal Judicial Administration	\$ 4,063,355
Public Safety	
Juvenile Detention and Probation	309,532
<u>Sheriff's Office</u>	<u>20,902,586</u>
Subtotal Public Safety	\$ 21,212,118
Public Works	
Environmental Services - Convenience Sites	\$ 2,698,081
<u>General Services</u>	<u>5,360,648</u>
Subtotal Public Works	\$ 8,058,729

Adopted Budget Resolution

FY 2019 Expenditures

Fund/Department	Amount
Health & Welfare	
Community Services Board	\$ 475,225
Public Health	607,877
<u>Social Services/CSA</u>	<u>11,225,132</u>
Subtotal Health & Welfare	\$ 12,308,234
Culture	
Library	\$ 2,508,152
Lord Fairfax Community College	70,425
<u>Parks and Recreation</u>	<u>4,056,952</u>
Subtotal Culture	\$ 6,635,529
Community Development	
Agricultural Development	\$ 68,119
Community Development	3,712,746
Contributions	1,068,439
Cooperative Extension	156,211
Economic Development	811,965
John Marshall Soil & Water Conservation	159,186
<u>Planning Commission & Board of Zoning Appeals</u>	<u>151,631</u>
Subtotal Community Development	\$ 6,128,297
Non-Departmental	
<u>Non-Departmental</u>	<u>\$ 3,117,031</u>
Subtotal Non-Departmental	\$ 3,117,031
Transfers	
Airport Fund	\$ 16,000
Capital Improvement Fund	3,423,198
County Asset Replacement Fund	1,587,532
Debt Service Fund	12,139,521
Landfill Fund	1,074,039
School Division Operating Fund	89,255,351
<u>Utility Fund</u>	<u>100,000</u>
Subtotal Transfers	\$107,595,641
Total General Fund	\$184,092,366

Adopted Budget Resolution

FY 2019 Expenditures

Fund/Department	Amount
Other Funds	
Airport Fund	\$ 732,851
Ambulance Revenue Recovery Fund	1,456,617
Capital Improvement Fund	19,878,158
Conservation Easement Service District Fund	845,325
County Asset Replacement Fund	3,366,858
Debt Service Fund	12,728,609
Fire & Rescue Levy Fund	17,991,518
Fleet Maintenance Fund	3,506,492
Health Insurance Fund	34,173,313
Landfill Fund	6,093,239
School Division Operating Fund	140,771,345
School Nutrition Fund	5,645,825
School Textbook Fund	1,115,796
School Asset Replacement Fund	4,450,286
<u>Regional Governor's School Fund</u>	<u>1,561,050</u>
Total Other Funds	\$254,317,282
Subtotal All Funds	\$438,409,648
Less Transfers	<u>(107,495,641)</u>
Total Appropriations:	\$330,914,007

Adopted Budget Resolution

FY 2020 Revenue

Source	Amount
LOCAL REVENUE	
General Property Tax	
Real Estate	\$ 100,968,991
Public Service	6,300,000
Personal Property	26,080,000
Rollback Taxes	85,000
Delinquent Real Property	775,000
Delinquent Personal Property	245,000
Penalties	815,000
<u>Interest</u>	<u>350,000</u>
Total General Property Tax	\$135,618,991
Other Local Taxes	
Sales Tax (Local)	\$ 9,834,354
Utility Tax	1,445,000
Utility Consumption Tax	190,000
BPOL Tax	1,405,000
Auto Decals	1,950,000
Bank Stock Tax	150,000
Recording Tax & Fees (Deeds)	1,700,000
Recording Tax & Fees (Wills)	50,000
<u>Transient Occupancy Tax</u>	<u>105,000</u>
Total Other Local Taxes	\$ 16,829,354
Permit, Fees, and Licenses	
Dog Tags	\$ 38,000
Land Use Fees	10,000
Transfer Fees	2,600
Concealed Weapon Permits	10,000
Police Background Checks	25,000
<u>Community Development Fees</u>	<u>1,388,700</u>
Total Permits, Fees, and Licenses	\$ 1,474,300

Adopted Budget Resolution

FY 2020 Revenue

Source	Amount
Fines and Forfeitures	
Local Fines	\$ 425,000
Zoning Violation Fines	500
<u>Interest on Local Fines</u>	<u>7,000</u>
Total Fines and Forfeitures	\$ 432,500
Use of Money and Property	
Interest Income - General Fund	\$ 175,000
Rental of County Property	90,505
Rental Health Department	25,700
<u>Rental Hospital Hill Property</u>	<u>118,332</u>
Total Use of Money and Property	\$ 409,537
Charges for Services	
Excess Fees	\$ 80,000
Remote Access Clerk Fee	3,000
Sheriff Fees	3,742
Courtroom Security	145,000
Detention Fee	3,500
Law Library Fees	9,500
Local Cost	30,000
Inmate DNA	900
Inmate Processing Fee	11,000
Commonwealth's Attorney Fees	7,000
County Attorney Fees	15,000
Correction & Detention Charges	30,000
Street Signs	2,000
Police Report/Fingerprinting Fees	8,500
Parks & Recreation	500,491
Library Fees	79,000
<u>Sales of GIS Maps</u>	<u>5,000</u>
Total Charge for Services	\$ 933,633

