

YUBA COUNTY WATER AGENCY

Budget & Finance Operations Policy

Revised: May 4, 2021

1.0 Purpose

The purpose of this Budget & Finance Operations Policy (policy) is to provide a transparent and consistent framework to guide budget administration and reporting, personnel allocation administration, and financial audit policies of the Yuba Water Agency (agency).

2.0 General

The agency will manage its financial assets in a transparent and prudent manner in accordance with generally accepted accounting principles, legal documents, and State and Federal laws and regulation. Should conflicts occur between this policy and Federal, State or local laws, the Federal, State or local laws shall prevail.

The General Manager is authorized to implement internal operating policies and procedures to carry out the provisions of this policy.

3.0 Budget

3.1 Administration

The agency's fiscal year begins on July 1st and ends on June 30th. The Board shall adopt a fiscal year budget in June prior to the start of the ensuing fiscal year. The budget shall include the following:

- A. Forecasted revenues and expenditures in the General Fund and the Power Systems Fund
- B. A list of proposed and in progress capital projects,
- C. The current personnel allocation and proposed changes, if any, and the corresponding salary schedule(s) for the ensuing fiscal year.

3.2 Annual Review

In December of every year, the Board shall review the approved budget and make adjustments as necessary. A review of the budget shall include the following:

- A. Actual figures to date for revenues and expenditures occurring within the current two-year budget cycle.
- B. Any changes to funding for capital projects made within the approved budget.
- C. Substantive amendments to the personnel allocation and/or salary schedule.

4.0 Budget AMENDMENTS AND EMERGENCY EXPENDITURES

4.1 Budget Amendments

Amendments or adjustments to the budget within expenditure lines (accounts) that do not change the overall total expenditure amount may be made with the approval of the General Manager; however, any project in excess of \$100,000 added to the budget after the budget has been adopted by the Board requires Board approval regardless of whether additional budget allocation is required.

After the budget adoption in June, the revenue and expenditure totals of the Power Systems Fund and the General Fund may only be amended with approval of the Board of Directors.

4.2 Emergency Expenditures

For any unbudgeted emergency expenditure in excess of \$100,000 that requires immediate action, the Chair of the Board of Directors, or the Vice Chair in her/his absence, and the General Manager may approve the emergency expenditure. The Board of Directors shall have the opportunity to ratify the approval at the next available regular Board meeting.

5.0 Budget Preparation

The Finance Manager, at the direction of the General Manager, develops and manages a budget schedule to ensure the timely adoption and periodic review of the budget by the Board of Directors.

The Finance Manager shall coordinate all aspects of the budget with management participation and review in compliance with applicable Board policies and the agency's Strategic Plan.

6.0 Financial Operations And Reporting

6.1 Authorization

The Board authorizes the General Manager, or designee, to administer the adopted annual budget, to accept revenues, and to process and pay invoices and other expenditures for the operation of the agency.

6.2 Reporting

The Board directs staff to provide the Board with a financial status report for the preceding quarter at their first meeting in November, February, and May. The report shall include figures to date in relation to the adopted budget and a Financial Report as defined below.

Financial Report

The Financial Report summarizes all revenues and expenditures for the previous month or quarter and year-to-date periods and compares those figures to the annual budget. Upon request, the Finance Manager shall produce a detailed listing of all charges within specifically identified revenue or expenditure accounts.

7.0 Personnel Allocations

An agency-wide personnel allocation is adopted by the Board as part of the annual budget. A Board-approved personnel allocation, a job description and commensurate salary range are required prior to filling any vacant position. Non-substantive modifications may be made to job descriptions as needed with the concurrence of the hiring manager, Human Resources Manager, General Manager and any stakeholder designated by the General Manager. Substantive modifications that include any change to the salary range and/or significant alterations to the job duties require a majority vote of the Board prior to recruitment for the position. The General Manager, or designee, is authorized by this Policy to extend job offers within the approved salary range for a position and hire personnel.

Promotions in a class series (e.g., Engineer to Sr. Engineer; hydrographer to Sr. Hydrographer), and step increases within the salary range, may be approved by the General Manager, as long as a job description and salary range for the position has previously been approved by the Board.

8.0 Audit Of Annual Financial Statements

The annual financial statement audit is designed to assist the Board and agency management in effectively and legally discharging their fiduciary and administrative responsibilities. The Finance Manager shall coordinate a fiscal year-end financial statement audit of financial transactions on an annual basis.

The annual financial statement audit shall be conducted in accordance with generally accepted auditing standards in the United States and shall include tests of accounting records and other procedures necessary to express an opinion.

The Finance Manager shall submit to the County of Yuba Auditor-Controller the audited financial statements within 180 days after the close of each fiscal year, or as soon thereafter

as possible.

9.0 Policy Review

The Clerk of the Board shall ensure this Policy is reviewed every two years.

Date	Version#	Description
September 5, 2017	001	Initial Release
May 4, 2021	002	Revision