

**ESCAMBIA COUNTY BOARD OF COMMISSIONERS  
POLICY MANUAL**

**I N D E X - SECTION II**

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SECTION II. COUNTY AUDITS OF COUNTY OFFICES

- A. 1. At the conclusion of an audit of a County office by the County Comptroller, the County Comptroller or his designated representative shall discuss the audit with the official whose office is subject to audit and submit to him a list of his adverse findings which may be included in the audit report. If the audit is on an office under the jurisdiction of the Board of County Commissioners, the tentative findings shall be presented to the Chairman of the Board of County Commissioners with a copy to the County Administrator. Within fifteen (15) days, the County Administrator will review and make a recommendation to the Board. If the official is not available for receipt of the list of adverse audit findings, clearly designated as such, then delivery thereof is presumed to be made when it is delivered to his office. The official shall submit to the County Comptroller or his designated representative, within twenty (20) days after the receipt of said list of findings, his written statement of explanation to be taken to preclude a recurrence of all adverse findings. No public statement regarding the audit shall be released until the aforesaid twenty (20) day period has elapsed.

adopted 5/18/78

The office of the County Administrator and all departments, divisions, and offices under the County Administrator's general supervision shall be audited annually.

adopted 9/21/78



## **Board of County Commissioners**

### **Escambia County, Florida**

Title: Budget Amendments  
Date Adopted: June 20, 2002  
Effective Date: June 20, 2002  
Reference:  
Policy Superseded: Adopted: 01/18/79; Amended: 11/10/94; 06/20/02

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- A. 2. 1 All requests for approval of intradepartmental budget amendments shall be signed by the County Administrator/Budget Officer who shall approve the appropriate forms.
- 2 All requests shall identify the amount of money to be transferred, the appropriations to be decreased and increased, and the reason for the requested amendment. The requests shall include certification by the County Administrator that the requested amendment is consistent with the functions and duties of the department involved and that need for the appropriation to be increased exceeds or outweighs the importance of the appropriation to be decreased.
- 3 All requests for intradepartmental budget transfers shall be consistent with the provisions of Chapter 129, Florida Statutes. To this end, no budget amendment shall transfer funds encumbered by prior obligations of the department.
- 4 Upon receipt of request for approval of intradepartmental budget amendment, the Office of Management and Budget shall determine that there are sufficient unencumbered funds to fully fund the amount to be transferred and provide the County Administrator with sufficient details to make an informed decision.
- 5 Upon determination that all the requirements of this policy have been met, the County Administrator/Budget Officer may execute his approval upon the intradepartmental budget amendment request form. The original thereof shall be filed with the Clerk to the Board of County Commissioners and shall become a part of the County Budget.
- 6 Notwithstanding the foregoing, no budget amendments relating to the following matters shall be approved by the County Administrator without prior Board approval:
- a Budget transfer requests increasing the total personnel services appropriated within each department.
  - b All transfers from the General Fund and Transportation Trust Fund Reserve for Contingency will require approval of a super majority of the Board of County Commissioners.

- 7 Budget Amendments that involve capital equipment purchases must specifically identify all such equipment being purchased.



# Board of County Commissioners

## Escambia County, Florida

Title: Competitive Grant Application Policy, Section II; A.6  
Date Adopted: December 6, 2007  
Effective Date: December 6, 2007  
Reference: (State Statutes, Ordinances, Resolutions, etc.)  
Policy Superseded: Adopted: 03/03/77 Amended 06/23/98; 06/20/02; 12/06/07