Adopted Budget Resolution

FY 2020 Revenue

Source	Amount
Miscellaneous Revenue & Recovered Costs	
Farm Tour Donations	\$ 1,000
Admin Fees - Debt Set-Off	60,000
Lien Fees - Treasurer	46,000
Commonwealth's Attorney Collection Fees	160,000
Circuit Court Collection Fees	1,000
General District Court Collection Fees	3,500
J&DR Court Collection Fees	250
HR Background Checks	25,000
Wellness Dollars	25,000
HR Miscellaneous Revenue	15,681
Town Election Reimbursements	3,300
Miscellaneous Revenue	107,710
Other Government Charges	10,500
Work Release	65,000
Canteen Medical Reimbursements	6,500
Home Incarceration Fees	47,000
CSA Refunds	10,000
Warrenton Community Center Recovered Costs	19,000
<u>Miscellaneous Recoveries</u>	<u>2,000</u>
Total Miscellaneous Revenue & Recovered Costs	\$ 608,441
Total Local Revenue	\$156,306,756
STATE REVENUE	
Non-Categorical Aid	
Rolling Stock Tax	\$ 88,500
Mobile Home Titling Tax	25,000
Rental Car Tax	10,000
Personal Property Tax Relief	13,657,827
<u>Communication Tax</u>	<u>2,650,000</u>
Total Non-Categorical Aid	\$ 16,431,327

Adopted Budget Resolution

FY 2020 Revenue

Source	Amount
Shared Expenses	
Commonwealth's Attorney	\$ 512,362
Sheriff	3,679,534
Commissioner of the Revenue	192,187
Treasurer	154,737
Registrar	47,447
Clerk of the Court	501,868
<u>Adult Confinement – Detention</u>	<u>200,000</u>
Total Shared Expenses	\$ 5,288,135
Categorical Aid	
Social Services	\$ 1,553,730
Comprehensive Services Act	2,712,730
Child Support Payments	5,000
VDSS DV Grant	33,193
DCJS VOCA Grant	52,934
Recordation Tax	435,000
Library Aid	157,263
Jury Duty Reimbursement	25,000
Adult Court Services – Pretrial	272,182
Community Corrections	245,379
Juv. Community Crime Control	36,836
E-911 Wireless Program	117,716
Prisoner Transportation	15,000
Armory	17,751
<u>Miscellaneous</u>	<u>2,000</u>
Total Categorical Aid	\$ 5,681,714
Total State Revenue	\$ 27,401,176
FEDERAL REVENUE	
Welfare Administration	\$ 2,543,477
Commissioner of the Arts	4,500
<u>Public Safety</u>	<u>39,248</u>
Total Federal Revenue	\$ 2,587,225
INTERGOVERNMENTAL	
Capital Improvement Fund	\$ 121,869
<u>Stormwater Management Fund</u>	<u>358,657</u>
Total Intergovernmental	\$ 480,526
Use of Fund Balance	\$ 987,696
Total General Fund	\$187,763,379

Adopted Budget Resolution

FY 2020 Revenue

Source	Amount
OTHER FUNDS	
Airport Fund	\$ 732,851
Ambulance Revenue Recovery Fund	1,480,191
Capital Improvement Fund	6,968,000
Conservation Easement Service District Fund	857,221
County Asset Replacement Fund	1,904,492
Debt Service Fund	13,688,172
Fire & Rescue Levy Fund	18,411,985
Fleet Maintenance Fund	3,517,988
Health Insurance Fund	35,898,229
Landfill Fund	6,200,619
School Division Operating Fund	142,946,368
School Nutrition Fund	5,744,696
School Textbook Fund	1,116,884
School Asset Replacement Fund	4,981,326
<u>Regional Governor's School Fund</u>	<u>1,596,550</u>
Total Other Funds	\$246,045,572
Total All Funds	\$433,808,951
<u>Less Local Support</u>	<u>(108,532,665)</u>
Total Revenue	\$325,276,286

Adopted Budget Resolution

FY 2020 Expenditures

Fund/Department	Amount
General Government	
Board of Supervisors	\$ 292,043
Commissioner of the Revenue	1,636,989
County Administration	972,167
County Attorney	758,561
Finance	1,514,763
Geographic Information Systems	359,184
Human Resources	3,001,786
Independent Auditor	187,685
Information Technology	4,000,727
Management & Budget	574,439
Registrar	477,454
<u>Treasurer</u>	<u>1,364,234</u>
Subtotal General Government	\$ 15,140,032
Judicial Administration	
Adult Court Services	\$ 987,643
Circuit Court	139,300
Clerk of the Circuit Court	1,326,643
Commissioner of Accounts	15,600
Commonwealth's Attorney	1,532,065
General District Court	32,700
Juvenile and Domestic Relations Court	17,726
<u>Magistrates</u>	<u>87,773</u>
Subtotal Judicial Administration	\$ 4,139,450
Public Safety	
Juvenile Detention and Probation	309,532
<u>Sheriff's Office</u>	<u>21,238,662</u>
Subtotal Public Safety	\$ 21,548,194
Public Works	
Environmental Services - Convenience Sites	\$ 2,756,853
<u>General Services</u>	<u>5,401,074</u>
Subtotal Public Works	\$ 8,157,927

Adopted Budget Resolution

FY 2020 Expenditures

Fund/Department	Amount
Health & Welfare	
Community Services Board	\$ 489,482
Public Health	616,995
<u>Social Services/CSA</u>	<u>11,351,753</u>
Subtotal Health & Welfare	\$ 12,458,230
Culture	
Library	\$ 2,518,157
Lord Fairfax Community College	70,425
<u>Parks and Recreation</u>	<u>4,152,240</u>
Subtotal Culture	\$ 6,740,822
Community Development	
Agricultural Development	\$ 68,335
Community Development	3,739,960
Contributions	1,085,729
Cooperative Extension	161,388
Economic Development	910,994
John Marshall Soil & Water Conservation	160,348
<u>Planning Commission & Board of Zoning Appeals</u>	<u>151,631</u>
Subtotal Community Development	\$ 6,278,385
Non-Departmental	
<u>Non-Departmental</u>	<u>\$ 4,667,674</u>
Subtotal Non-Departmental	\$ 4,667,674
Transfers	
Airport Fund	\$ 16,000
Capital Improvement Fund	1,218,000
County Asset Replacement Fund	1,637,532
Debt Service Fund	13,095,284
Landfill Fund	1,181,419
School Division Operating Fund	91,384,430
<u>Utility Fund</u>	<u>100,000</u>
Subtotal Transfers	\$108,632,665
Total General Fund	\$187,763,379

