

**EL PASO County**  
**BUDGET & FINANCE POLICIES**  
*January 26, 2026*



**Budget & Finance Department**  
**800 E. OVERLAND STREET**  
**EL PASO, TEXAS 79901**



## COUNTY OF EL PASO *BUDGETARY DEVELOPMENT POLICIES*

These policies are indicative of significant factors affecting the budgetary decisions of the Commissioners Court in the fiscal management of the County. These policies are not all inclusive of every possible scenario in the fiscal management of the County. Rather, they are intended as a reference guide in the decision-making process of the Commissioners Court, instilling continual maintenance of and progression of innovative fiscal management in meeting the increasing demands on the County as well as achievement of short and long-term goals and objectives.

The County emphasizes on the founding of an overall financial policy guide that, at a minimum, must be updated annually as part of the ongoing progressive budgetary process. Some areas such as the cash management and investment policy are only touched upon briefly as these are maintained as separate policy guides.

### **I. GENERAL OVERVIEW**

The County shall develop a budget based on actual and anticipated revenues and other financial resources estimated to be available as provided by law on the last day of each fiscal year to fund the proposed budget. The fiscal year of the County spans a twelve month period from October 1 through September 30.

A major challenge for the County is not to become dependent upon state or federal funds that could dissipate from one year to the next. In order to ensure sound fiscal budgeting, the most significant expenditure items within each fund, typically salary and fringe benefit expenditures, followed by operating costs, shall not exceed the sum of stable operating revenues from ad valorem property taxes, sales taxes combined with a reasonable estimate of operating income. The County shall pay for current expenditures with current resources pursuant to Article XI of the Texas Constitution and Sections 111.091-111.093 of the Texas Local Government Code.

On a yearly basis, the County shall analyze the fees and charges for services it sets and associated costs in order to preserve stability and enhancement of the revenue stream to the County. The County shall also strive to minimize the property tax burden on El Paso County citizens through efforts aimed at diversifying revenue sources, implementing legally permissible user fees and charges as well as developing innovative economic development initiatives. Furthermore, a continual assessment shall be made of the outstanding sources of revenue with an emphasis on innovative approaches to enhancement of collection efforts. Discretionary funding shall be budgeted as deemed necessary to supplement support services as provided by the County and that a county public purpose exists as defined by statute where applicable.

In addressing future goals and objectives, the County shall continually formulate and maintain revenue trends and expenditure forecasts at a minimum five years ahead of the current fiscal year. Future projections shall be based on prior year actual data and projected future economic indicators such as the rate of inflation, growth, the local economy, national and international factors affecting the El Paso border region and other relevant known factors.

The County budgeting procedures attempt to identify distinct functions and activities performed by the County and to allocate budget resources adequately to perform these functions and activities at a

specified level of service. The budget process shall be coordinated with and in alignment with the Countywide strategic planning process and shall reflect the vision, mission, values, goals and objectives developed through this process.

Commissioners Court may enact a voluntary freeze on hiring, promotions, transfers, operating expenditures and capital equipment purchases as deemed financially necessary and appropriate. Commissioners Court may make exceptions to the freeze as considered necessary.

In allowable circumstances, the County Administration Office or the Budget and Finance Department (BFD), by and through the Chief Administrator and BFD Director, and their designees, respectively have the authority pursuant to Texas Local Government Code Section 111.070(C)(2), to initiate Intra-fund and Inter-fund expense transfers as deemed necessary and appropriate in the case of emergencies or for routine operational or capital transfers. Transfers of this nature will be subject to the policies adopted herein and will also be reported to the Commissioners Court on no less than a quarterly basis.

## **II. APPROPRIATIONS**

During the budgetary process, when allocating resources, funding shall be aligned with strategic goals while simultaneously ensuring that functions and programs within the County continue to provide adequate service levels.

Certain appropriations may not follow the fiscal year calendar due to various constraints on the fund type. Capital project funds are budgeted on a project basis across multiple years until the project is complete. Grant funds are appropriated on a grant-year basis until the end of the grant-award period.

The County will integrate performance measurement within the budget process where appropriate and continually strive to improve the budget development and monitoring process through evaluating and utilizing innovative alternative approaches to costing and budgeting.

Appropriations, as approved by the Commissioners Court, are set up and maintained in the County financial system by the County Auditor. The following general character level categories are used to appropriate funds annually: Personnel, Operating, and Capital. These categories along with a lower level of detailed expenditures are used for overall budgetary planning purposes.

