

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

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Subject: The Funds - General Description
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A fund is defined as an “independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other financial resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.” Statutory requirements and sound financial administrative policies have developed a system of funds in which the financial transactions of a county are recorded. Each of the funds are separate entities, and therefore, they have separate asset, liability, revenue, and expenditure accounts where applicable. When the funds are properly established, the county administrative officers can effectively control, utilize and restrict the resources of a particular fund for which the expenditures are authorized by statute or by the agency that established the fund.

The requirements for a complete set of accounts for each fund refer to the identification of accounts in the accounting records. The requirement does not necessarily extend to an actual physical segregation of assets and liabilities. For example, it is not essential to have separate bank accounts for the cash in each fund unless such is required by law, bond indentures or contractual agreement.

For units of local government, funds may be established by either constitutional provisions, statutes, bond agreements, charter provisions, or local ordinances.

Historically, there has been a tendency for counties to establish an unnecessary number of funds. In so doing, they have not only created excessive administrative and accounting problems, but they have also caused the financial statements to become more complicated and difficult to interpret. Under proper administration, each fund is created only when necessary to meet restrictions and limitations placed on specific resources. A proper budgetary and accounting control of the general fund should include all general activities of a county. The creation of numerous funds only brings about inflexibility in budgeting and administration.

No special funds may be created by local ordinances which are inconsistent with the principles of this manual. The financial activities of the county are to be accounted for within the framework of the following classification of funds.

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Subject: Basis of Accounting
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As defined by *GASB Codification* Section 1600.101, the “Basis of Accounting refers to when revenues, expenditures, expenses and transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements.”

Governmental Funds, which include the general, special revenue, debt service, capital projects, and permanent funds should be accounted for on a “modified accrual basis.” Under the modified accrual basis, revenues and other financial resources are recognized in the accounting period that they become measurable and available. Expenditures are recorded in the period that the liability is incurred. Other funds are accounted for on an accrual basis where revenues are recognized when earned and expenses are recognized in the period incurred.

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Reference: II. A.02.01
Page: 1 of 2
Subject: General Fund
Effective Date: 1 July 1986
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Every county will maintain a general fund. Most of the governmental activities should be financed and recorded in this fund. Expenditures for public purposes may be made from cash held in the general fund with freedom from the restrictions imposed on other funds. County governing bodies may authorize the making of transfers, contributions and/or loans to other funds from cash held in the general fund. For example, in dealing with the other funds, cash of the general fund could be transferred to the debt service funds, or make up existing deficits in internal service or enterprise funds, etc. Emergencies, catastrophes, and other unforeseen demands for money are usually met from the resources of the general fund.

Because of the lack of restrictions and the resulting freedom to use cash of the general fund for any proper public purpose, all revenues should be credited to the general fund, except those specifically required to be recorded in another fund by statute or ordinance.

Revenue Accounts

As previously stated, all county revenues belong to the general fund except those that are specifically reserved for special purpose funds. The revenue accounts in the general fund are grouped according to the major sources of revenue such as:

3100	Taxes
3200	Licenses and Permits
3300	Intergovernmental Revenue
3400	Charges for Services
3500	Fines & Forfeitures
3600	Miscellaneous Revenues

A detailed listing of revenue accounts for all funds classified by major revenue sources is given in the Master Chart of Accounts section of this manual.

Under the group classification of "General Property Taxes", the following accounts are to be maintained by the general fund:

- General Property Taxes-Current
- Prior Years' Taxes-Delinquent
- Penalties and Interest on Delinquent Taxes
- Fee-in-lieu of Personal Property Taxes
- Assessing and Collecting-State Portion
- Assessing and Collecting-County Portion

Only the general fund will carry an account for revenues from penalties and interest on delinquent taxes. Certain other funds will receive revenues from current and prior year's taxes.

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Expenditure Activity Accounts

As a general rule, those activities of local government that benefit the community as a whole are to be included in the general fund, excluding special enterprise functions and funds segregated to meet statutory requirements. The basic principles of budgeting and comparable financial reporting, as expressed in this manual and the Fiscal Procedures Act, is to reflect the total amount of revenues and expenditures in each budgetary fund without regard to the funding source. Accordingly, all expenditures applicable to the general fund function must be budgeted and accounted for within the general fund. The only exception to this requirement would be activities which, because of state and federal statutory requirements, are accounted for in a special purpose fund.

The expenditure activities of the general fund are classified by functional area such as:

4100	General Government
4200	Public Safety
4300	Public Health
4400	Highways and Public Improvements
4500	Parks, Recreation and Public Property
4600	Community and Economic Development
4700	Debt Service
4800	Transfers and Other Uses
4900	Miscellaneous

The departments and character and object classification of the expenditures are listed in the Master Chart of Accounts section of this manual.

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Subject: Special Revenue Funds
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Under *GASB Codification* Section 1300, the use of special revenue funds is not required unless they are legally mandated. Otherwise, monies legally restricted may be accounted for in the general fund. This concept is consistent with the basic principles of accounting, budgeting and comparable financial reporting, as expressed in this manual and the County Fiscal Procedures Act, which is to reflect the total amount of revenues and appropriated expenditures in each budgetary or operating fund without regard to funding source. However, because of statutory requirements created on the state or federal level, special revenue funds are created in order to account for resources legally restricted for the financing of particular activities or projects.

All special revenue funds created for a function which would qualify as a function of the general fund must, for budgetary and financial reporting purposes, be combined with the appropriate general fund function. When legally restricted resources are accounted for in the general fund, a fund balance reserve account should be used to indicate the excess of legally restricted assets over related liabilities and the nature of the expenditure purpose to which they are restricted.

The Class "B" Road Fund should be accounted for using a special revenue fund for control and accountability.

Other purposes of the special revenue funds may include the following:

- Library Fund
- Recreational Tourist and Convention Promotion
- Council on Aging
- Health and Mental Health
- Impact Fee Fund
- Other funds as needed

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Subject: Debt Service Funds
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Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Under *GASB Codification* Section 1300, debt service funds are required only when they are legally mandated and/or if resources are being accumulated for general long-term debt principal and interest payments maturing in future years. This provision accommodates appropriations directly from unrestricted general fund resources for the payment of general long-term debt principal and interest. In such instances, debt service expenditures may be made directly from the general fund, and a separate debt service fund is not required.

Payments of general long-term debt from restricted resources should still generally be accounted for in debt service funds. The footnotes on the summary of significant accounting policies in governmental financial statements should clearly indicate which funds are used to account for which long-term debt obligations.

General obligation bond being repaid by enterprise funds are to be recorded as liabilities within the appropriate enterprise fund, and monies accumulated for their repayment should be accounted for in the appropriate enterprise fund rather than a debt service fund.

Matured but unpaid bonds are interest coupons are liability of the debt service fund. They should be shown as liabilities on the year-end balance sheet and the amount required to be paid for their redemption should be included in expenditures of the year in which they matured.

Since debt service is a contractual obligation of the governmental unit which must be promptly and fully discharged, all debt service requirements should be regularly budgeted as a part of the governmental unit's annual budget. Each debt issue constitutes a separate obligation with its own legal restrictions and servicing requirements. The budgeting and accounting for each issue must give cognizance to such restrictions and requirements. In some cases, the legal restrictions will make it necessary to have a separate fund for each individual bond issue. However, it is recommended that the minimum possible number of debt service funds be employed and, where feasible, all general obligation bonds serviced by number the general property tax be accounted for in a single debt service fund. Other general obligation issues should be recorded in as few additional debt service funds as would be consistent with applicable laws.

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Reference: II. A.02.04
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Subject: Capital Projects Funds
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GASB Codification Section 1300 defines capital project funds as funds used “to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).” The financial resources of capital project funds come from several different sources, including general obligation bonds, grants from the state and federal government, and appropriations from the general or special revenue funds.

When capital project funds are used to account for the proceeds of general obligation bond issues, a separate fund should be provided for each bond issue. General obligation bonds are secured by the full faith and credit of the county and the pledge of its general taxing powers for the payment of the obligation. Such bonds are a liability of the county as a whole and the liability for their repayment is reflected in the governmental activities column in the Statement of Net Assets unless they are to be repaid from the enterprise fund’s operations.

Monies received from grants and appropriations from other funds should be accounted for in a separate capital project fund for each project. The appropriation and accumulation of money over a period of years in a capital project fund may only be allowed if the governing body of a county has adopted a formal long-range capital plan for the purpose of financing future specific capital improvements (*Utah Code* Section 17-36-16).

Expenditures made from capital projects funds can only be made in accordance with a formal budget which has been adopted for each capital project fund (*Utah Code* Section 17-36-8).

Capital projects funds are temporary funds which should be eliminated once the specific capital project is complete. *Utah Code* Section 17-36-29 requires that: “Any balance which remains in a capital improvements or capital projects fund shall be transferred to the appropriate debt service fund or other fund as the bond ordinance requires or to the general fund balance account.”

Capital projects which are funded entirely from bonded indebtedness and/or from assets which have been accumulated in the capital projects fund for that project may be budgeted on a “project basis.” This means that the budget need only be adopted once for that project, regardless of how many fiscal years it takes to complete the project. However, if the budget for that project needs to be increased for project overruns, additions, etc., then the budget must be reopened and increased through the hearing process.

The budget for a project that extends over more than one fiscal year will not need to be reported in the statement of revenues, expenditures, and changes in fund balance-budget and actual, since generally accepted accounting procedures only require reporting of annually adopted budgets in that statement. However, if a project is being built with annual appropriations, the budget for the project must be adopted annually and must be reported in the statement of revenues, expenditures and changes in fund balance-budget and actual.

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Subject: Accounting for Special Assessments
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Improvement districts are authorized by Title 17A, Chapter 3 of the *Utah Code*. Section 17A-3-204(1) provides that, "The governing body of any county may make or cause to be made any one or combination of the following improvements at any place within the unincorporated area of the county, or it may on its own initiative by ordinance or resolution, create special improvement districts within the unincorporated area of the county with the power to make or cause to be made any of the following improvements:" (see Code Section for detail.)

A separate fund is established for each district to finance the permanent improvements. This is necessary since each improvement district becomes an independent legal entity. Permanent improvements are to be paid for, wholly or in part, from special taxes levied against the property owners who are benefited by such projects.

After the legal requirements creating the district have been met, the governing body will adopt a resolution describing the improvements proposed to be made and its estimated cost as determined by the engineer for the county. Reference should be made to statute (Section 17A-3-213) for information as to the costs which are eligible for inclusion in a special assessment fund.

In January 1987, the Governmental Accounting Standards Board (GASB) issued Statement No. 6 entitled "*Accounting and Financial Reporting for Special Assessments*" which established new accounting and financial reporting standards for capital improvements and services financed by special assessments.

Transactions of a service-type special assessment should be reported in the fund type that best reflects the nature of the transactions, usually the general fund, a special revenue fund, or an enterprise fund, giving consideration to the "number of funds" principle. Service-type special assessment revenues should be treated like user fees. Assessment revenues and expenditures (expenses) for which the assessments were levied should be recognized on the same basis of accounting as that normally used for that fund type.

If the county is obligated in some manner to assume payments on special assessment debt in the event of default by the property owners, all transactions related to capital improvements financed by special assessments should be reported in the same fund types and on the same basis as any other capital improvement and financing transactions.

For financial reporting purposes, a county is obligated in some manner for special assessment debt if (a) it is legally obligated to assume all or part of the debt in the event of default or (b) the county may take certain actions to assume secondary liability for all or part of the debt - and the county takes, or has given indications that it will take those actions.

Special assessment projects are often financed with general obligation bonds, issued by the county. When the county derives a direct benefit from the capital improvement or chooses to share in the cost of construction based on the anticipated benefit to the community, general obligation debt may be issued to reduce the cost of financing the project.

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For most capital improvements assessments, the project can be divided into a construction phase and a debt-repayment phase. Unless the capital improvement is accounted for in the enterprise fund, the construction phase generally is accounted for in the capital projects fund. The debt service phase of the capital improvement special assessment should be reported in a debt service fund when a separate fund is legally required or the debt meets a criterion where a debt service fund would be advisable. (See GASB Statement No. 6 for the description of criterion which would require a debt service fund.)

Certain capital construction special assessment activities can be reported in the enterprise funds. When the special assessment debt is (a) a direct obligation of the enterprise fund or (b) is not a direct obligation but is expected to be repaid from enterprise fund revenues, the debt should be reported as a liability on the enterprise fund's balance sheet.

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Subject: Permanent Funds
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The newest governmental fund type is the permanent fund, first introduced as part of the governmental financial reporting model established by GASB Statement No. 34. Permanent funds should be used “to report resources that are legally restricted to the extent that only earnings, and principal, may be used for purposes that support the reporting government’s programs, that is, for the benefit of the government or its citizenry.” Similar arrangements for the benefit of those outside the government (individuals, private organizations, other governments) should be accounted for as private-purpose trust funds rather than permanent funds. A permanent fund would be used, for example, to account for the perpetual care endowment of a cemetery, or for endowments relating to a county library or museum.

Sometimes there is a requirement through enabling legislation that a portion of restricted resources be “permanently invested.” Generally Accepted Accounting Principles (GAAP) expressly indicate that a government may use a permanent fund in such situations. In that case, fund balance would need to distinguish amounts that are available for spending from those that are not.

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Subject: Enterprise Funds
Effective Date: 1 April 1987
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Counties do not normally operate enterprise or utility funds. However, if such operations do exist, the following procedures are applicable.

Enterprise funds are established to account for the operations of enterprises which provide goods or services to the public which are financed and operated in a manner similar to private business enterprises. As such, these funds are to be handled on the same basis as similar privately-owned utilities or other business organizations.

GASB 34 makes clear that enterprise fund reporting must be used for any activity whose *principal* revenue sources meet any of the following criteria:

- (1) Debt backed solely by fees and charges. Debt that is secured by a pledge of net revenues from fees and charges *and* the full faith and credit of the related primary government or component unit - even if that government is not expected to make any payments - is not payable solely from fees and charges of the activity.
- (2) Legal requirement to recover cost. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- (3) Policy decision to recover cost. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt services).