Adopted Budget Resolution

FY 2020 Expenditures

Fund/Department	Amount
Other Funds	
Airport Fund	\$ 732,851
Ambulance Revenue Recovery Fund	1,480,191
Capital Improvement Fund	6,968,000
Conservation Easement Service District Fund	857,221
County Asset Replacement Fund	1,904,492
Debt Service Fund	13,688,172
Fire & Rescue Levy Fund	18,411,985
Fleet Maintenance Fund	3,517,988
Health Insurance Fund	35,898,229
Landfill Enterprise Fund	6,200,619
School Division Operating Fund	142,946,368
School Nutrition Fund	5,744,696
School Textbook Fund	1,116,884
School Asset Replacement Fund	4,981,326
<u>Regional Governor's School Fund</u>	<u>1,596,550</u>
Total Other Funds	\$246,045,572
Subtotal All Funds	\$433,808,951
Less Transfers	<u>(108,532,665)</u>
Total Appropriations:	\$325,276,286

County Financial Policies

Policy: Budget Adjustment Guidelines Effective Date: May 1, 2018

I. Purpose

The purpose of the Transfer and Supplemental Appropriation policy is to establish procedures for revising the Board of Supervisors' adopted fiscal plan and to set forth the specific approvals required to implement proposed changes.

II. Scope

This policy applies to all General County Government departments and agencies, and to the School Division in the case of supplemental appropriations and carryovers.

III. Budget Action Form

Agencies and staff requesting revisions to their adopted budgets will submit a Budget Action Form (BAF) to the County Office of Management and Budget. Budget staff will either authorize the change or submit recommendations to the County Administrator, depending on the type of request and the requirements described by this policy.

A. **Transfers:** A transfer involves the movement of budgetary appropriations within a departmental or agency budget or between agency budgets, provided that the proposed action does not impact overall appropriations at the fund level.

1. To initiate a request for transfer the initiating department(s) shall complete a Budget Action Form (BAF).
2. This form shall be reviewed by the Office of Management and Budget which shall be tasked with reviewing the justification for the transfer and providing a written statement of findings and recommendations.
3. All requests for budget transfers must provide justification and be signed by the initiating department head(s) or department employee based on signature card authority.
4. Departments are responsible for ensuring that expenditures are reconciled with budgets for the following categories: personnel, operations, and capital.

B. **Transfer Approvals (Between Departments in the Same Fund):**

1. The Office of Management and Budget is the approval authority for all intra-departmental transfers (transfers within a department).
2. The Office of Management and Budget is the approval authority for all inter-departmental transfers of less than \$50,000.
3. The County Administrator is the approval authority for all inter-departmental transfer requests of \$50,000 and above.
4. Transferring appropriations between the personnel and non-personnel categories will be allowed on an exception basis only and approval by the Office of Management and Budget.
5. The Board of Supervisors is the approval authority, upon review and recommendation of the Finance and/or Personnel Committees, for all transfer requests to establish full-time or part-time permanent positions or any action that would create a multi-year financial commitment.

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6. The Board of Supervisors is the approval authority, upon recommendation of the Finance Committee, for all requests to transfer appropriations from the Undedicated Contingency Reserve or a Dedicated Capital Contingency Reserve.
7. Initiating Department(s) that do not report to County Administration may appeal a determination of the County Administrator to the Finance Committee.

C. Supplemental Appropriations: Supplemental Appropriations involve actions that increase or decrease the overall budget appropriation for the County Budget or a Fund contained therein. Funding sources for these changes may include grants, unanticipated revenues, inter-Fund transfers or the use of Fund Balance.

D. Supplemental Appropriation Approval:

1. The County Administrator is provided the administrative authority by the Board of Supervisors to accept and appropriate grants awarded outside of the annual budget process based on the following:
 - a. An adjustment is required for a grant appropriated through the annual budget process, where notice is received from the granting agency that the actual award varies from the appropriated budget, requiring a supplemental appropriation of funds and the total adjustment does not exceed \$50,000, and the following requirements are met:
 - i. Any applicable local match funding must be available within the department's existing, approved budget(s).
 - ii. The approved scope and intent of the grant shall remain unchanged.
 - b. One-time supplemental grant awards, for grants not included in the adopted budget, that do not exceed \$50,000, and the following requirements are met:
 - i. No ongoing funding requirements are included in the grant acceptance, including but not limited to the establishment of temporary or permanent positions.
 - ii. Any applicable local match funding is available within the department's existing, approved budget(s).
 - c. De-appropriation of any grant funds, in any amount, that are closed out and final reporting submitted to funding agency.
2. The County Administrator is provided the administrative authority by the Board of Supervisors to accept and appropriate insurance recoveries or other non-recurring miscellaneous revenue items that do not exceed \$50,000.
3. The County Administrator may, at their discretion, authorize a designee to hold administrative authority as outlined in items D, 1-2, that do not exceed \$15,000.
4. The Office of Management and Budget will provide the Finance Committee a list of any supplemental appropriation adjustments notated above for review at the Committee's regularly scheduled monthly meeting.
5. The Office of Management and Budget will prepare an annual appropriations resolution that will authorize staff to carry forward appropriations authority for unexpended grants and encumbrances from the prior fiscal year as part of the annual closeout process.

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6. All requests for supplemental appropriation that do not fall under the preceding guidelines require the Board of Supervisors' approval upon recommendation of the Finance Committee, as applicable.

E. Supplemental Appropriations – Public Hearing:

1. The Code of Virginia (Sec. 15.2-2507) requires a public hearing when supplements to the budget exceed 1% of the total budget.
2. The Office of Management and Budget has administrative responsibility to ensure that statutory requirements are met in regard to budget adjustments.