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- 1 **PRIOR REVIEW AND APPROVAL OF A COMPETITIVE GRANT APPLICATION IS REQUIRED** by the Escambia Board of County Commissioners when:
  - A Prior County Board approval is stated as a requirement by the grantor agency, and/or
  - B There is a match of County funds included in the proposed grant (either as a requirement by the grantor agency or voluntarily offered by the applicant) and **no such cash-match amount has been approved within the County budget.** Prior review and approval involves:
    - Preparing a Recommendation to the Board
    - Submitting the Recommendation and completed application to the County Attorney's Office with a proposed Resolution, if required for the application
    - Acquiring Office of Management and Budget review and approval
    - Routing the completed Recommendation, Resolution (if applicable), and completed application to the County Administrator's Office for signature
    - Submitting the completed Recommendation, Resolution (if applicable), and completed application to the Agenda Coordinator's Office, in hard copy and Live-link for Board approval
- 2 The County Administrator **or his designee\*** shall have the authority to approve grant applications **WITHOUT PRIOR BOARD REVIEW/APPROVAL** when:
  - A It is allowed by the grantor agency, and
  - B The grant application contains no cash-matching funds, or
  - C The grant application budget contains a cash-match of funds, **but an appropriation of such matching funds from the county has been previously approved within the county budget;** or as verified by the Office of Management and Budget
  - D In the case that Board Approval is required but it has been determined by the responsible Department that grant submission deadlines do not allow sufficient time for prior Board approval:
    - The grant application may be signed by the County Administrator or his designee, **as long as the application has been reviewed and approved by the Office of Management and Budget and County Attorney's Office;** and
    - At the next regularly scheduled Board meeting, the responsible Department shall submit a Recommendation to ratify the completed grant application package and the County Administrator's, or his designee's signature
- 3 **Regarding Board approved grant applications:** upon receipt of official notice of approval or denial of the grant award request by the Grantor Agency, the responsible department shall submit to the Board, a Recommendation for Acceptance of the grant award, or an information report in the event that the grant application is denied.

**\*County Administrator's designee may constitute an Assistant County Administrator or Department Director**



## **Board of County Commissioners**

### **Escambia County, Florida**

Title:                               Worthless Check Processing Procedure  
Date Adopted:               July 18, 2002  
Effective Date:             July 18, 2002  
Reference:  
Policy Superseded:       Adopted: 08/22/89 Amended: 08/06/96; 07/18/02

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A   9           In order to ensure the County imposes the proper service fee on any dishonored check and to ensure that the County is issued as few dishonored checks as possible, the County is adopting the following check processing procedures:

- 1           Never accept a postdated check.
- 2           Never accept a two-party check.
- 3           Never accept an unsigned check, a check signed by a juvenile, a check drawn on a credit card account, a check used to pay an illegal debt, or a check that is more than one year old.
- 4           When a check has been dishonored by a bank and returned to the County, within ten days after receiving the returned check in order to prosecute the individual or institute a civil suit or collection, the Clerk of the Circuit Court's Finance Department must send certified mail, return receipt requested, in the following form: You are hereby notified that a check numbered \_\_\_\_ in the face amount of \$ \_\_\_\_ issued by you on \_\_\_\_ (date) \_\_\_\_ drawn upon \_\_\_\_ (name of the bank) \_\_\_\_, and payable to \_\_\_\_, has been dishonored. Pursuant to Florida law, you have 30 days from receipt of this notice to tender payment in cash of the full amount of the check plus a service charge of \$25, if the face value does not exceed \$50, \$30, if the face value exceeds \$300 or 5 percent of the face amount of the check, whichever is greater, the total amount due being \$ \_\_\_\_ and \_\_\_\_ cents. Unless this amount is paid in full within the 30-day period, the holder of the check or instrument may file a civil action against you for three times the amount of the check, but in no case less than \$50, in addition to the payment of the check plus any court costs, reasonable attorney fees, and any back fees incurred by the payee in taking the action, as provided in Florida Statutes 68.065 (as amended by Chapter 96-239).

Each BOCC Department will be responsible for canceling any services, permits, etc when notified by the Clerk's office that a check has been dishonored by the bank.

- 5           It is very important that the County collect on all dishonored checks in order to recoup the monies to which it is entitled. In addition to the procedures listed above, if for any reason there is any doubt about the validity of the check, consult the appropriate supervisor before accepting the check.



