



Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency

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Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

JPA Budget Policies

April 27, 2015

PURPOSE

This document is intended to guide the formulation of financial policies and ensure the financial stability and accountability of the Yolo County HCP/NCCP Joint Powers Agency (JPA).

BUDGET PRINCIPLES

- a. Effectiveness - The financial function should serve JPA operational goals.
- b. Efficiency - Financial resources should be allocated to achieve optimum impact.
- c. Responsibility - Managers should always consider the financial effect of their decisions.
- d. Soundness - Financial decisions should be based on careful consideration of all relevant factors.
- e. Prudence - Risk mitigation is an integral part of financial management.
- f. Prevention - The budget will include a fund balance to ensure adequate reserves for a contingency plan.
- g. Accountability - Financial management should end with accountability.

BUDGET PROCEDURES

1. Developing a Budget
 - a. Develop a budget based on reasonable expectations of revenue and expenses for the next fiscal year based on the preceding fiscal year, the strategic plan or other planning documents, and the organizational and budget goals.
 - b. Maintain a fiscal reserve of 5 to 15% of the average total operating expenditures reported in the year-end totals of the preceding fiscal year. It is essential that the JPA maintain adequate levels of fund balance and reserves to mitigate current or future risks (e.g., revenue shortfalls and unanticipated expenditures). Use of the reserve fund requires 4/5 Board approval.
 - c. Maintain a contingency reserve balance of 3-5% of the proposed annual budget. The contingency accounts (stabilization reserves) may be used at the discretion of the Executive Director to provide resources for unanticipated needs of a non-recurring nature or provide for small increases in service delivery costs that were not anticipated during the budget development cycle, or provide for one-time expenditures not originally approved in the budget. Use of the contingency requires Board approval.

2. Approving the Budget (adopted October 15, 2012 and modified August 18, 2014)
 - a. Annual draft budget prepared by JPA staff.
 - b. Draft budget presented and reviewed by the Yolo County Administrator and city managers for member agencies.
 - c. Draft budget reviewed by budget analyst from the current JPA Board Chair's jurisdiction.
 - d. Draft budget approved by the JPA Board by June 30th of the prior fiscal year.
 - e. Final annual budget sent to Yolo County Auditors for entry.
 - f. No transactions will occur in the fiscal year prior to the budget's approval.

3. Controlling the Budget (adopted October 15, 2012 and modified August 18, 2014)
 - a. The JPA staff will present the board with monthly financial reports documenting the monthly revenue and appropriations.
 - b. All invoices must be signed by the Executive Director to be processed. The JPA Board Chair approves invoices for the Executive Director and the Project Manager.
 - c. The JPA Board must approve the annual budget by June 30th of the prior fiscal year. The annual budget may be amended throughout the fiscal year, with the Board's approval.
 - d. The Habitat JPA Board will be presented with mid-year and end-of-year reports accounting for all revenue and expenditures during the fiscal year.
 - e. Each fiscal year, an external auditor must review all JPA financial documents and present their findings to the JPA staff and board members.

4. Amending the Budget (adopted October 15, 2012, modified August 18, 2014 and January 27, 2014)
 - a. The JPA Board may approve amendments to the budget during the mid-year and annual budget reviews.
 - b. The Executive Director is authorized to make budget line item adjustments.

The budget process will follow the timeline illustrated below.

Table 1. Timeline for JPA Budget Procedures

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Developing a Budget												
Approving the Budget												
Controlling the Budget												
Amending the Budget												