F. Schools Categorical Transfers: For the purpose of this policy, transfers between School budgetary categories shall also require Board of Supervisors' approval, provided that the School budget was approved using categorical appropriations.

G. Capital Projects (Capital Improvement Fund (CIP), Asset Replacement Fund and Enterprise Funds):

1. Intra-Project Transfers: Transfers within project budgets are subject to the same procedures as intra-departmental transfers, described in Section III.A of this policy.
2. Inter-Project Transfers: The Board of Supervisors is the approval authority, upon recommendation from the Finance Committee, as applicable, for all requests for transfer between capital projects.
3. Project Activity (CIP/Asset Replacement Funds): All capital projects having no activity (expenditure) at the end of each fiscal year will be reviewed for possible reallocation of funds. Any of the projects for which there is no justified reason for inactivity will be closed and any residual funding will be transferred to the appropriate capital reserve account (County or Schools). These funds will be available for other County/School capital needs as determined by the Board of Supervisors.
4. Project Activity (Enterprise Funds): Inactive capital projects are subject to the same review process as identified in the previous section. Funding from closed projects will be de-appropriated and designated as unobligated fund balance or capital reserve for future use.

County Financial Policies

Policy: County Funds Structure & Uses Effective Date: July 1, 2010

I. Purpose

The purpose of the County Fund Structure and Uses policy is to establish and identify the structure and relationship between County funds. The Fauquier County Board of Supervisors is committed to the prudent management of County finances, promoting fiscal integrity and planning for the adequate funding of services desired by the public. The County Funds Structure and Uses policy establishes the framework for the County's overall fiscal planning and management.

II. Scope

This policy applies to the County's governmental and proprietary funds. For the purposes of this policy, a fund is defined as a mechanism employed for budgeting and accounting purposes to segregate resources related to specific activities. Fund types described in this policy consist of two major categories:

- A. Governmental Funds - General use funds typically consisting of activities supported by taxes, grants and similar resources.
- B. Proprietary Funds – Business-type activities consisting of self-funded enterprises or the provision of internal services to other governmental units.

Resource requirements for both types of funds are reviewed and appropriated by the Board of Supervisors during its annual budget process and revisited as circumstances require over the course of the fiscal year.

III. Governmental Funds

The County's governmental funds employ modified accrual accounting and are budgeted on the same basis. This category also includes special revenue funds that are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Accounting and budgeting procedures must be consistent with generally accepted accounting principles (GAAP). The following funds are categorized as governmental funds:

- A. General Fund – The primary operating fund for all non-education governmental activities. The General Fund is supported by a combination of local tax revenue, fees, charges for service, intergovernmental revenues, and outside grant funding.
- B. School Operating Fund – The primary fund for all education-related governmental activities. School Operating Fund revenue consists of a transfer from the County's General Fund, aid from the State and Federal governments, as well as various charges for service. The School Board has direct control over the allocation of resources within this fund.

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- C. Debt Service Fund – This fund provides for the repayment of debt service on municipal debt issued to construct facilities. Additional information regarding the Debt Service Fund may be found in the Debt Issuance and Management Policy (FC-4).
- D. Asset Replacement Funds – The County maintains separate asset replacement funds for the General Government and the School Division. The Asset Replacement Funds provide for the financing of major maintenance and systems replacement, renovations and major asset replacements, principally through the accumulation of cash funding and various grants.
- E. Capital Improvement Fund – This fund provides for the acquisition, construction or total replacement of physical facilities to include additions that increase the square footage of an existing facility using a combination of cash funding and debt financing.
- F. Affordable Housing Fund – This fund supports the County’s efforts to increase opportunities for work force housing. The Affordable Housing Fund is supported by grants, proffers, and a transfer from the General Fund.
- G. Ambulance Billing Fund – This fund provides for the administration of the County’s ambulance revenue recovery program. Revenue generated from the County’s ambulance fee supports career and volunteer emergency medical service expenses.
- H. Conservation Easement Service District Fund – This fund provides for the administration of the County’s purchase of development rights program. The PDR program is funded by a dedicated real estate tax levy.
- I. Volunteer Fire and Rescue Association Fund – This fund supports expenditures for the County’s volunteer fire and rescue system. The VFRA Fund is supported by a dedicated real estate tax levy.
- J. Parks and Recreation Fund – This fund is used for private donations to support parks and recreation facilities and programs.
- K. Library Fund – This fund is used to account for private donations to support library facilities and programs.
- L. Proffer Fund – This fund is used for contributions from developers to support the impact on infrastructure from new housing growth.
- M. Vint Hill Transportation Fund – This fund accounts for the contributions received from developers to support the expansion of roads in the Vint Hill area.
- N. Non-Major School Division Funds – The School Division maintains several non-major funds for accounting purposes, consisting of the School Nutrition Fund, Textbook Fund and the Regional Governor’s School Fund, which is a fiduciary fund. These funds are supported by a combination of outside grants, fees and a transfer from the School Operating Fund.

IV. Proprietary Funds

The County’s proprietary funds employ a full accrual accounting method that recognizes the financial effect of transactions, events and interfund activities when they occur, regardless of the timing of related cash flows. The following funds are to be categorized as proprietary funds:

County Financial Policies

- A. Internal Service Funds – These funds are used to account for goods or services provided by one department or agency to another governmental unit on a cost reimbursement basis. Examples of internal service funds include the Fleet Maintenance and Health Insurance funds.
- B. Enterprise Funds – These funds house activities that are financed and operated as self-supporting activities. Examples of enterprise funds include the Environmental Services Fund and the Warrenton-Fauquier Airport Fund.

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Policy: Debt Issuance & Management Effective Date: July 8, 2010

- I. Purpose
 - a. The purpose of the Debt Issuance and Management policy is to establish procedures for the financing of major capital projects and policies for the issuance and management of debt.