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The following information must be documented on the back of each check received from an individual:

Driver's License Number, Date of Birth,

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**SECTION II:                    POLICIES AND PROCEDURES RELATING TO DEPARTMENTAL  
OPERATIONS AND PERSONNEL - FINANCIAL/ BUDGETARY**

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**POLICY NUMBER:    A.11**

**TITLE:                    ESCAMBIA COUNTY POLICY AND PROCEDURE FOR PETTY CASH  
AND CHANGE FUNDS**

**ADOPTED:                SEPTEMBER 16, 1999**

**EFFECTIVE:              OCTOBER 1, 1999**

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**Purpose**--to provide a written policy for the handling of Petty Cash/Change Funds by the Board of County Commissioners' departments.

**Background**--Petty Cash is used to make small cash disbursements for those purchases that must be made quickly and without prior notice. The amount of an individual petty cash fund shall depend on the volume, type and amount of the purchases and reimbursements to be made from the fund. These funds are not to be confused with change funds that are created for the purpose of making change for customer transactions. Change Funds are used strictly for making change for customer transactions.

**Policy/Procedure**- Departments shall designate a departmental custodian for the petty cash fund/change fund. The custodian shall be personally responsible for all assigned cash funds. A listing of cash funds shall be maintained by the Finance Department. The department location, custodian and the amount of the cash fund is to be maintained upon this written listing.

A **Petty Cash/Change Fund Request** form (copy attached) should be completed for all petty cash/change fund requests. The County Administrator must authorize all requests for petty cash and/or change funds. Should it become necessary to change cash custodians, the Department Head should notify the Senior Accounting Manager and request an audit of the cash fund to be performed prior to transferring the cash fund to the new custodian.

**For Petty Cash Funds:** Each expenditure of funds requires a paid vendor receipt, the account line item to be charged against and the signature of the employee receiving the petty cash reimbursement. Also required is the signature of the Petty Cash custodian verifying the expenditure.

Employees are not to be reimbursed for sales tax. It is the responsibility of the Department Head to ensure that the employees are aware of the County's tax-exempt status. The custodian of the fund should maintain sufficient copies of the tax exempt certificate to give to the employees for use when making purchases.

Shortages and overages are the responsibility of the custodian of the petty cash fund. Overages are to be turned into the Finance Department as revenue. Shortages will be reviewed by the Finance Director before being charged off as an expense.

IOU's to the petty cash fund for an employee's personal use are strictly prohibited.

Petty Cash funds are to be maintained in a locked drawer or file cabinet. The drawer or file cabinet is to be locked at all times except when disbursing cash. Keys to the locked drawer or file cabinet are to be properly secured at all times to prevent access by unauthorized persons.

Travel and/or training expenses, including use of personal vehicle, parking and meals are not to be reimbursed from petty cash. These expenditures should be reimbursed by submitting the proper expense report form to Accounts Payable for audit, approval and issuance of a reimbursement check.

**For Change Funds:** Once established through authorization by the County Administrator, a change fund is maintained at the established level, unless it is formally increased/decreased. Increases must be authorized by the County Administrator. Should the change fund be abolished or decreased, the excess funds must be remitted to the Finance Department immediately.



## ***PETTY CASH/CHANGE FUND REQUEST***

DATE \_\_\_\_\_

FUND/ACCOUNT NUMBER \_\_\_\_\_

Custodian: \_\_\_\_\_

Department: \_\_\_\_\_

I, \_\_\_\_\_, request an initial/additional amount of \$ \_\_\_\_\_ to be used as Petty Cash/Change Fund. I agree that I will comply with all terms of the Board of County Commissioners' Petty Cash/Change Fund Policy.