## **III. DEVELOPMENT PROCESSES & TIMELINE**

The County shall develop an annual calendar relating to the development of the budget which includes but is not limited to the following:

- Budget manuals for annual preparation, including forms and necessary instructions, shall be distributed to County offices and departments.
- All offices and departments must submit their budget proposals and requests to the BFD.
- Initial proposed budgeted revenue estimates are provided by the County Auditor.
- A proposed and balanced budget will be developed and distributed to the members of Commissioners Court.
- County Auditor continues to revise revenue projections and may update thereafter to reflect the certified tax estimates as well as other relevant revenue data.
- Commissioners Court shall adopt a tax rate.

***Commissioners Court must adopt the budget on or before the first Monday in October but by no later than the last Monday in October.***

***The BFD along with the County Administrators office will develop and publish the budget and tax calendar during the second quarter of the fiscal year. It is anticipated that this process will begin in mid to late February and be materially completed during the month of August with an ultimate adoption of both the tax rate and budget by the statutorily required dates.***

The BFD shall prepare a report on the budget status and trends and submit to the Commissioners Court and Chief Administrator no less than quarterly. This forecast and reports will be presented to and discussed with the Commissioners Court upon preparation.

The County shall prepare and maintain no less than a five-year comprehensive financial forecast that:

- Develops a local, regional, state and national economic outlook and describes the potential impact on El Paso County
- Updates reserve and expenditure projections for the next five years
- Projects capital improvement requirements over the five-year period, including future operating costs associated with all projects
- Updates revenue and expenses for each year in the period
- Describes the strategic issues that present the County with challenges and opportunities for the future and, in some cases, assesses their fiscal impact



## COUNTY OF EL PASO *FUND BALANCE POLICIES*

### I. CLASSIFICATIONS

The Commissioners Court has established operating and reporting guidelines for the fund balances of the governmental funds in accordance with Governmental Accounting Standards Board Statement Number 54. The County's Fund Balances shall be classified into five categories based on the strength of the constraints governing how those balances can be spent:

***Nonspendable Fund Balance***-Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

***Restricted Fund Balance***-Represents amounts that are restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed Fund Balance***-Represents amounts that can only be used for specific purposes that have imposed constraints by formal action of the government's highest level of decision-making authority, the Commissioners Court. The amounts may not be used for other purposes unless the Court removes or changes the constraints pursuant to the same type of action used to initially commit them.

***Assigned Fund Balance***-Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing body may delegate its authority to assign amounts to another body or officials, for example, a budget director. The Commissioners Court, when it is appropriate for fund balance to be assigned, appoints the authority to the Budget Director. Assignments may occur subsequent to fiscal year end. Assignments will be made when necessary to utilize reserves to balance the proposed budget as needed or in the event of unforeseen circumstances that arise and require the expenditure of funds for which there was not an offsetting revenue source to account for the increase in unplanned appropriations, i.e. a catastrophic event

***Unassigned Fund Balance***- Represents the residual amount in the general fund that has not been restricted, committed, or assigned to specific purposes.

### II. RESERVES

***General Fund Reserve***-The County shall strive to maintain an unassigned General Fund reserve between 10-15 percent of the total adopted General Fund operating budget, in any one fiscal year. Use of this reserve is limited to an unanticipated emergency, calamity, natural disaster or the loss/shortfall of a major revenue source. This amount should prove sufficient to meet cash flow needs during the first quarter of the fiscal year, as the inflow from *ad valorem* property taxes, the County's major revenue source, does not become substantial until the end of the first fiscal quarter. Any expenditure from this reserve that required an amendment to the budget as a result or the declaration of an emergency will be reported in detail in the County comprehensive annual financial report.

***Allocated Reserves***- When fiscally permissible, the Court shall establish contingency reserves within the General Fund account titled General and Administrative for personnel and operation cost. This funding source is to be used only after other alternatives have been fully explored.

### III. FUND BALANCES

**End of Year**-The projected unspent budgeted funds and revenue variances for any given fiscal year. The balance shall be estimated and identified annually by the BFD as a component of the Appropriated Fund Balance.

**Appropriated**-The combined estimated value of the End of Year fund balance as well as the balance of the assigned General Fund Reserve. This fund shall be identified in the upcoming fiscal year budget and the Commissioners Court may utilize this fund to balance said budget. Any amount that is not utilized to supplement and balance the budget shall be appropriated by the Commissioners Court as the General Fund appropriated and unallocated fund reserve, equivalent to 90% of the unassigned fund balance as defined by the Government Accounting Standards Board. Use of this funding is subject to the policies adopted herein.

**Capital Project**-Classified as restricted or committed funds to meet both the purpose of the legal debt issuance and the policy objectives of the Commissioners Court. Formal action by the Commissioners Court is required to establish, modify or rescind a fund balance commitment. This may include that residual unspent funds shall be transferred, with Commissioners Court approval, to the respective debt service fund as a means of reducing debt. Project managers shall notify the Chief Administrator and County Auditor immediately upon completion of all projects.

**Debt Service**-Restricted for the payment of principal and interest on the debt service obligation. Any funds that are remaining after all debt is extinguished shall be transferred to the general fund and may then be appropriated at the discretion of the Commissioners Court.

**Special Revenue**- Restricted to the extent that the proceeds are generated through enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. Available funds not requested or appropriated under a specific special revenue account will be budgeted at no less than 90% of the estimated Fund Balance amount under a contingency object code for any unplanned needs that may arise during the course of the fiscal year. Use of these funds will require County Administrator approval for any amount up to \$5,000. This amount may be transferred through an internal amendment (budget document) and will be reported by the County Administrator on a quarterly basis. Amounts over \$5,000 will require the approval of Commissioners Court through a budget amendment.



## COUNTY OF EL PASO *BUDGETARY CONTROL POLICIES*

### **I. BUDGET TRANSFERS**

All amendments to the adopted budget shall require a submitted request and documented justification for transfer from the respective department head or elected official or duly delegated office staff. Pursuant to Texas Local Government Code, §§ 111.070 c (2), the Commissioners Court has designated that the Budget and Finance Department may, as appropriate and subject to these approved policies as further specified below, amend the budget by transferring amounts budgeted for certain items to other items. Approved budget transfers resulting in a new appropriation must be recorded prior to expenditure against such appropriation.

#### *Transfer of Funds*

There are two types of transfers, external transfers that require Commissioners Court approval (Budget Amendments-BA) and internal transfers that do not require Commissioners Court approval (Budget Documents-BD). Budget transfers will be initiated by the department through the ERP Financial System. The department must ensure all supporting documentation is included in the request. Supporting documentation refers to but is not limited to quotes, e-mails, etc. Transfer amounts for General Fund, Special Revenue, Capital Projects, Debt Services, and Enterprise (non-grant funded) Funds must be in whole numbers. For budget transfers initiated by the BFD, the BFD must contact the requesting department and receive authorization to make the transfer. Commissioners Court will receive a weekly update with all BD transfers processed for the week and BA transfers being considered during the Commissioners Court agenda on the upcoming Monday.

Budget transfers requiring Commissioners Court approval (BA):

1. Transfers between characters (personnel, operating or capital) and/or between different departmental divisions require separate approval of the Commissioners Court. This limitation does not include grant funds nor externally funded enterprise grant awards – *please refer to the Grants and Externally Funded Enterprise Grant Funds section IV of this document for budget transfer criteria.*
2. A transfer of funds request for items, programs or services that were discussed and disallowed during the annual budget hearings of the Commissioners Court shall be subject to the approval of the Chief Administrator as allowed by the Managerial Policies or by Commissioners Court via a stand-alone agenda item placed by the department.
3. Transfers between fund types are not eligible for administrative approval nor are transfers requesting funds from appropriated Fund Balances, except as provided for in this policy.
4. Commissioners Court shall approve all General Fund and Special Revenue Fund budget transfers that exceed \$5,000 per object code.
5. Transfers related to Equipment are detailed in Equipment Transfers section of this document.

Object codes that shall not be considered for BD transfers are as follows:

A department can request transfers out of these accounts but must be via a stand-alone agenda item placed by the department.

Contract Services (601404)	Pub. Utilities-Gas (600752)
Interpreter Services (601107, 601112)	Pub. Utilities-Electric (600753)
Professional Services (601102, 601103)	Pub. Utilities-Electric (600753)
Auto Allowance (510110)	Pub. Utilities-Water (600754)
Legal Services (601102)	Pub. Utilities-General (600751)
Vehicle Oper. Expense (600601)	Communications-Telephone (600773)
Communications-General (600771)	

Budget transfers not requiring Commissioners Court approval (BD):

1. Budget transfer requests that are within a department/division and within the same character (personnel, operating or capital) are authorized to be made by the BFD on a regular basis with the annual approval of the County of El Paso Budget and Finance Policies by Commissioners Court. Yearend transfers are initiated to meet timely payment requirements and year-end accruals in accordance with Generally Accepted Accounting Principles (GAAP) as deemed appropriate by the County Auditor's Department and BFD.
2. Budget transfers from the General and Administrative account that were appropriated and budgeted for a specific purpose may be transferred internally with the approval of the Chief Administrator and/or the Budget Director or their designees only for the purpose that was approved for in the adopted budget. **This includes transfers related to funds appropriated and budgeted for a specific purpose under a departmental account and require transfer to another department. For example, the Constable Contingency fund will be reserved under the Fleet Management account (instead of GADMINGF) and the Fleet Manager will transfer funds to the Constable accounts after review and approval of the request.**
3. The Chief Administrator or designee may administratively approve all budget transfers, for one time allocations, by object code not exceeding \$5,000.
4. Donations that are approved through Commissioner's Court action will be processed throughout the year once received for its intended purpose.
5. Agenda items approved during a Commissioner's Court meeting that identify a required budget transfer.
6. Transfers identified as BD transfers as detailed in the BFD Transfers section of this document.

Equipment Transfers (General Fund only)

The Operating Equipment account (600311) is allocated to departments to primarily cover the purchase of replacement equipment with a value under \$5,000. New equipment may also be purchased for the continuity of business; however, additional funding will not be provided to cover replacement of new equipment. In the event equipment is over \$5,000, funds can be transferred to CAPOUT-EQUIP (706002) or requested during the call for Capital Improvement Plan Projects.

Transfers into Operating Equipment (600311) or any related CAPOUT account from a non-equipment object code is permitted and will be processed as a BA or BD depending on the transfer criteria outlined in this section.

Transfers out of Operating Equipment (600311) account to the CAPOUT EQUIP (706002) or any related account will be processed as a BD. Transfers out of Operating Equipment to a non like account will require Commissioners Court approval, via a separate/stand-alone agenda item, and if approved shall be submitted to the BFD with all necessary documentation including approval date by Commissioners Court stated in the justification through the ERP System as a Budget Document (BD).

Please note, if transfers are not to an equipment account this may result in a reduction to the operating equipment account at the start of the new fiscal year.

A department may request their current year equipment funds, partial or whole, be carried over to the following fiscal year by submitting the request through the ERP Financial System during the budget process period to the BFD.

The request must include the following backup documentation:

- Memo that breaks down the equipment to be purchased and the cost of said equipment
- Supporting documentation for requests such as quotes, etc....
- Verification from County's subject matter expert, if applicable

Carryover requests need to be submitted by the annually designated deadline provided yearly on the budget process schedule. Carryover requests will be evaluated and additional information may be requested if needed. The request for carryover will be reviewed by the BFD but will be based on the approval of the final budget by Commissioners Court. The department's operating budget will be reset to the original amount the year after the intended expense is completed.

#### BFD Transfers

The BFD may initiate budget transfers to cover expenditures for utilities, fuel and any unforeseen emergencies deemed necessary as well as expenditure accruals at year-end via BD. These transfers may be within and between department, divisions and all object codes during the fiscal year end accrual period.

All new debt issuances must have a list of projects with associated budgets approved by Commissioners Court. Once the project budgets have been established, transfers within object line item do not require approval by the Commissioners Court and may be processed by BFD as a BD and included in the regular reporting of BDs to the Commissioners Court as required by these policies. This would also apply to bond transfers that fall *within* the bond covenants and/or are required to meet the purpose of such bond covenants. Any new projects or additions to a project budget must be approved by Commissioners Court and processed as a BA.

Transfers related to unforeseen emergencies, such as weather-related incidents, require the approval of the Chief Administrator and shall be reported to the Commissioner's Court within 24 hours.

Transfers related to Grants and Enterprise Funds are detailed in Grants and externally funded Enterprise Funds section of this document.

## **II. BIDS**

Bids related to the purchase of goods and services that are both budgeted for in the fiscal year and are a component of the normal day to day operations of County departments shall be prepared and solicited by the County Purchasing Department and only presented to Commissioners Court for award consideration. Any bid requests for goods or services for which there are no specific or routine appropriations shall be submitted to the Chief Administrator and BFD for consideration of the availability of funding and placement on the agenda for consideration of the Court. The Purchasing Agent or designee(s) will notify the Commissioners Court on a routine basis regarding all bids of goods and services in accordance with the Purchasing Policies.