- II. Scope
 - a. This policy applies to the financing of all General County Government and School Division capital facilities projects and the management of outstanding debt (including expenses relating to activities associated with the Volunteer Fire and Rescue and Conservation Easement Service District fund).

- III. Debt Referendum Policies
 - a. Capital Improvement Program: The County will develop and the Board of Supervisors will adopt a multi-year plan for capital improvements.
 - i. All capital improvement projects will be implemented in accordance with the adopted Capital Improvement Program.
 - b. Cash Financing: The Board of Supervisors will attempt to fund not less than 10% of the Capital Improvement Program's construction costs from current financial resources.
 - c. Referendum Requirements: The County will consider the use of general obligation debt on facility construction projects or acquisitions requiring at least \$25,000,000 in debt issuance. Issues requiring the threshold amount of debt issuance shall be subject to voter referendum regardless of the financial mechanism.
 - i. The County will confine long-term borrowing and capital leases to capital improvements, projects, and/or equipment that cannot be financed from current financial resources.
 - ii. The Board of Supervisors may, by majority vote, waive the referendum requirement to the extent allowed by law in order to meet a critical health and/or public safety need, or in conjunction with a court order.
 - iii. The Board of Supervisors may authorize cash expenditures for reasonable related expenses in preparation for a referendum. These expenditures may include preliminary architectural and engineering design work needed to provide County citizens with adequate details on the referendum issue. Funding will be made in accordance with existing Finance Committee policies.
 - iv. The County will not fund current operations from the proceeds of borrowed funds.

- IV. Debt Management Policies
 - a. Debt Capacity: The County's debt capacity will be defined as 10% of the aggregate total of budgeted revenue in the General Fund, Volunteer Fire and Rescue Fund and the Conservation Easement Service District Fund.

County Financial Policies

- i. Payments on debt issued for the County’s enterprise funds (e.g. the Airport Fund and the Environmental Services Fund) shall be incorporated into the business models for those funds and not considered as part of the annual debt capacity calculation.
- b. Debt Service Fund: The Debt Service Fund will provide for the payment of debt service, both principal and interest, on municipal debt issued to construct facilities.
 - i. The Fund will track debt service payments for educational and non-educational facilities, as well as public safety and conservation projects supported by the Volunteer Fire and Rescue and Conservation Easement Service District funds.
 - ii. Debt service payments on enterprise fund debt shall be included in the respective enterprise funds’ annual budgets.
 - iii. The Debt Service Fund will be appropriated by the Board of Supervisors as part of the annual budget process, but will represent the long-term financing costs resulting from policy decisions made by the Board of Supervisors and the School Board as expressed by the Capital Improvement Program.
 - iv. The County will make every effort to apply reductions in annual debt service payments toward future capital needs and/or debt reduction.
- c. Issuance Guidelines:
 - i. Debt issuances will be pooled together when feasible to minimize costs.
 - ii. The Board will be requested to adopt a reimbursement resolution in conjunction with the budget process or prior to incurring expenditures for which a subsequent debt issuance is anticipated.
 - iii. Debt service reserve funds and other funds as required by bond covenants shall be established and monitored annually to ensure continued compliance with bond covenants, County policies, and Federal and State regulations.
- d. Post-Issuance Guidelines:
 - i. The Director of Finance shall be responsible for monitoring and documenting post issuance compliance through the following actions:
 - 1. Coordinate procedures for record retention and review of such records.
 - 2. Review post-issuance compliance procedures on a periodic basis, not less than annually.
 - 3. Obtain and store all closing documents of relevant and customary transaction documents.
 - 4. Confirm that the applicable information report (Form 8038 series) has been filed for each issue with the Internal Revenue Service (“IRS”) on a timely basis.
 - 5. Coordinate receipt and retention of relevant records with respect to the investment and expenditure of the proceeds with other applicable County staff.
 - 6. Coordinate with the State Non Arbitrage Program (“SNAP”) or other outside arbitrage rebate specialists to monitor compliance with

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the applicable arbitrage rules and perform required rebate calculations in a timely manner.

7. Monitor to ensure compliance with Federal tax requirements after bonds are issued for taxable or non taxable bonds which include Federal subsidies for a portion of their borrowing costs.

e. Recordkeeping:

- i. Records necessary to support the tax-exempt status of each bond financing will be maintained for the life of the bond plus 3 year as required by IRS regulations or longer if required by the Library of Virginia. If maintained electronically, these records shall be stored in compliance with Federal law, Treasury Regulations, IRS and Virginia guidelines.

f. Disclosure and Communications:

- i. The County will maintain good communications with bond rating agencies to inform them about the County's financial position by providing them the County's Comprehensive Annual Financial Report (CAFR) and Adopted Budget.
- ii. The County will follow best practices of full continuing disclosure as outlined by the Government Finance Officers Association.
- iii. The County will provide continuing disclosures through the Electronic Municipal Market Access system ("EMMA") as required by the SEC, Rule 15c2-12.

County Financial Policies

Policy: Fund Balance Management **Effective Date: May 12, 2011**

- I. Purpose
The Board of Supervisors recognizes the significance of maintaining an appropriate level of fund balance as one component of sound financial management; and, therefore, formally establishes this policy for the County's Fund Balance. An adequate fund balance level is an essential element in both short-term and long-term financial planning, and serves to mitigate the impact of future risks, sustain operations during economic downturns, and enhance creditworthiness. Through the maintenance of adequate levels of fund balance, the County can help stabilize funding for operations, stabilize taxes and fees, and realize cost savings in issuing debt. The County has achieved a prudent level of fund balance to enable it to set aside the funds needed to meet the target established herein.

