



# Administrative Manual of Operating Procedures

Procedure #: <b>03.06</b>	Procedure Title: <b>Fund Transfer Process</b>		Revision #: <b>1</b>
Original Issue Date: <b>03/10/2020</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>03/10/2022</b>	Responsible Department: <b>DAS-PSB</b>
Statutory References: <b>Wis. Stat. § 59.60(8)</b>		Ordinance References: <b>MCO 56.03</b>	
Appendices: <a href="#">Appendix B – 03.06 LMS Training PowerPoint</a> <a href="#">Appendix C – 03.06 Flowchart</a>		Forms: <a href="#">Form 03.06(a) – Appropriation Transfer Request</a>	

## 1. OBJECTIVE:

The purpose of this procedure is to establish a standardized process for fund transfers and to provide an overview of the fund transfer process to Milwaukee County departments.

## 2. DEFINITIONS:

- A. Allocated Contingency. Money that is set aside for uncertain costs, such as cost overruns in a project. Allocated contingency accounts may be found in a departmental budget, a central County reserve, or capital projects.
- B. Appropriation Transfer. A formal change/amendment to the adopted budget, also known as a fund transfer.
- C. Chart of Accounts. The [Chart of Accounts](#) (COA) is an index of all the financial accounts in the general ledger. It provides a breakdown of all the financial transactions that Milwaukee County conducted during a specific accounting period.
- D. Contingency Fund. Money that is reserved in order to fund unforeseen expenses in the future.
- E. Department Fiscal Staff. Employees responsible for budgeting and/or fiscal transactions for a given department. They may be an employee of another department under a service level agreement.
- F. Departmental Fund Transfer. The movement of appropriations within a Department into a different account series.
- G. Departmental/Other Changes Fund Transfer. Utilized by a Department when a transfer seeks to move funding from a trust fund or balance sheet account, including the establishment of an impress fund as well as a transfer within the 8000-8499 series.
- H. Departmental/Receipt of Revenue Fund Transfer. Utilized by a Department in order to recognize revenue that has not been realized in the budget.
- I. Fund Transfer. A movement of monies from one appropriation line to another. Fund Transfers are generally done during the current budget year but can also be done for a previous or subsequent year. Fund transfers must be approved by the County Board.
- J. Fund Transfer Administrator. Designated Office of Performance, Strategy, and Budget staff member tasked with processing fund transfers.
- K. High Org. An organizational subdivision of the County that is usually the same as the department level, defined with four digits. Some large departments such as DAS and DOT have multiple high orgs.
- L. Interdepartmental Fund Transfer. The movement of monies that involves more than one Department/Division and where funds are being transferred from one Department/Division to another. In accordance with State law, interdepartmental fund transfers are only allowed October through December.

- M. Legistar. A software application linked to CLIC, the County Legislative Information Center, and allows Department Heads, County officials and designees to upload and approve items contained therein.
- N. Low Org. The smallest organizational subdivision of the County represented by four digits. Each expenditure is charged to a certain low org which rolls up to a High Org.
- O. Office of Performance, Strategy, and Budget (PSB). Organized under the Department of Administrative Services, PSB provides staff resources to the County Executive and the County Board on budget, fiscal and management matters as well as assisting and overseeing departments, boards and commissions in managing and controlling budget and fiscal plans, as required by Wisconsin State Statute 59.60.
- P. Report of the Fiscal Affairs Division (ROTFAD). The public-facing detailed description of what resources are being moved and why.
- Q. Unallocated Contingency. Money that is set aside for uncertain costs in the annual budget for unplanned and unexpected expenditures.

### 3. PROCEDURE:

#### A. Timeline

- i. Fund transfers are conducted each cycle during the Legislative Calendar. To request a copy of the Legislative Calendar, departments can email or call the [Office of the Milwaukee County Clerk](#).
- ii. In January through year end close (February/March), fund transfers may be requested that cover the previous fiscal calendar year.
- iii. Deadlines for departmental submissions to PSB are approximately two (2) weeks before the Legistar deadline. Refer to [Appendix 03.07\(d\) - 2020 Personnel Change Request Timeline](#).
- iv. PSB is responsible for submitting fund transfers into Legistar by the deadline that is set by the Legislative Calendar.
- v. The County Board Chairman may refer the item to the Committee on Finance and Audit's Chair, who then chooses to add the item to the agenda. If approved by the Committee on Finance and Audit, the item goes before the full County Board for approval. (MCO Ch. 1.18(a))

#### B. Initial Departmental Responsibilities

- i. When a department decides they need a fund transfer, the department fiscal staff or department head is required to fill out an [Appropriation Transfer Request](#) excel file as well as a signed PDF copy of the Appropriation Transfer Request. These two documents are electronically submitted to their departmental DAS-PSB Budget Analyst and the Fund Transfer Administrator. The Appropriation Transfer Request must contain:
  - a. Fiscal Year - The budget year that applies to the appropriation transfer.
  - b. Department Number - High Org. number.
  - c. Department Name - High Org. department name.
  - d. Credits and Debits - These two-line items must equal each other. The debit is where the money is coming from and the credit is where the money is going to.
  - e. Fund - This four-digit code is the highest level where the department's money resides and is found in the [Chart of Accounts](#).
  - f. Agency - A three-digit number representing the department and is found in the Chart of Accounts. The capital agency is always 120 while Operating agency numbers vary.
  - g. Org Unit - This four-digit is the low org within the department and/or division. For Capital fund transfers, the Fund and Org Unit will always match.

