



**SAN JOAQUIN COUNTY WORKNET  
 EMPLOYMENT AND ECONOMIC DEVELOPMENT DEPARTMENT  
 POLICIES AND PROCEDURES DIRECTIVE**

DIRECTIVE NO.	EFFECTIVE DATE	APPLICABILITY	PAGE
D-42	July 1, 2017	FMD	1 of 3
<b>SUBJECT: BUDGET CONTROL AND MODIFICATIONS</b>			

I. PURPOSE

The purpose of this directive is to establish a process for budget controls and modifications.

II. GENERAL INFORMATION

The Uniform Guidance changed the process for modifying budgets. Budgets provide a blueprint for achieving maximum effectiveness and are vital for managing costs and anticipating potential problems. The purpose of the budget quantifies the planned actions and activities, provides a basis for course correction, facilitates communication including program and fiscal staff and management, specifies a basis for evaluating and improving performance, evaluates resource allocations, and makes a benchmark available in comparing actual results.

References:

- 2 CFR 200.302 Financial Management
- 2 CFR 200.308 Revision of Budget and Program Plans
- 2 CFR 2900.9 Revision of Budget and Program Plans
- 2 CFR 2900.10 Prior Approval Requests
- 2 CFR 2900.11 Revision of Budget and Program Plans including Extension of the Period of Performance
- 2 CFR 2900.12 Revision of Budget and Program Plans Approval from Grant Officers

III. POLICY

It is the policy of EEDD to comply with the regulations set forth in the above referenced citations.

#### IV. PROCEDURE

EEDD will expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's funds. The financial management system is designed to allow for the preparation of reports required by general and program-specific terms and conditions. A comparison of expenditures with budget amounts will be produced and evaluated at each month end.

EEDD will report deviations from the budget and will request prior approval from the awarding agency for budget and program plan revisions when necessary. Requests will be submitted in writing at least 30 days before the effective date of any change. Prior approval will be requested from federal awarding agencies for any of the following program or budget revisions (2 CFR 200.308):

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (Project Director, etc.) specified in the application or award document.
3. Disengagement for more than three months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional federal funding.
5. The inclusion, unless waived by the federal awarding agency, of costs that require prior approval in accordance with 2 CFR Part 200.407, Prior written approval.
6. The transfer of funds budgeted for participant support costs to other categories of expense.
7. Unless described in the application and funded in the approved awards, the subaward, transfer, or contracting out of any work under an award. (However, this provision does not apply to purchases of supplies, materials, equipment, or general support services.)

The monitoring of costs will be performed monthly and adjustments will be made when necessary. Obligations will be managed in total and specified whether they are liquidated or unliquidated. Obligations will be de-obligated when no longer current and funds will be reprogrammed as needed.

#### V. QUESTIONS REGARDING THIS DIRECTIVE

May be referred to the Executive Director of EEDD via Managers or designee.

VI. UPDATE RESPONSIBILITY

The Executive Director of EEDD and/or designee shall be responsible for updating this directive, as appropriate.

VII. APPROVED



JOHN M. SOLIS  
EXECUTIVE DIRECTOR

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