- II. Scope
This policy establishes the level of unassigned fund balance required for the County's General Fund and fund balance management. It sets forth the levels deemed appropriate for County operations, and the protocol for the use and maintenance of the established levels. Further, the policy discusses the fund balance of other funds and the impact on the General Fund. This policy is established on the modified accrual basis of accounting for governmental funds.

- III. Components of Fund Balance
Fund Balance is the difference between assets and liabilities reported in governmental funds. It serves as a measure of financial resources available for current operations. The Governmental Accounting Standards Board prescribes the classification scheme for components of fund balance. The types of fund balance components are non-spendable, restricted, committed, assigned and unassigned. The policy will focus on the amount remaining after accounting for non-spendable and restricted fund balance, which is comprised of three elements; committed, assigned and unassigned fund balance.

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Types	Definition	Example
Non-spendable:	Amounts that cannot be spent because they are not in spendable form, or for legal or contractual reasons, must be kept intact.	<ul style="list-style-type: none"> • inventory, • prepaid assets, • long-term receivables • Corpus of an endowment fund
Restricted:	Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors, or other governments; or imposed by law through constitutional provisions or enabling legislation.	<ul style="list-style-type: none"> • federal grants, • unspent bond proceeds, • bond covenants, • taxes raised for a specific purpose
Committed:	Financial resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. Constraints may only be removed or changed by taking the same type of action previously committing these amounts.	<ul style="list-style-type: none"> • Requires action by the highest level of decision making authority. No delegation of authority is allowed • Limitation imposed no later than the close of the reporting period • “Rainy Day” funds with limitation imposed by formal action pursuant to this category. • Encumbrances (amounts imposed by formal action)
Assigned:	That portion of fund balance intended to be used for a specific purpose as expressed by the Board of Supervisors a local body, or official to which the Board of Supervisors has delegated the authority to assign amounts including but not limited to the County Administrator and the Office of Management and Budget.	<ul style="list-style-type: none"> • Encumbrances (Amounts imposed by informal action pursuant to this category, but that are neither restricted nor committed) • Recommended use of fund balance at year-end
Unassigned:	That portion of unrestricted fund balance that has not been committed or assigned for other uses; therefore, it is available to spend in future periods.	10% set aside for emergency needs as approved by Board of Supervisors

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IV. Fund Balance Requirements

- A. The Government Finance Officers Association recommends that at a minimum, the total of committed, assigned and unassigned fund balance in the General Fund be available to cover at least two months of operating revenues or expenditures. The County sets the level of fund balance needed to mitigate risks and minimize costs associated with debt as follows:
1. The minimum level of unassigned fund balance at each fiscal year end shall be set at ten percent (10%) of general operating revenues.
 2. Ten percent (10%) is identified as the minimum amount needed to safeguard the County's financial stability and as one component in maintaining its bond ratings. This level, when combined with committed and assigned balances, provides the County with sufficient funds to operate in excess of two months without interrupting service levels.
- B. Appropriations from the fund balance below the minimum of ten percent of operating revenue shall occur only in the event of emergency needs as approved by the Board of Supervisors.
- C. Unassigned fund balance amounts that exceed ten percent may be transferred to the Capital Projects Fund construction reserve account for future construction needs.
- D. Fund balance shall be evaluated during the annual budget process. It shall be the goal of the Board of Supervisors to adopt a budget that maintains the target established herein.
- E. When both restricted resources and other resources are available to be used for the same purpose, it is the County's policy to use restricted resources first, and then committed, assigned and unassigned fund balance as they are needed.

V. Policy Compliance

- A. The County's Finance Department in coordination with the Office of Management and Budget shall submit an annual report to the Finance Committee upon completion of the audit. If the County does not meet its target, a compliance plan shall be submitted to the Board for approval which will meet this policy by the end of the subsequent fiscal year.
- B. The County shall demonstrate compliance with this policy in its annually adopted budget.

VI. Governmental Fund Categories and Fund Types

A. General Fund

1. The County's general operating fund accounts for all governmental activities unless required to be accounted for in another fund.

B. Capital Projects Funds

1. Fund balances in the Capital Funds are maintained to support the projects adopted in the Asset Replacement and Capital Improvement Program. The balances in these funds are either committed or assigned for specific projects/uses.

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2. Annually, cash transfers are made from the supporting operating fund for projects that are approved as cash basis.
3. Debt proceeds are maintained in the Capital Projects Fund for those projects funded with debt.
4. The fund balance in these funds minimizes any potential liability for the General Fund.

C. Special Revenue Funds

1. Any revenue in excess of expenditures is retained in these funds. If expenditures are approved in excess of revenues, the General Fund will bear the cost. The fund balance target established for the General Fund takes this potential liability into account.

D. Schools Operating Fund

1. The Schools Operating Fund does not maintain a fund balance.
2. At each fiscal year-end if revenue exceeds expenditures, after accounting for carry forward expenditures, the surplus is allocated by resolution. The General Fund is the primary support for the Schools Operating Fund. In the event, the Schools experience revenue shortfalls or increased costs of operation, the General Fund may be impacted. The fund balance target established for the General Fund takes this liability into account.

E. Proprietary Funds

1. The County currently has four Proprietary Funds: Landfill & Recycling Fund, Airport, Fleet Maintenance and Health Insurance.
2. These operations are intended to be self-supporting. As such, the charges for services should be adjusted to cover any deficits.
3. In the event of deficits, the General Fund may approve a loan to cover the deficit with an appropriate repayment schedule. The fund balance target established for the General Fund takes this liability into account.

F. Debt Service Funds

1. The Debt Service Fund provides for the payment of debt service, both principal and interest, to fund capital projects. In the event debt service expenditures exceed budget, the General Fund will be impacted. The fund balance target established for the General Fund takes this liability into account.

