

**MARION COUNTY
ADMINISTRATIVE POLICIES AND PROCEDURES**

Sponsoring Department:
Business Services

SUBJECT: CAPITAL OUTLAY APPROPRIATIONS

1.0 Purpose

This policy and procedure sets forth the guidelines and procedures to be used concerning Capital Outlay appropriations.

2.0 Reference

Purchases qualifying as Capital Outlay are defined in Marion County Administrative Policy and Procedure C-08 – Fixed Asset Control. Capital outlay, as referred to in this policy and procedure, is defined in the Fixed Asset Control policy.

3.0 General Policy

Capital outlay items will be budgeted and appropriated during the annual budget process. A capital projects fund will be established. All capital purchases supported by the general fund shall be expended from this fund. A contingency of 5% of the total estimated project costs will be built into the fund to be available in the case of cost overruns. Non-general fund capital purchases will be budgeted in the fund from which expenditures will be incurred. All capital purchases will be monitored by the capital projects coordinator, and reviewed by the Budget Committee at their quarterly meetings. Requests for capital items not submitted during the annual budget process may be considered during the year through the supplemental budget process.

4.0 Policy Guidelines/Procedures

- a. The budget officer's annual budget preparation instructions shall direct departments to identify and propose all capital expenditures anticipated in the coming fiscal year. In addition, the budget officer's instructions shall request a status and an accounting of capital items funded in the current year. Departments shall request to carry forward funding to the next fiscal year for those projects that have been initiated, but are not expected to be completed by the end of the current year. Projects that will not be started will require a new request for funding.
- b. The Capital Projects Team will convene and review all capital outlay requests submitted. The team will submit a prioritized list of recommended expenditures, by fund, to the budget officer for consideration.

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- c. During the review of departments' proposed annual budgets, the budget officer shall discuss the status of current projects and all new capital outlay requests with department heads and elected officials. Capital outlay requests will then move through the budget process as do all other budget requests. (Budget officer recommends to Budget Committee, Budget Committee approves and/or rejects requests and approves additional requests if desired, Board of Commissioners adopts final budget for capital outlay appropriations along with adoption of the county budget.)

Adopted: 6/05