### III. PERSONNEL

The County has a plan allowing for progressive advancement within pay levels for the various job classifications of the County with the exception of employees who follow a compensation plan in compliance with an approved collective bargaining agreement.

The Court shall continue to support its salary plan, having developed step levels within the approved salary plan within job classes. This plan should continue to result in the reduction of employee turnover in the County as well as encourage career employment within the County, therefore, reinforcing preservation of its valuable workforce. Furthermore, the Court shall continually strive to provide a system of fair compensation to employees based on annual satisfactory employee performance evaluations. Any such system shall be addressed during budgetary hearings and funded accordingly and as soon as financially practical. Established systems will strive to ensure that all employees are compensated at an annually determined minimum living wage.

A budget for salary and fringe benefits, including contingencies, shall be presented to Commissioners Court for approval during budgetary hearings. Throughout the year, the Chief Administrator shall ensure that changes to the salary and fringe benefit budget, including contingencies, do not exceed the amount authorized by Commissioners Court and will report approvals as stated in the County Managerial Operations Policy.

Overtime as defined by the El Paso County Employee Handbook: budgeted overtime-compensation payments may only be made to nonexempt employees at a rate of time-and-a-half. Unbudgeted overtime requests require pre-approval by the Chief Administrator or their interdepartmental designee and funding approved by the Commissioners Court before it may be accrued. Compensatory time may be utilized in lieu of overtime when following County personnel rules. The Chief Administrator may grant overtime pay up to \$10,000 in urgent cases versus comp time accrual as stated in the County Managerial Operations Policy.

Special Revenue accounts that will not be able to cover any unanticipated approved increase in salary for the current fiscal year will be covered by salary savings within the special revenue account or the General Fund or the Reclassification Plan funding only up to year end. If General Funds were used, the transfer will follow best practices. Personnel budgets for special revenue accounts to cover full year funding will be allocated for the following year. If the account is no longer sustainable, the BFD and the affected department will work with HR to find alternatives during the budget process.

#### Deputy Constables and Sergeant Deputy Constables

Effective October 1, 2023, it is the goal of the County to align the payscale for deputy constables with the payscale for deputy sheriffs and the payscale for sergeant deputy constables with the payscale for sergeant deputy sheriffs.

The Constable shall assign the work day. Deputy constables and sergeant deputy constables will be compensated with overtime pay or compensatory time for hours worked in excess of 84 hours during any scheduled 14-day work period. A work period is defined as beginning at 12:00 a.m. on Sunday and ending at 11:59 p.m. on the second Saturday thereafter.

This provision does not impact any other working conditions for deputy constables and sergeant deputy constables.

### Retirement Plan Funding

It is the goal of the County to have the actuarial value of assets for the County's retirement fund liability to be 90% funded. During the annual budget process the County will strive to appropriate funding that may require contributions above and beyond the annually determined contribution rate.

### Cost of Living Wage Adjustment (COLA)

Each year, staff will use the Consumer Price Index for All Urban Consumers (CPI-U) for the unadjusted 12-month period ending in June as the proposed rate for the COLA for the upcoming fiscal year.

### Effective Implementation of Salary Steps and/or COLA

If approved and budgeted, annual salary step plan increases and/or COLA will be effective the first full pay period after the beginning of the County fiscal year.

### Hiring Freeze Policy

To assure minimal impact to services and citizens and promote fiscal responsibility, when a position becomes vacant, the department must wait the length of time the separating employee is paid in accrued leaves (vacation and compensatory time) before filling the position. The hiring wait period applies to positions that become vacant in all departments. This policy ensures that departments do not exceed the allocated budget. Certain positions are exempt, including:

- Front line customer service positions whose primary function is to collect money "as determined by the Chief Administrator"
- Positions that are statutorily required where only one position exists in the department to perform the function as determined by the Chief Administrator
- Positions covered under a collective bargaining agreement
- Custodian positions of the Facilities Department

When there are no leave balances to be paid out from the General Fund, there will be no hiring wait period.