County Financial Policies

Policy: Grant Management Effective Date: September 11, 2014

I. Purpose

This document outlines the policies for any county program, department, or division that is submitting and/or administering a grant on behalf of Fauquier County. The purpose of this policy is to:

- Ensure that grant applications are within the scope of Fauquier County's strategic goals.
- Facilitate coordination of Fauquier County department contacts throughout the lifecycle of a grant.
- Ensure that Fauquier County maintains compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Minimize risks associated with non-compliance of grant requirements.

II. Scope

This policy applies to all grant applications for which the general County government is the applicant or for which the County is required to act as sponsor.

III. Definitions

A. Budget Action Form

A form that County departments complete and submit to the Office of Management and Budget (OMB) in order to initiate a supplemental appropriation, transfer, or de-appropriation of funds throughout the fiscal year.

B. Capital Project

Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.

C. Donation

A gift given voluntarily for charitable purposes, generally without any requirements or special conditions regarding use. While all unbudgeted revenues must be appropriated by the Board of Supervisors, donations are not subject to the requirements of this policy.

D. Fiscal Agent

An organization that acts as a sponsor for a project or group. A fiscal agent agrees to accept and execute grant awards.

E. Funding Source

The original financial source for a grant, typically in the form of a government agency or non-profit organization. Another term that can be used for Funding Source is Granting Agency.

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F. Grant

A grant may be a sum of money, or services, given for specific purposes, typically as a result of a grant application or proposal which has been submitted to the funding organization.

G. Grant Action Plan

A plan of action created by departments to manage grants throughout their management and close-out phases.

H. Grant Application Summary

A form that County departments complete to highlight key grant information. This form initiates the County approval processes required before grant submission.

I. Multi-jurisdictional

A grant program that is completed by more than one jurisdiction or power(s) of authority working together in support of one program.

IV. Guidelines

- No grant application shall be submitted to the funding agency or organization without the prior approvals defined in the “Application Approvals” section of this policy.
 - Under extenuating circumstances, such as an emergency situation or in the event a department is not given adequate notice of a grant opportunity to comply with the timelines noted in the “Application Approvals” section of this policy, such department shall alert OMB immediately upon receiving notice of funding availability, to ensure OMB’s availability to assist with expediting the application and approval process.
- The only authorized signatory on behalf of Fauquier County is the County Administrator, unless otherwise designated by the Board of Supervisors and/or the County Administrator.
- Prior to submission, all grant applications shall be reviewed by OMB, using the Grant Application Summary.
- A Grant Application Summary shall be completed for every grant application. The form and the procedures for completing it in accordance with this policy are available through OMB.
- Unless otherwise noted in the grant agreement, a Request for Reimbursement (RFR) shall be submitted once per quarter or when a grant reimbursement would surpass \$25,000, whichever comes first.
- The Finance Department (Finance) shall be sent a copy of all RFR submissions.
- Finance and OMB shall be notified within one (1) business day if a grant audit has been issued.
- Grants are to be approved, whenever possible, through the annual budget process using the appropriate budget forms and the Grant Application Summary.
- If a final grant award differs from the grant award approved during the annual budget cycle, the department shall submit a BAF to either de-appropriate funds or request a supplemental appropriation within seven (7) business days of notice.

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- The need to establish new and separate account codes for grants should first be confirmed with OMB. If necessary, OMB will initiate account(s) with Finance and the Treasurer's Office.
- All grants require award approval and appropriation from the Board of Supervisors, either through the annual budget process or at regular Board of Supervisors meetings. No grant funds will be disbursed until the grant has been accepted and appropriated by the Board of Supervisors.
- For grant awards that are accepted outside of the annual budget cycle, it is the responsibility of the requesting department to submit a BAF for all such supplemental appropriations for consideration by the Finance Committee.
- OMB shall maintain a current System for Award Management (SAM) user account to ensure the County's eligibility to apply for Federal grants.

V. Process

A. Identification

1. Identify the need for grant funding to support a County initiative.
2. Search for grants utilizing eCivis, Grants.gov, Federal and State programs, and other alternative funding notification sources.
 - a. Determine the County's eligibility to apply.
 - b. Review application requirements.
 - c. Determine fiscal impacts.
3. OMB will notify the department (or vice versa) upon acknowledgment of the grant opportunity.

B. Application

1. Outside annual budget cycle:
 - a. Submit a Grant Application Summary and draft grant application to OMB for review.
 - b. Provide input to OMB, as needed, to determine the level(s) of approval required to submit the grant.
 - c. Submit the grant application through the required level(s) of approval and obtain approval.
 - d. Once approval has been obtained, submit the grant application per granting agency requirements.
2. During annual budget cycle:
 - a. In accordance with annual budget cycle deadlines, submit budget forms and the Grant Application Summary to OMB.
 - b. After approval has been obtained through the annual budget cycle, submit the grant application per granting agency requirements.

C. Award and Acceptance

1. Outside annual budget cycle:
 - a. Obtain grant award from Granting Agency.
 - b. Notify OMB of grant award within seven (7) business days of award date.

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- c. Coordinate with OMB to have the grant formally accepted and appropriated by the Board of Supervisors.
 - d. OMB will coordinate signature(s) from County Administration to accept the grant.
 - e. Send grant award acceptance documentation to the granting agency.
 - f. Send OMB a copy of all grant documents once they have been fully executed.
 - g. OMB will forward grant documents to Finance within ten (10) business days.
2. During annual budget cycle:
- a. Obtain grant award from Granting Agency.
 - b. Notify OMB of grant award within seven (7) business days of award date.
 - c. OMB will coordinate signature(s) from County Administration to accept the grant.
 - d. Send grant award acceptance documentation to the granting agency.
 - e. Send OMB a copy of all grant documents once they have been fully executed.
 - f. OMB will forward grant documents to Finance within ten (10) business days.

D. Management

1. Collaborate with OMB and Finance to develop a Grant Action Plan, which details how the grant will be managed throughout its lifecycle.
2. Adhere to the Grant Action Plan.
 - a. In certain requirements, OMB and Finance reserve the right to review Requests for Reimbursement (RFRs) prior to submission.
3. Notify OMB and Finance if there are any changes to the Grant Action Plan.

E. Close-out

1. Send final reporting and close-out information to OMB.
2. OMB will coordinate signature(s) from County Administration, as needed.
3. Submit final reporting information to granting agency and send OMB a copy of this information.
4. Receive notification of grant close-out from granting agency and send OMB a copy of this information.
 - a. OMB will forward close-out information to Finance.

VI. Application Approvals

- The following approvals may be required in order for applications to be sent on behalf of Fauquier County:
 - Department Head
 - Department-specific Boards, as appropriate
 - Office of Management and Budget (OMB)
 - County Administrator (CAO)
 - Finance Committee
 - Facilities Planning and Implementation Committee (FPIC)
 - Board of Supervisors (BOS)
 - BOS Committees, as appropriate
- Departments shall adhere to the following deadlines, as needed:

County Financial Policies

Approving Body	Deadline
Department Head	Prior to submitting an application to OMB.
OMB	A minimum of seven (7) business days prior to the next level of approval deadline.
CAO	A minimum of seven (7) business days prior to the next level of approval deadline and/or the application deadline.
Finance Committee	A minimum of seven (7) business days prior to the Finance Committee agenda deadline for the desired meeting if the grant application must be reviewed by the Finance Committee. A completed grant application is not necessary for Finance Committee consideration.
FPIC, Department-specific Boards, and BOS Committees	A minimum of seven (7) business days prior to the FPIC agenda deadline for the desired meeting if the grant application must be reviewed by the FPIC. A completed grant application is not necessary for FPIC consideration.
BOS	A minimum of seven (7) business days prior to the BOS agenda deadline for the desired meeting if the grant guidelines require a public hearing and/or formal resolution by the BOS.

- Departments shall adhere to the following application approval requirements, keeping in mind that a grant application may fit into more than one scenario. If a grant application fits into more than one scenario, the department should adhere to the highest level of approval requirements.

Grant Application Scenario	Department Head	OMB	CAO	Finance Committee ¹	BOS	FPIC	Department-specific Board or BOS Committee
No local match is required	X	X	X				
Local match can be found within the department's adopted budget	X	X	X				
There is no continuing commitment of local funds beyond the grant period	X	X	X				
A continuing commitment of local funds beyond the grant period can be met through reallocation of funds in the department's future budgets	X	X	X				

County Financial Policies

Grant Application Scenario	Department Head	OMB	CAO	Finance Committee ¹	BOS	FPIC	Department-specific Board or BOS Committee
A continuing commitment of local funds beyond the grant period cannot be met through reallocation of funds in the department's future budgets	X	X	X	X	X		
The grant guidelines require a public hearing	X	X	X	X	X		
The grant guidelines require a BOS resolution	X	X	X	X	X		
The grant program scope is multi-jurisdictional	X	X	X	X	X		
The department cannot identify funds within its adopted budget to offset 100% of the local match	X	X	X	X	X		
Fauquier County is serving as the fiscal agent for the grant program	X	X	X	X	X		
The grant scope includes a capital, comprehensive maintenance, or major systems replacement project	X	X	X	X	X	X	
The grant scope fits within a Department-specific Board or a BOS Committee	X	X	X	X	X	X	X

¹If a grant's application timeline is limited and does not allow for Finance Committee review, OMB will arrange for the grant to bypass Finance Committee and move straight to a BOS approval at the next regularly scheduled BOS meeting.

County Financial Policies

Appendix to the Grant Management Policy

Fauquier County acknowledges the following information on the newly-mandated Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

- These newly-mandated requirements are effective on December 26, 2014.
- These newly-mandated requirements affect all Federal grant awards after this effective date, including existing programs that seek additional funding allocations.
- Failure to adhere to newly-mandated requirements risk the County denial of Requests for Reimbursement(s), as well as the potential for future funding award denials.
 - Individual County departments can place the entire County at risk for future funding.
- The three major areas of change in requirements encompass the administration of Federal awards, cost principle reforms, and audits.
 - There is a large emphasis on performance goals and performance reporting.
 - If a department fails to adhere to performance goals and reporting outlined in the grant program, the County is at risk for reimbursement and future funding.
 - Finance and OMB shall be notified within one (1) business day if a grant audit has been issued.

For more information on these newly-mandated requirements, please visit:

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

County Financial Policies

Investments and Deposits

The duties to collect funds, make payments, and invest funds for the County are duties of the Treasurer, an elected office of Fauquier County Government, as provided for in the Constitution of the Commonwealth of Virginia. All County investments and deposits are invested and held in conformance, as statutorily required, to the Virginia Public Finance Act and the Virginia Security of Public Deposits Act. Below is an overview of the requirements of these statutes and protection afforded to the County for funds invested and deposited within the statutes.

Investments:

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of other states not in default, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, bankers’ acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), and the Virginia State Non-Arbitrage Program (SNAP). Bond proceeds subject to arbitrage rebate are invested in the SNAP. Capital lease proceeds are held in escrow and invested in money market funds. External Investment Pools – The County invests in an externally managed investment pool, the LGIP, which is not SEC-registered. Pursuant to Section 2.2-4605 of the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and regulatory oversight of the pools rests with the Virginia State Treasury. The LGIP reports to the Treasury Board at their regularly scheduled meetings, and the fair value of the position in the LGIP is the same as the value of the pool shares. Investments authorized by the LGIP are the same as those authorized for local governments in Section 2.2-4500 et seq. of the Code of Virginia.

Deposits:

Deposits with banks are covered by the Federal Depository Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 of the Code of Virginia. Under the act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized. The Act provides for a pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for any one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool’s collateral is inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured.