

LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES

OPERATIONS

2.1 LAFCO BUDGET

As stated in Section 1.1, under the law and LAFCO's Policies and Guidelines, LAFCO is an independent Commission that adopts and administers its own budget and controls its expenditures. Government Code §56381, et. seq., and the following policies will control the LAFCO budget process:

2.1.1 **Adoption of Budget:** The Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15 in the manner prescribed by §56381.

2.1.2 **Open, Collaborative Process:** LAFCO will encourage an open, collaborative process in the development and approval of its budget. LAFCO will encourage efforts to equitably apportion or reapportion the cost of its budget. In addition, LAFCO will encourage cooperation and collaborative efforts among agencies in order to reduce the costs of special projects, studies and state mandates.

2.1.3 **Adoption of Work Plan:** LAFCO will annually review and adopt a work plan to fulfill the purposes and programs of state law and local policy. The work plan will guide the development of the budget.

2.1.4 **Resources:** The budget will identify the resources available for LAFCO's use under the law and those resources necessary for the purpose of carrying out state law and the Commission's goals and policies.

2.1.5 **Budget Administrator:** The LAFCO Executive Officer shall serve as budget administrator to prepare, present, transmit, review, execute and maintain the LAFCO budget.

2.1.6 Fees: Fees charged by LAFCO are set at the maximum justifiable level to recover the costs of processing applications.
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2.1.7 **Reserve:** LAFCO will appropriate monies to reserves consistent with Policy 2.10.

2.1.8 **Expense Claims:** All claims for expenses, other than usual employee costs (salaries and benefits), are to be reviewed by the Commission. Expenditure authorization for all expenses shall comply with Policy 2.9.

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- 2.1.9 **Payments:** If the county, a city, or an independent special district does not remit its required payment within 60 days, the Auditor shall collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the city, county, or special district (§56381(c)).
- 2.1.10 **Advance:** At the first of each fiscal year, the Board of Supervisors shall transmit an advance equal to 1/6 of the final LAFCO budget to cover the first two months expenses of each fiscal year (§56381 (c)).
- 2.1.11 **Carryover/Fund Balance Amounts:** For purposes of this section and Policies and Guidelines Section 2.10, the carryover/fund balance amount is defined as the amount left over at the end of each fiscal year after all outstanding payments for that fiscal year have been made. The carryover/fund balance amount will be calculated at the close of the books for a fiscal year. After it has been calculated, the LAFCO Executive Officer must report the carryover/fund balance amount to the Commission and to LAFCO's auditors. The carryover/fund balance amount will be used as a revenue source for the fiscal year beginning on July 1 after the carryover/fund balance amount has been calculated. The LAFCO Executive Officer shall deposit these funds consistent with Policy 2.10.