\_\_\_\_\_  
Custodian Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date

I concur with the above request:

\_\_\_\_\_  
County Administrator Signature

\_\_\_\_\_  
Date

# **Board of County Commissioners**

## **Escambia County, Florida**

Title: Financial Policies  
Date Adopted: June 20, 2002  
Effective Date: June 20, 2002  
Reference:  
Policy Superseded:

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A 12 Escambia County's budget is developed using the policies described in this segment of the budget document and is intended to facilitate management actions on financial decisions, as well as to assist other readers of this document in understanding County finances.

The establishment of consolidated financial policies will also have the following beneficial results:

- provide a concise reference guide for consideration of County financial matters
- direct attention to overall financial condition rather than a narrow focus on single issues
- exhibit a commitment to sound financial management and fiscal integrity, establishing credibility and confidence for citizens, investors and rating agencies
- demonstrate a compliance with applicable Florida Statutory requirements.

The financial policies on the following pages are grouped into the following categories:

- A Budget Policies
- 1 Balanced Budget - The County's Annual Budget shall be balanced; that is, the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves (Florida Statutes, 129.01(2)(b)).
  - 2 Budget Adoption - The County's Annual Budget shall be adopted by the Board of County Commissioners at a fund level.
  - 3 Estimates of Receipts - The estimated receipts shall include 95% of all receipts reasonably to be anticipated from all sources, including taxes to be levied, and 100% of balance to be brought forward at the beginning of the fiscal year (Florida Statutes, 129.01(2)(b) and 200.065(2)(a).)
  - 4 Budget Transfers - Section 129.06, Florida Statutes provides that the Board of County Commissioners may establish procedures by which the designated Budget Officer may authorize certain intradepartmental budget amendments with certain exceptions, provided that the total appropriation of the departments is not changed. Pursuant to

this authority and pursuant to the Home Rule authority of the Board of County Commissioners. These procedures are detailed in Policy A.2.

- 5 New Positions - Partial year funding requests for new permanent full-time positions subsequent to approval of FY 2001/02 budget must be specifically authorized by the Board of County Commissioners as a special or emergency need.

B Revenue Policies

- 1 General Revenue Policy - Estimated revenue and fee schedules are reviewed as part of the budget process. Estimated revenue is conservatively projected (at 95% of estimate) and is updated annually.

Proposed fee increases are based upon the following:

- fee policies applicable to each fund or activity
- the related cost of the service provided
- the impact of inflation in the provision of services
- equity of comparable fees

- 2 Revenue Summaries - As part of the annual budget process, a consolidated summary of revenue sources will be prepared and incorporated into the County's budget documents

- 3 Ad Valorem Taxes - The use of ad valorem tax revenues will be generally limited to the General Fund

- 4 Gas Taxes - The use of gas tax revenues will be generally limited to the following funds:

Mass Transit  
Transportation  
FTA Capital  
Capital Projects-New Road Construction  
Road Assessment Program

- 5 Sales Taxes - The use of sales tax revenues will be generally limited to the following funds:

General  
Local Option Sales Tax  
Sales Tax Debt Service

- 6 Tourist Development Tax - The use of tourist development tax revenues will be generally limited to the Tourist Development Fund, Tourist Development Tax Debt Service and Civic Center Renewal and Replacement.

- 7 Grants - Only such grants as can reasonably be expected to be received will be considered as revenue sources for budget development purposes. The County shall amend its budget to reflect additional grants received during the budget year.

- 8 Restricted Revenues Bonds - Revenues which have been pledged to bondholders will be restricted and shall conform in every respect to bond covenants.

- 9 County-wide Revenues - Revenues collected on a County-wide basis will be generally allocated only to funds which provide County-wide services.

- 10 User Fees - User fees, where appropriate, should be established to offset the cost of providing specific services, and will be reviewed annually.

C Expenditure Policies

- 1 Community Service/Outside Agencies - As part of its annual budget process, the County identifies amounts to be granted to various community service/outside agencies which provide valuable services to the County residents.

- 2 Grant Supported County Programs - The County conducts a variety of programs which depend on outside grants to the County for partial funding.