### Elected Official Compensation

The Commissioners Court chooses to select a compensation philosophy that ensures all Elected County and Precinct Officers are compensated based on the knowledge, skills, and abilities needed to successfully perform these jobs. To that end, the Commissioners Court agrees to adhere to this policy and adopt budgets that keep every elected county and precinct officers, including themselves, in compliance with the policy. These salaries will be compensated at a minimum of 70% of the external workforce market based on 10 comparable counties in the State of Texas and other applicable data deemed appropriate.

Appointments to the bench by the Judiciary are subject to a cap of 90% of the statutory minimum salary of a county court at law judge which is no less than \$1,000 less than a district judge from all sources (state salary and local supplement).

Newly elected officials or those appointed to elected positions, who replace budgeted positions that are exempt from civil service are not required to undergo the waiting period during the first 90 days in office.

Human Resources shall review requests for hiring wait period exceptions and other staffing change requests to ensure sufficient data is collected to analyze the requests. The fiscal impact of all requests shall be calculated and reviewed by the BFD. Once the requests have been reviewed by both HR and Budget, HR shall present the request to the Chief Administrator for consideration. These requests are

subject to the approval of the Chief Administrator who shall provide a quarterly report to Commissioners Court on exceptions/requests.

#### Temporary Employment

If an employee is out on an unpaid leave, the department can fill the position with a temporary employee for a period not to exceed 6 months so long as the temporary position does not exceed the bi-weekly budget allocations for the original position and it is consistent with the period of time the regular employee shall be out on unpaid leave. Because there is no budgetary impact, the temporary may be hired without additional approval.

If an employee is out on paid mandatorily required leave (such as FMLA) for a period expected to last longer than 10 days, and the department has the funds in its current budget to pay for a temporary employee, the department may:

- Request the BFD verify that funds are available; and
- Request that the Human Resources Office verify that 1) the employee is out on a mandatorily required leave, and 2) the time frame the temporary employee is being requested for does not exceed the time of the mandatorily required leave. Requests of this nature only require the applicable budget transfer approval.

If an employee is out on a mandatorily required leave (such as FMLA) for a period expected to last longer than 10 days, and the department does not have the funds in its current budget to pay for a temporary employee, the request must go to the Human Resources Department. Human Resources shall verify funding availability in contingencies or other sources with the Budget & Fiscal Policy Department and make a recommendation, subject to the applicable budget transfer policy, to the Chief Administrator for his consideration.

Temporary employees for cases where the department has allowed the regular employee to go out on paid leave for non-mandatorily required leave shall not be considered. If a department has a vacancy that it would like to fill with a temporary employee, the total cost of the temporary employee for salary and fringe benefits per pay period cannot exceed the total cost of the regular position for salary and fringe benefits per pay period.

#### Overpayment of Salary

Salary overpayments will be processed in accordance with the County Overpayments, Underpayments and Repayment Policy. In the event the Commissioners Court determines that a salary overpayment constitutes a debt, the overpayment will be treated as a debt to the County until such time that full repayment of this debt has been satisfied with the County Auditor.

### **IV. GRANTS AND EXTERNALLY FUNDED ENTERPRISE GRANT FUNDS**

Grant budgets shall be submitted to the BFD with all necessary documentation through the ERP Financial System, which includes but is not limited to the following:

- County Auditor certification of budget award/adjustment from the grantor agency (when setting up or increasing/decreasing the grant budget)
- Include when grant budgets or their respective employee counts and changes in employee compensation are amended
- Notice that the granting agency allows the transfer requested as per grant guidelines
- Brief but sufficient explanation of grant budget transaction (initial setup/transfer)
- Any additional supporting documentation related to the transfer as the grant division deems necessary.

Net overall increases or decreases are subject to the approval of Commissioner's Court. Commissioners Court shall receive a monthly summary of all employee count and compensation changes from the County Auditor's Office. Transfers may include cents.

Transfers from within the grant budget shall be submitted to the BFD with all necessary backup documentation through the ERP Financial System and will be approved administratively if the transfer is consistent and in accordance with the granting agencies policies or is approved by the granting agency. Departments requesting administrative approvals of these transfers shall provide justification for the administrative approval, as part of the backup documentation, to the BFD and shall be reported at the time a resulting transfer is processed to the Commissioners Court.

Grant applications shall include the option to be amended to cover any salary increases (i.e. COLA, step, etc.) approved by Commissioners Court. All grants that contain personnel and that will not be able to cover the increase in salary will be covered by the General Fund or the Reclassification Plan.

\*\* All enterprise grant fund transfers shall follow all of the above mentioned guiding principles.



## COUNTY OF EL PASO *GENERAL FINANCIAL POLICIES*

### **I. ACCOUNTING, AUDITING & FINANCIAL PLANNING**

The County Auditor's Office shall continue to maintain the County's financial records on a basis that is compatible with the guidance of generally accepted accounting principles and standards that have been promulgated by the Governmental Accounting Standards Board for local governments.

Pursuant to the Texas Local Government Code, §§ 111.091, 111.092 and 114.025, interim monthly and comprehensive annual financial reports shall be issued by the County Auditor's Office. These reports shall summarize the County's financial transactions by fund and department. Also, actual revenues and actual expenditures shall be monitored and compared to the associated budgeted amounts.

In accordance with provisions contained in the Texas Local Government Code, §§ 111.091, 111.092, 114.025 and 115.045, full disclosures shall continue to be provided in the comprehensive annual financial reports, budget reports and bond representations. Pursuant to the Texas Local Government Code, § 115.045, once each fiscal year, the Commissioners Court shall engage an independent Certified Public Accounting firm to conduct a comprehensive external audit of all books, records, and accounts of the County. The external audit shall cover all matters relating to the fiscal affairs of the County.

The Commissioners Court shall continue to identify and refer business matters for analysis to boards, committees, consultants or staff, in order to improve the effectiveness and efficiency of services and activities of the County.

Cost versus benefits studies shall be made, when deemed appropriate by Commissioners Court, on non-recurring expenditures and capital projects.

The County Auditor's staff shall continually conduct internal audits throughout the County that are designed to strengthen internal accounting and budgeting controls and to protect the County's assets.

### **II. REVENUE**

The County shall maintain a stable and diversified revenue system to protect it from short-term fluctuations in any single revenue source. The County, whenever applicable, shall establish user fees and charges permitted by law at levels associated with the direct costs and indirect costs of providing those services. Furthermore, the County shall annually evaluate these fees and charges to assure that total costs are covered and adjust them accordingly to keep pace with the cost of providing those services.

Further, the County will pursue the enactment of new legislation, when deemed appropriate, to permit changes in user fees and charges, aggressively collecting ad valorem property tax revenues, including filing suits when permitted by the Texas Property Tax Code.

El Paso County shall restrict its reliance on non-recurring revenue sources to promote fiscal responsibility. The County shall monitor intergovernmental grant revenue when approving grants that may ultimately result in 100 percent county funding.

### **III. FIXED ASSETS & CAPITAL PLANNING**

The Commissioners Court shall continually assess the County's capital needs and establish policies, procedures and plans to address infrastructure, fleet and general capital needs of the County in its budgetary process.

For financial accounting and reporting purposes, it is the policy of the County that only assets with a value exceeding \$5,000 or more and having a useful life expectancy of at least one year are reported as general fixed assets in the County's Comprehensive Annual Financial Report. Note, however, that this does not mean that items less than the \$5,000 threshold shall not be tagged. The Purchasing Agent, at his/her discretion, may tag any items deemed appropriate for adequate control and accountability purposes.

The County Auditor's Office shall periodically reconcile the yearly inventory listing, provided by the Purchasing Agent, to the County's financial accounting records. This inventory shall include assets purchased with federal funds, along with the special guidelines for assets purchased with federal funds from the Federal Emergency Management Agency, the Office of National Drug Control Policy or other applicable agencies.

As approved by Commissioners Court, funding equal to the equivalent of one cent in M&O taxes has been designated for the County's ongoing capital improvement program (CIP). Revenues generated from this one-cent designation shall be transferred from the General Fund into the County's Capital Improvement Program account designated for this purpose and use of such funds is subject to prior approval from the Commissioners Court. Projects intended to be funded from the CIP M&O tax funded account may be transferred to an appropriate and allowable debt funded capital projects, if deemed allowable within the bond documents when funding is available, and planned debt-funded capital projects will not be affected. These transfers shall be reviewed and approved by the staff of the County Auditor's Office and either the Chief Administrator or BFD.

During each annual budgetary process, the Commissioners Court members may evaluate the County's inventory. After the evaluation is made, satisfactory financial arrangements shall be made to either repair or replace depreciating items, as deemed necessary.

Capital needs for projects and equipment will follow the guidelines established in the County Capital Improvement Policy. The purchasing agent shall wherever deemed appropriate, issue useable items placed in storage to departments and agencies requesting comparable new equipment.

