

		<b>Policy # 1801</b>
<b>Subject: Appropriation Adjustment Request (AAR) Policy</b>		
<b>Responsible Department: Department of Finance</b>		
<b>Effective Date:</b> 08/2019		<b>Revision Date:</b> 02/2021
<b>Ben Lamera Director of Finance</b>		<b>Ann Edwards Interim County Executive</b>

**1. Purpose**

An Appropriation Adjustment Request (AAR) is a request to adjust budgeted appropriations. The AAR is addressed and approved by either the Board of Supervisors (Board) or County Department Head.

**2. Authority**

County Budget Act – the State approved County Budget Act allows for transfers and revisions to previously adopted appropriations with necessary approval on formal actions (Government Code 29125).

1992 Departmental Empowerment – the Board approved Resolution 92-1599 which authorizes County departments, as part of the department empowerment process, to approve intra-departmental AAR's and to submit them to the Director of Finance for budgetary control. This resolution also requires reporting to the Board indicating the transfers and revisions that were approved during the fiscal year.

2003 Departmental Empowerment - the Board approved a modification to the departmental empowerment policies to restrict the County departments' ability to transfer from the Salaries and Benefits category to other expenditure categories without a 4/5 approval of the Board.

**3. Scope**

An AAR changes the approved spending authority of a budgetary unit. There are three types of AARs:

**A. Board Approved** - Increase or decrease of appropriations in a budget unit; reallocation of appropriations from expenditure object 10 - Salaries and Benefits to another expenditure object;

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movement of the expenditure object 79 - contingency or movement in account 710#### fund balance reserved/restricted, account 760#### retained earnings reserved/restricted.

**B. Administrative Approved** – Reallocation of appropriations between expenditure object levels that does not increase or decrease the total appropriations of the budget unit is approved by County Department head, except allocation from expenditure object 10 - Salaries and Benefits which requires Board approval.

**C. Special District Approved** – Formal budget adjustments to reallocate the spending of non-dependent outside agency. Budget adjustments are signed by special district administrators along with district board resolutions (Special District Board AAR). All informal budgets will require department head signature (Special District Administrative AAR).

### 4. **Procedures**

Procedures for submission of an AAR can be found on the Department of Finance Intranet page, located on the Policy Information page under the Auditor-Controller drop down.

### 5. **Review**

Review annually and revise for any changes in guidance from the aforementioned authorities above.