- 3 Performance Measures - The County will develop "Performance Measures" for each of its departments in order to provide criteria to use in evaluating departmental operations and requests for increased funding levels.



- 4 Categorization of Services - The County will segregate its budget into two distinct categories, in order to set priorities for allocating available revenues. The categories can be generally defined as follows:

Basic Services - These are services which are best performed at the County level and are most closely linked to protecting the health and safety of citizens. Legally mandated services or commitments are also included in this category.

Program Enhancements - An improvement and/or enhancement to the programmatic service level.

- D Reserve Policies - A formally adopted reserve policy is an important factor in maintaining the fiscal health of Escambia County. There are three primary types of reserves:

Operating Reserves  
Capital Reserves  
Debt Reserves

The degree of need for these reserves differ based upon the type of fund or operation involved. However, one policy statement for each type of reserve can be uniformly applied to most funds.

- 1 Operating Reserve - It is the goal of the County to maintain an adequate undesignated reserve to provide a buffer against revenue shortfalls.
- 2 Capital Reserves - Capital reserves are established primarily to set aside funds to provide for additional projects, or additions to existing budgeted projects, which may be deemed appropriate for funding after the annual budget is adopted.
- 3 Debt Reserves - Debt reserves are established to protect bondholders from payment defaults. Adequate debt reserves are essential in maintaining good bond ratings and the marketability of bonds. The amount of debt reserves is established by bond indenture in association with each bond issuance.

These policy statements are intended to apply to various funds of the County. It is recognized that various federal, state, and local laws and regulations and specific financial policies, may supersede these policies.

- E Debt Policies - A formal debt policy is an important factor to insure the most efficient methods of financing are utilized by the County resulting in the lowest total cost of borrowing. It is the County's policy to use competitive bidding, whenever possible, for all debt issued by the County. The complexity of the debt issuance process varies depending on the type of financing requiring the County to employ qualified consultants (bond counsel, financial advisor, independent accountants, etc.) to assist the County in obtaining the most cost effective financing.

County staff and consultants should follow the following guidelines in structuring each debt issuance.

- 1 Method of Financing - The County will use a "pay as you go" policy unless internal funding is not sufficient to meet capital needs or a significant portion of the benefit of a project will be realized by future citizens.

Financing Parameters (Guidelines)

- 2 Projects will not be financed for greater than the useful life of the improvement.
- 3 Whenever economically feasible, the County will use Non Ad Valorem Revenue, special assessment, or other self-supporting bonds instead of General Obligor Bonds.
- 4 The County will utilize the competitive method of sale unless one or more of the

following conditions exists:

1. Unstable market conditions which require flexibility in pricing or precise timing which would not be expected through a competitive sale.
2. Concerns regarding credit quality and availability of credit enhancements.
3. Security for repayment is new, unproven, or may be perceived as unreliable by the market.
4. Innovative, complex, or unusual structuring techniques are required.

5. Changes or anticipated changes in laws or regulations would make the prompt sale of the bonds desirable.

5 Credit enhancement will be utilized when necessary to lower total borrowing costs.

6 The County will competitively bid investment of escrow funds for advance refundings if it is expected that bids will result in lower costs and the required securities are available in the market, except when obligations are purchased directly from the Federal Government.

7 The County will include debt issuance plans in its long term capital plan.

F Capital Improvement Policies

1 Five-Year Program - The County will develop a five-year Capital Improvements Program (CIP) as part of each year's annual budget process, and will make all capital improvements in accordance with the adopted annual County budget. The County will identify the estimated costs and potential funding sources for each capital project before it is submitted to the Board of County Commissioners as a component of the five-year program.

2 Operating Costs - The costs of operating and maintaining all proposed projects will be identified and incorporated into five-year financial projections for operations.

3 Capital Financing - The County Administrator will determine, and recommend to the Board, the least costly financing method for all capital projects.

4 Renewal and Replacement - The County shall develop and implement a program for identifying, scheduling, and budgeting the renewal and replacement requirements of capital facilities.



## Board of County Commissioners Escambia County, Florida

Title: Debt Finance Administration  
Date Adopted: June 20, 2002  
Effective Date: June 20, 2002  
Reference:  
Policy Superseded:

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- A 13 This policy contains a portion of the general policies and rules of interpretation pertaining to the organization, maintenance, modification, and administration of the Escambia County debt management program.
- A **Office of Management and Budget (OMB) Responsibilities.** The Office of Management and Budget (OMB) is responsible for the capital budgeting, financial planning, annual budget and preparation for capital and debt service funds, fiscal capacity analysis, and participates in the development of financing structures and marketing strategies together with the following major responsibilities with respect to administration of debt services on the County's Short and long term indebtedness.
- 1 Develop policies for adoption by the Board for capital financial planning, budgeting, and the financing thereof.
  - 2 Recommend the most cost effective method of financing capital projects and equipment including refinancing opportunities.
  - 3 Administers the contracts for financial advisors, Underwriters, and bond counsel and other financial consultants and professionals needed to effectively market a debt issue.
  - 4 Provides economic data and other demographic information to rating agencies and other outside entities, including an annual report to bondholders, which satisfies new SEC requirements.
  - 5 Maintains copies of documents deemed necessary for responding to requests for information and in support of annual budgetary requirements.
  - 6 Annually prepares the debt service and other debt related flow of funds budgets.
  - 7 Performs quarterly reviews of debt service funds and prepares transfers and amendments as may be required.
  - 8 Performs quarterly forecasts and proforma for the verification of coverage and other rate covenant analysis when issuing new debt supported by legally available non-ad valorem revenue.
  - 9 Serves as liaison to the County departments for the purpose of collecting and reporting, as necessary, material events to the "marketplace". Material events are communicated to Finance for submission to the NRMSIR
  - 10 Serves on the financing team assembled to develop financing structures and marketing plans and participates in presentations to the rating agencies and other interested parties.
  - 11 Coordinates the dissemination of all drafts to Finance and other members of the financing team to obtain comments and redrafts.
- B **Clerk of the Circuit Court Responsibilities.** The Clerk of the Circuit Court serves as the Chief Financial Officer for Escambia County in the constitutional capacity of



ex-officio clerk to the Board of County Commissioners. The Clerk maintains the County's official financial records and serves as the County treasurer. Responsibilities include the following with regard to the administration of the County's short and long term indebtedness:

- 1 Maintains the official records for the County's actions regarding debt.
- 2 Ensures compliance with the debt covenants, including the timely payment of debt service obligations; reviews and reports upon compliance to auditors and other interested parties.
- 3 Administers the contract s for paying agents, registrars, and escrow agents and serves in that capacity when appointed through bond legislation.
- 4 Evaluates escrows and proposes restructuring to achieve financial advantages or improve earnings on the escrow.
- 5 Issues invitation to and awards bids on all investments for debt, capital and escrow funds.
- 6 Prepares all financial information for inclusion in offering documents and rating agency presentations or for special report requests by the Board.
- 7 Maintains supporting documentation for debt service disbursements, including invoices, amortization schedules, and statements from paying agent, escrow, and registrar banks.
- 8 Ensures proper recording of debt transactions in the general ledger and prepares all work papers and statements for the annual external audit.
- 9 Prepares and files all appropriate IRS arbitrage rebate reports and related calculations.
- 10 Serves on the financing team assembled to develop financing structures and debt issuance strategies and participates in rating agency presentations.
- 11 Provides market information with regard to investments, pricing, escrow structures, and SLUG's. Receives bids for all open market investments for escrows.
- 12 Executes bond-closing documents as required by bond counsel and others.
- 13 Serves on the selection committee evaluating contracts for financial advisors or underwriters.
- 14 Serves as the office from which all repository periodic and special reporting required by SEC regulations originates.