### **IV. DEBT MANAGEMENT**

Pursuant to Article XI, Section 7 and Article VIII, Section 9 of the Texas Constitution, the County shall not use funds earmarked for payment of the current portion of long-term debt for current operations.

When the Commissioners Court makes a determination to issue bonds, the policies below shall be followed.

- When feasible, new bonds issued shall be amortized resulting in equal principal amounts being retired each fiscal year with payments due on February and August 15th. This shall produce a total debt schedule with a declining yearly balance. The amortization schedule

shall be structured, when necessary, to follow the estimated useful life of assets purchased under the corresponding debt issuance.

- Debt service appropriations in total shall not exceed 35 percent of the total budget in any fiscal year pursuant to Article VIII, Section 9, of the Texas Constitution.
- The County's total bonded debt shall never exceed 2 percent of the net valuation of taxable property values in El Paso County. The El Paso Central Appraisal District ascertains the net valuation of taxable property.
- Bond financing arrangements shall be restricted to capital improvement projects that cannot be reasonably funded with current revenues and reserves.

The Commissioners Court shall make a diligent effort to coordinate planning, issuing and timing of bond issues with the overlapping jurisdictions in the County. All bonds issued shall be monitored for compliance with IRS regulations on arbitrage for Tax Exempt Bonds.

## **V. CASH MANAGEMENT & INVESTMENTS**

All County funds received by the treasury division shall be deposited within one business day of receipt in order to optimize the County's cash flow and interest earnings. Receipt and disbursement of funds shall be performed in compliance with applicable provisions within Texas Statutes.

In accordance with Commissioners Court authorization and approval and the State's pertinent legal provisions, the County Commissioner's Court shall appoint the County's investment officer. In accordance with the County's written investment policy, the County's available monies shall be aggressively invested, at least once each working day, in a way that generates the most interest income for the County, while at the same time, maintains diversification of investments with the paramount consideration being a safety at all times.

Pursuant to the Texas Statutes, Commissioners Court shall establish and approve a written investment policy annually. The investment policy shall, among other topics, address the parameters of maximizing rates of return, liquidity, safety, prudence, and diversification. The County shall issue quarterly investment reports in a timely manner.

## **VI. STRATEGIES & PLANS**

County strategies and plans shall be integrated into all departmental budgets to ensure unified efforts within County government to achieve the goals and objectives of the County. These are guidelines that demonstrate the steps undertaken in order to meet the objectives of the County without negatively impacting other goals within the County. Performance measures and productivity indicators shall continue to be integrated into all departmental budget requests. The County's strategies and plans are guidelines necessary in order to allow the Commissioners Court and the citizens of El Paso County a means of evaluating County government's efficiency and effectiveness in utilizing taxpayer dollars in achieving its goals and objectives.

## **VII. BUDGET & TAX ADVERTISEMENTS**

The BFD, County Tax Collector Assessor, County Administration, Purchasing and Auditors offices are authorized to utilize newspaper publications of general circulation that may be necessary to use to meet statutorily required publication deadlines. In certain instances these times constraints may require these advertisements to be published with vendors outside of the existing bid awards. These circumstances may also be invoked by the court when there is a desire to reach a larger circulation audience. Should this be necessary, it shall be with the approval of the Chief Administrator.

## **VIII. ANNUAL TAX RATE PROPOSAL**

Upon receipt of the annually calculated effective and rollback tax from the County Tax Assessor Collector the Commissioners court will as a matter of policy propose the rollback tax rate as a means of establishing a budgetary ceiling as well as to meet statutory publication requirements. This will allow the court to consider programs and projects in alignment with its annual strategic plan. The courts intent and goal during the budget hearings is to manage the potential impact on the final adopted tax rate for the fiscal year.

## **IX. STORM WATER MITIGATION FUNDING**

The County Commissioners Court through the issuance of certificates of obligations will allocate no less than one penny of ad valorem taxes to be designated towards storm water mitigation and response. As the court issues certificates of obligation for this purpose the policy and priority of the court will be to offset any I&S tax rate increases attributable to future storm water mitigation issuances with a direct reduction to the M&O portion of the tax rate until such time that this offset approximates at least one penny. To the extent that the I&S portion of the tax rate is any less than one penny the court will appropriate this difference in the General Fund for any storm water mitigation and response needs that may arise during the fiscal year. This policy is not intended to prevent any future court from ultimately funding any or all outstanding storm water related debt from the I&S portion of future County tax rates.