- h. Revenue/Expense Object - The object line where the money is coming from or going to. The object is either an expense object (5001-9899) or revenue object (1201-4999).
    - i. Fund transfers should not include objects 5420, 5421, 5422, or 5423 (fringe benefit accounts) without written pre-approval from the Office of the Comptroller.
  - i. Activity Codes - Specific characterization that is utilized in order to track usage of resources (e.g. time or money). These codes can be found within the Chart of Accounts. Activity is optional and should generally be used only if included in the Adopted Budget.
  - j. Project Codes - Specific characterization that is used in order to determine resource usage for Capital projects. These codes are used only for Capital purposes and can be found in the Chart of Accounts. This is optional based on requirements needed.
  - k. Object Code Description - The name that describes the item that is found in the object revenue or expense. This description can be found in the Chart of Accounts.
  - l. Transfer Request - Amount listed for each object in dollars. Debits and Credits need to be equal, if not it results in an automatic rejection by the PSB office.
  - m. Explanation - Justification should be extensive and should describe the need. It is important to include the history of transfer (if there is a history).
- ii. If the Appropriation Transfer Request template is found to be incomplete, it will be returned to the Department and asked to be revised (e.g. credits and debits don't equal, lack of explanation).
- C. PSB Responsibilities
- i. PSB staff will receive the Appropriation Transfer Request excel file and signed PDF copy from the Department and create a corresponding Report of the Fiscal Affairs Division (ROTFAD).
  - ii. ROTFAD, after being created by PSB staff, is sent to the assigned Fund Transfer Administrator.
    - a. Fund Transfer Administrator organizes the transfers into the following categories:
      - i. The types of fund transfers are as follows:
        - a. Allocated Contingency – requires approval from the Committee on Finance and Audit and a two-thirds majority vote of the County Board.
        - b. Capital Improvement/Allocated Contingency – requires approval from the Committee on Finance and Audit and a two-thirds majority vote of the County Board.
        - c. Capital Improvement – requires approval from the Committee on Finance and Audit and a majority vote of the County Board.
        - d. Departmental – only requires majority approval from the Committee on Finance and Audit.
        - e. Departmental/Other Charges – requires approval from the Committee on Finance and Audit and a majority vote of the County Board.
        - f. Departmental/Receipt of Revenue – requires approval from the Committee on Finance and Audit and a two-thirds majority vote of the County Board.
        - g. Interdepartmental – requires approval from the Committee on Finance and Audit and a majority vote of the County Board. May only be processed in the last three months of the year per state statute 59.60(8)(b)2.
        - h. Unallocated Contingency – requires approval from the Committee on Finance and Audit and a two-thirds majority vote of the County Board.
  - iii. The signed PDF's and ROTFAD's are brought to the PSB Director for discussion and their signature of approval.

- a. Fund transfers are approved if they are reasonable requests that strategically benefit the County overall.
  - b. Fund transfers are not approved if the long term and current year effects are inconsistent with the County's overall strategy and goals. The Budget Director or other PSB staff will reach out to the department if the fund transfer was rejected.
  - iv. The Budget Director or their designee schedules a meeting with the County Executive for discussion and their signature of approval. The approval of the fund transfer is at the discretion of the County Executive.
  - v. The Fund Transfer Administrator organizes the ROTFADs into a comprehensive document that is uploaded into Legistar and given a County Board File Number.
  - vi. The Budget Director approves, denies, or amends the document submission.
    - a. After approval, the fund transfer document is sent to the County Clerk's office, County Board Chair Chief of Staff, and the Comptroller research staff for notification.
    - b. If the Budget Director does not approve, they will provide reasoning regarding the denial to the requesting department and if necessary, request additional information.
  - vii. After the Budget Director's approval, denial, or amendment of the public document, the Fund Transfer Administrator prints out six (6) copies of the final approved fund transfer, which are to be hand-delivered to the County Clerk's Office.
- D. Legislative Process
- i. After the fund transfer is approved by the Budget Director, the County Board Chair refers the request to a Standing Committee. Fund transfers are currently in the scope of the Committee on Finance and Audit.
  - ii. The Committee on Finance and Audit Chair receives files that have been referred by the County Board Chair. The Committee Chair decides whether the item will be placed on the agenda for that cycle's committee meeting.
  - iii. The Committee on Finance and Audit
    - a. If placed on the agenda, the item will be considered at that cycle's committee meeting. The item/file may be approved, denied, amended, or tabled.
      - i. After the Committee has voted on the file, the Fund Transfer Administrator tallies the votes on the signed PDF.
    - b. If not placed on the agenda, the department head or designated department fiscal staff should speak with the Committee Chair to determine whether additional information is needed for the file to move forward.
  - iv. County Board of Supervisors
    - a. If recommended by the Finance Committee, the item will be considered at that cycle's Board meeting. The file may be approved, denied, amended, or tabled by the Board of Supervisors.
      - i. After the Board of Supervisors have voted on the file, the Fund Transfer Administrator tallies the votes on the signed PDF.
- E. PSB and Comptroller Recording
- i. If approved by the Board of Supervisors, the Fund Transfer Administrator will complete the following:
    - a. Emails all electronic excel files of approved transfers to Central Accounting, Comptroller's Office, and
    - b. Delivers original paper copies of signed and tallied PDF's to Central Accounting.

- ii. After Central Accounting receives the email with all electronic excel files of approved transfers and paper copies, Central Accounting puts the transfers in the Financial System and assigns a "TR" (Transfer Request) number.
- iii. After Central Accounting writes a "TR" number on each signed and tallied PDF, the paper copy of the PDF is delivered back to the Fund Transfer Administrator.
- iv. The Fund Transfer Administrator scans all paper PDFs and electronically saves them all individually in the proper cycle folder with the assigned "TR" number.
- v. Physical copies are stapled and returned to Central Accounting and the Comptroller's Office where they are filed permanently.

**4. REVISION HISTORY:**

Rev. #	Summary of Changes	Date of Change	Author
1	New procedure	03/10/2020	Joshua Scott