**Board of County Commissioners  
Escambia County, Florida**

Title:	Fund Balance Policy, Section II, Part A.14
Date Adopted:	September 27, 2011
Effective Date:	September 27, 2011
Reference:	Escambia County Resolution 2011-150, Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions
Policy Amended:	N/A

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**A. PURPOSE/INTENT**

The County hereby establishes and will maintain reservations of Fund Balance, as defined herein, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

Fund Balance information is used to secure and maintain investment-grade credit ratings, identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the County, in accordance with policies established by the Board of County Commissioners. Additionally, the Fund Balance Policy insures against unanticipated events that would adversely affect the financial condition of the County and jeopardize the continuation of necessary public services.

This Fund Balance Policy establishes:

1. Fund Balance Policy for the General Fund;
2. Reservations of fund balance for the General Fund;
3. The method of budgeting in the General Fund the amount of estimated unrestricted fund balance (also known as *estimated beginning fund balance*) available for appropriation during the annual budget adoption process (prior to the actual, audited fund balance being known) and what actions may need to be taken if the actual fund balance is significantly different than the budgeted fund balance; and
4. Establish the spending order of the General Fund's fund balance.

**B. BACKGROUND AND DEFINITIONS**

To improve the usefulness of governmental fund balance information, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, with implementation required for fiscal years beginning after June 16, 2010. (Since Escambia County's fiscal year began October 1, 2010, this statement applies to the fiscal year 2011 reporting and subsequent years thereafter). This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent, improving the comparability of governmental fund financial statements, and helping financial statement users better understand the purposes for which governments have chosen to use particular funds.

In February 2011, the Government Finance Officer's Association (GFOA) Executive Board recommended that governments adopt a formal fund balance policy that defines the appropriate level of fund balance reserves to mitigate risks and provide for revenue shortfalls. The recommended minimum unrestricted fund balance is no less than two months (17%) of regular General Fund operating revenues or regular General Fund operating expenditures. For fiscal years 2009 and 2010, the General Fund unreserved fund balance has been 18% and 20%, respectively, of operating expenditures and transfers out for the fund.

Definitions of Fund Balance are as follows:

**Fund Balance** – As defined by the Governmental Accounting, Auditing and Financial Reporting of the Government Finance Officers Association, "The difference between assets and liabilities reported in a governmental fund." Categories of Fund Balance are described below:

**Non-spendable Fund Balance** – The portion of fund balance that cannot be spent because of form or because it must be maintained intact. The County's non-spendable fund balance currently consists of the inventory and prepaid items held by the General Fund.

**Restricted Fund Balance** – The portion of fund balance with limitations imposed by creditors, grantors, laws, regulations, or enabling legislation.

**Committed Fund Balance** – The portion of fund balance that can be used only for the specific purposes determined by a formal action (Resolution) of the Board of County Commissioners, the County's highest decision making authority. Commitments may be changed or lifted only by the Board of County Commissioners taking the same formal action (Resolution) that imposed the original constraint. These commitments must be in place prior to September 30.

**Assigned Fund Balance** – The portion of fund balance that includes spendable amounts established by management of the County that are intended to be used for specific purposes that are neither considered restricted nor committed.

**Unassigned Fund Balance** – The residual portion of fund balance for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of the fund balance which is not obligated or specifically designated and is available for any purpose.

**Unrestricted Fund Balance** – The total of *committed fund balance, assigned fund balance, and unassigned fund balance.*

#### C. **GENERAL FUND**

The Board of County Commissioners establishes the following *committed fund balance* for the General Fund:

**Reserve for Contingency** – This reservation of fund balance is committed by the Board of County Commissioners due to the County's coastal location, hurricanes, and other natural disasters; as well as economic changes that severely impact the County's ability to continue operations and provide services. The level of reserve for contingencies will be determined through the budget appropriation process and in accordance with Florida Statutes. Once established, funds can only be removed with a supermajority vote of the Board and the following three (3) findings of facts:



- That the expenditure cannot be delayed.
- That there is no other source of funds.
- The expenditure was unanticipated.

