

Los Angeles County Children and Families First Proposition 10 Commission

Board of Commissioners

Policy and Guidelines for Modifications to the Commission's Annual Operating Budget

1. POLICY STATEMENT

- A. It shall be the policy of the Board of Commissioners that the Chief Executive Officer has the authority to make budget adjustments between line items in the Commission's Annual Operating Budget in an amount not to exceed \$25,000. Any budget adjustment between line items in excess of \$25,000 requires approval of the Operations Committee of the Board of Commissioners.
- B. It shall be the policy of the Board of Commissioners that the Chief Executive Officer, with approval of the Operations Committee of the Board of Commissioners, is authorized to use the unspent/uncommitted portion of the previous year's Annual Operating Budget or unexpected one-time revenues, to fund one-time costs such as equipment or capital improvement costs. One-time costs funded from these two sources cannot exceed \$100,000 without approval of the full Board of Commissioners.
- C. The unspent/uncommitted portion of the previous year's Annual Operating Budget will be used to fund an Operating Budget sustainability reserve. Any use of the Operating Budget sustainability reserve in an amount not to exceed \$100,000 in any one year requires the approval of the Operations Committee. Any use of the sustainability reserve in excess of \$100,000 in any one year requires the approval of the full Board of Commissioners.

2. PURPOSE

This policy provides needed operating flexibility while providing sufficient controls to ensure accountability over the Annual Operating Budget.

3. APPLICATION

This policy applies to the First 5 LA Annual Operating Budget.

4. RESPONSIBILITIES

The Board of Commissioners is responsible for adopting the Annual Operating Budget. The Chief Executive Officer is responsible for using the funds allocated through the Annual Operating Budget to further the goals and objectives of the Commission.

5. PROCEDURE

- A. The Chief Executive Officer in coordination with the Director of Finance may make budgetary adjustments between budget line items in accordance with this policy.
- B. The Chief Executive Officer is required to request approval from the Operations Committee of the Board of Commissioners to use the unspent/uncommitted portion of the previous year's Annual Operating Budget or unexpected one-time revenues to fund one-time costs in an amount not to exceed \$100,000. The Chief Executive Officer is required to request approval from the full Board of Commissioners if the one-time cost amount is in excess of \$100,000.
- C. The Chief Executive Officer must request approval from the Operations Committee of the Board of Commissioners to use up to \$100,000 of the sustainability reserve. The Chief Executive Officer must request the approval from the full Board of Commissioners to use the sustainability reserve if the amount requested is in excess of \$100,000.
- D. All changes made to the Operating Budget will be documented by the attached form "Changes to the Operating Budget".

Attachment (1)

- Request to Modify FY Operating Budget



Request to Modify FY Operating Budget

Commission Meeting Date: _____ (If over \$25,000)

Agenda Item: _____ (If over \$25,000)

Department/Line Item: _____

Previously Approved Budget: \$ _____ **Adjustment to Existing Budget:** \$ _____

New Approved Budget: \$ _____

Detailed Explanation of Adjustment:
