

STAFFORD COUNTY BOARD OF SUPERVISORS		
CAPITAL PROJECTS BUDGET AND APPROPRIATION POLICY		
Dated: April 20, 2021	R21-127	Version 2.0

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Purpose

To provide a policy which details the methods by which the Board of Supervisors (“Board”) shall budget and appropriate capital funding for the Capital Improvement Plan (CIP). The Capital Projects Budget and Appropriation Policy (“Policy”) aims to strengthen the oversight of the expenditures of tax payer dollars and to limit debt funding to the extent possible. The Policy supports the Board’s strategic plan, specifically, Priority 7.2 which states the County will: “Develop a plan for financial oversight of school construction projects”.

Scope

This policy applies to all County and School large scale capital project funds, regardless of source of funding or the fund in which they are accounted for. Generally, repair, replacement and rehabilitation projects (3R) will be excluded. Unless otherwise annotated within this policy, it is intended to apply universally to both School and County projects. The terms “capital projects” and “projects” will be used generically herein.

Responsibilities

The County Administrator shall:

1. Ensure that County staff are compliant with the Policy;
2. Receive all funding requests from the School Board or the Superintendent;
3. Direct the method of reporting of staff as defined within this policy; and,
4. May delegate the authority within this policy as necessary.

The Budget and Management Director shall:

1. Administer the funding requests;
2. Monitor the timeliness, accuracy and completeness of the funding requests and reports, where applicable;

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3. Provide a system of controls to ensure adequate reporting and direct staff as necessary for reporting defined within this policy;
4. Coordinate the reporting schedules with School and County staff at the adoption of the CIP and provide an annual schedule to the Board; and,
5. May delegate the authority within this policy as necessary.

The Central Procurement Division Director shall:

1. Monitor change orders and alert the Chief Financial Officer of impending need to appropriate additional contingency within the limitations of the CIP.

County Department Directors shall:

1. Provide any deviation from the annual projected appropriation schedule to the Chief Financial Officer in writing once a deviation is projected;
2. Provide annual written and oral capital projects report to the Board in a public meeting; and,
3. Create and support documentation for requests for appropriation.

The Board will accept documentation, reporting, and requests from the School Board or the Superintendent. If the School Board should decide to delegate the authority to provide these documents to a staff member, other than the Superintendent, they shall affirm in writing their intent and the period to which the delegation of authority exists. If submitted without proper authority, by the School Board or the Superintendent, the County Administrator will reject submissions due to lack of authority to meet requirements within the Capital Projects Budget and Appropriation Policy.

Capital Projects Budget and Appropriation

Capital projects ("projects") beginning in the first year of the CIP, shall be budgeted in whole. This budget will provide evidence of the Board's support of the CIP, and specifically, the project. They shall be appropriated by contract. Requests for appropriation shall include the following elements:

1. Name of the project;
2. The phase(s) and amount(s) being requested;
3. A brief description of the project meant to provide the Board and a citizen a reasonable understanding of the project;
4. The project shall be shown within the following phases; however, more information for transparency and clear communication may be included:
 - a. Land/Property Acquisition;
 - b. Design;
 - c. Construction;
 - d. Furniture, Fixtures and Equipment; and,
 - e. Contingency

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5. The information for each project phase shall be provided and shall include, but is not limited to:
- Budget and any variance from the adopted CIP;
 - Timeline which shall include projections of the project's contracts;
 - Appropriation timing;
 - Funds received;
 - Funds expended;
 - Funds encumbered; and,
 - An affirmation by the School Board or Superintendent that the project aligns with the CIP; or the reasons why it does not.
 - County departments shall affirm that project budgets align with the CIP, or why they do not within the body of the background materials for the resolution

The Budget and Management Director will coordinate with School and County staff to provide for an annual appropriation schedule for all phases of projects that are budgeted within the first year of the CIP. This schedule will be provided to the Board by August of each year to inform them of anticipated appropriation requests. Any deviations from this schedule must be initiated by the School Board or Superintendent, or the County Department Director overseeing the project.

Annually a detailed report on the progress of all projects will be delivered to the Board in a public meeting in March of each year prior to the adoption of the CIP. The report shall provide in both a written and oral presentation the following elements:

- Description of the projects;
- A comprehensive review of the projects status;
- The amounts budgeted;
- The amounts appropriated;
- The amounts encumbered;
- A reconciliation of contingency including the appropriated amount and a list of expenditures for which they have been expended;
- Known or projected changes in project scope; and,
- Any other pertinent information for the public and the Board to make a decision.

The Board shall appropriate at least 50% of the contingency upon appropriation of the construction funds. School and County staff, and independently, the Central Purchasing Administrator, will monitor the spending of contingency and alert the Budget and Management Director of an impending need to appropriate additional contingency.

At the completion of the project, excess funding that has been budgeted and appropriated shall be accounted for and reported to the Board. The report may contain a request for intended one-time use of the funds. If unspent funds on a project are used on a project not approved in the CIP or to expand

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the scope of a current project, the Board may choose to withhold appropriation and downgrade the scope and or timing of future projects.

Capital Projects Change Order Report

The Central Procurement Division Director shall develop and provide a quarterly report to detail all change orders for large projects. This Change Order Report will be provided to the Board, via the method directed by the County Administrator. To provide transparency, the Change Order Report will be published on the County's website. A copy of the Change Order Report shall be provided to the School Superintendent and Deputy County Administrators as applicable.