



## BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 9/19/2023

\*= Mandatory, information must be provided

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

**\*Title:**

Proposed new County Policy on the Use of Contingency

**\*Introduction/Background:**

To establish Pima County policy and guidelines for the use of General Fund and Non-General Fund Contingency for both the transfer of budget authority and the transfer of monies, if necessary.

**\*Discussion:**

This policy has been drafted to establish approval thresholds when requesting the use of Contingency.

The following approval thresholds apply to facilitate the approval process for requesting Contingency:

1. The Director of Finance and Risk Management or designee may approve the use of Contingency up to \$50,000.
  2. The County Administrator or designee may approve the use of Contingency greater than \$50,000 and up to \$500,000.
  3. Use of Contingency greater than \$500,000 requires the approval of the Board of Supervisors.
  4. For Elected Officials and the various Courts, any use of Contingency requires the approval of the Board of Supervisors.
- It is in the interest of Pima County to determine approval thresholds and guidelines for the use of Contingency.

**\*Conclusion:**

It is in the interest of Pima County to determine approval thresholds and guidelines to facilitate an efficient process when requesting the use of Contingency.

**\*Recommendation:**

Staff recommends the approval of the policy.

**\*Fiscal Impact:**

Establishing approval thresholds will provide for a more efficient process which will save time and provide greater transparency into the County's use of Contingency requirements.

**\*Board of Supervisor District:**

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Department: Finance and Risk Management

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Contact: Ellen Moulton

Telephone: 724-3138

Department Director Signature: \_\_\_\_\_

*E Moulton*

Date: \_\_\_\_\_

*9/1/23*

Deputy County Administrator Signature: \_\_\_\_\_

*Jur*

Date: \_\_\_\_\_

*9/1/23*

County Administrator Signature: \_\_\_\_\_

Date: \_\_\_\_\_

7/14/2021

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## PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

**Subject: Use of Contingency**

**Policy  
Number**

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### **Purpose**

To establish Pima County policy and guidelines for the use of General Fund and Non-General Fund Contingency for both the transfer of budget authority and the transfer of monies, if necessary.

### **Background**

Pima County budgets for two types of budget contingency: General Fund and Non-General Fund Contingency. Unplanned events occur each year, and sometimes these events cannot be absorbed within the department's Adopted Budget. Therefore, additional budget authority must be requested by County Administration. Requests for General Fund Contingency include the transfer of budget authority and the transfer of funding. Requests for Non-General Fund Contingency only include the transfer of budget authority and no funding transfer, as a separate funding source has already been identified (e.g., new grant award, state appropriation, etc.).

It is in the interest of Pima County to determine approval thresholds and guidelines for the use of Contingency.

### **Policy**

- A. Unplanned events that cannot be absorbed within a department's Adopted Budget may occur. All requests for the use of Contingency must include an explanation of what resulted in the need for additional budget authority and funding if necessary. The following approval thresholds apply to facilitate the approval process for requesting Contingency:
1. The Director of Finance and Risk Management or designee may approve the use of Contingency up to \$50,000.
  2. The County Administrator or designee may approve the use of Contingency greater than \$50,000 and up to \$500,000.
  3. Use of Contingency greater than \$500,000 requires the approval of the Board of Supervisors.
  4. For Elected Officials and the various Courts, any use of Contingency requires the approval of the Board of Supervisors.
- B. All uses of Contingency will be provided as needed, up to the requested amount, and monitored to ensure that it is used for the purposes for which it was requested.
- C. All uses of Contingency shall be presented to the Board of Supervisors as part of the monthly financial update.

Revised Date: September 19, 2023  
Effective Date: September 19, 2023