The County establishes the following *assigned fund balance* in the General Fund:

*Designated Carry Forward* – The designated carry forward fund balance is assigned by the County as set forth in the annual budget (and any amendments thereto) to provide funds for differences, if any, between budgeted revenues and expenditures.

The County hereby establishes in its *unrestricted fund balance* in the General Fund (the sum of the *committed fund balance, assigned fund balance, and unassigned fund balance*):

A targeted minimum unrestricted fund balance equal to two (2) months of the current fiscal year operating expenditure and transfers out budgeted for the fund. This reserve is needed to cover short-term cash flow variations and economic downturns. In any fiscal year where the County is unable to maintain this reservation of fund balance as required in this section, the County shall not budget any amounts of unassigned fund balance for the purpose of balancing the budget without Board approval.

#### D. **SPENDING ORDER OF FUND BALANCE**

The County spends restricted amounts first when both restricted (*Non-Spendable Fund Balance and Restricted Fund Balance*) and unrestricted fund balances (*Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance*) are available unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the County would first use *committed fund balance*, followed by *assigned fund balance* and then *unassigned fund balance* when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### E. **BUDGETING**

*Appropriation Of Unrestricted Fund Balance*: The actual amount of unrestricted fund balance (total of *committed fund balance, assigned fund balance, and unassigned fund balance*) is not known until the completion of the annual audit which takes place between three to six months after the end of the fiscal year being audited. However, an estimate of unrestricted fund balance (also called *estimated beginning fund balance*) must be made during the annual budget adoption process (July through September) which is prior to the end of the fiscal year, September 30.

F. **ANNUAL REVIEW AND DETERMINATION**

Compliance with the provisions of this policy shall be reviewed as part of the annual budget adoption process and revisions to the levels of fund balance will be determined during this process. Any changes to the targeted amounts established herein must be approved by the Board of County Commissioners.

G. **ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITIES**

It will be the responsibility of the County Administrator to uphold this policy and keep it current.

H. **AUTHORITY**

Resolution 2011-150, adopted on September 27, 2011.

## **Board of County Commissioners**

### **Escambia County, Florida**

Title: Procedures for Disposition of County Property – Section II, Part B.1

Date Adopted: April 26, 1979

Effective Date: March 15, 2012, as amended

Reference:

Policy Amended: March 15, 2012, November 19, 2009, June 19, 2008, December 11, 2003, June 26, 1990

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A. Transfer of Property between Departments under the Board County of Commissioners (BOCC) and Other Constitutional Officers.

1. Transfer of tangible property on the Board's fixed asset inventory to other Constitutional Officers shall be approved and signed off by the County Administrator or his designee and forwarded to the Clerk of the Circuit Court's Finance Department.
2. Transfer of tangible property on the County's fixed asset inventory between Departments under the Board of County Commissioners shall be approved by the directors of both departments and forwarded to the Clerk of the Circuit Court's Finance Department.
3. Transfer of Board Property Assigned to Other Constitutional Officers.

Any tangible property transferred to a Constitutional Officer from the Board of County Commissioners shall be returned to the Board when it is no longer needed by such Officer. The County Administrator or his designee will then determine whether or not the tangible property is needed by another Department or should be dispositioned.

4. Tangible Property to be Permanently Dispositioned.

Property included on the County's fixed asset inventory shall be declared surplus following approval by the Board of County Commissioners as contained in Florida Statute. Once declared surplus the County shall make every effort to maximize the return on said property including but not limited to public (both on-line and physical) auction or direct sale; then said asset shall be disposed of in the most efficient and effective manner.

Tangible property below the value to be included on the County's fixed asset inventory shall be disposed of in the most efficient and effective manner with the goal to maximize return to the County.

Donation of surplus tangible property to Not for Profit Organizations shall require approval of the BOCC.