Combining activities that are not homogeneous in a single enterprise fund could obscure that matching of revenues and expenses that is a central feature of enterprise fund accounting. Accordingly, separate enterprise funds normally are used to account for nonhomogeneous activities. This practice is considered consistent with the number of funds principle because it is needed for sound financial management.

Revenues are to be recognized in the accounts as customers are billed. Accounts receivable are debited and the applicable revenue accounts credited. Proceeds from the sale of revenue bonds are credited directly to the bonds payable account. The proceeds of a general obligation bond issue that are to be expended for the purpose of constructing or expanding a utility or enterprise facility are also to be accounted for in the enterprise fund. As disbursed, the cost of the project is charged to construction in progress. Upon completion, the construction in progress account is classified by type of asset, and the related costs are transferred to the permanent asset accounts. If the enterprise fund is not expected to repay the general obligation bonds, the proceeds would be credited to the enterprise fund's contributions account.

A county may decide that part of the cost of operating or constructing an enterprise is to be financed by the county rather than users. Monies received from property tax levies and other county revenues are handled one of two ways depending upon the usage of the monies. If the monies are to be used for the

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construction or capital improvements of an enterprise, the contributions should be credited to the enterprise fund's contribution account. If the monies are to be used for operating purposes, such contributions should be reflected as operating transfers.

Refer to section I. D. 08 for information regarding treatment of proceeds from water and sewer connection fees levied and contributions from subdivisions for the cost value of water and sewer line laid in subdivisions.

Certain expenses of a utility or other enterprise are treated in a different manner than are expenditures of the governmental funds of a county. Capital outlays of the utility or enterprise are charged directly to fixed asset accounts and these costs are subsequently taken up in its operating accounts through annual depreciation charges spread over the estimated useful life span of each of the fixed assets acquired. Interest paid constitutes expense to be charged against revenues, but expenditures for the retirement of bonds result in reduction of a liability and are charged to the bonds payable account.

Materials and supplies on hand at the end of each year should be inventoried and set up in the books so that expense accounts are charged only with the actual materials and supplies consumed during the year. Prepaid expenses are to be set up as assets to be charged to expense in the period benefited.

County departments should pay for utility services at the same rates charged to other customers of the utility. Transfers to other funds from an enterprise fund which do not represent a reasonable allocation of costs should not be treated as an operating expense, but rather as a reduction of contributed capital from other funds or retained earnings if no contributed capital remains. These procedures are necessary in order to provide accurate departmental costs and to provide the basis for determining whether a net profit was actually earned by the utility during the fiscal period.

The plant and facilities represent the major resources of a public utility or other enterprise and the property accounts reflecting them are to be included in its balance sheet. Annual depreciation expense charges are to be accumulated and credited in the general ledger allowance for depreciation account.

Revenue bonds are a liability of the utility or enterprise and are to be included in its balance sheet. They are special obligations of the issuing utility and are payable solely from its net revenues. Revenue bonds usually contain a provision that the holder shall not have the right to demand payment of the obligation out of funds raised or to be raised by taxation.

Some counties provide capital for construction and expansion of a utility system by issuing general obligation bonds. Holders have the right to demand payment of this obligation out of funds raised or to be raised by taxation and the full faith and credit of the county are pledged for payment of the bonds. Usually, this right is not exercised unless revenues of the enterprise are insufficient to meet debt service requirements. Because of this, general obligation bonds intended to be repaid out of earnings of the enterprise are properly reflected as an obligation of the enterprise fund. However, if general obligation

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bonds are intended to be repaid out of taxation through a debt service fund, then the liability for such bonds should not be reflected in the enterprise fund. As previously stated, the proceeds from such issues are properly considered as a contribution by the county to be credited to the enterprise fund's contribution account.

Amounts required to be set aside out of earnings for the retirement of revenue bonds should be charged to retained earnings and credited to the account "Reserve for Revenue Bond Retirement."

Normally, sewer service activities are accounted for in a combined water and sewer fund. Occasionally, however, a county may float a revenue bond issue on the sewer facilities which prescribes that the sewer activities and the assets and liabilities related thereto are to be set up in a separate utility fund. Frequently, a bond issue is secured by both the water and sewer facilities, in which case the assets and liabilities related to these two services are to be set up in one utility fund, but the revenues and expenses of the water activity may be accounted for separately from those of the sewer activity within this combined fund.

Uniform accounting procedures for electric and gas utilities have been promulgated by the federal Energy Regulatory Commission. These procedures are optional, and may be located as follows:

Electric Utilities- - "Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act", which is found in 18 CFR, Part 101.

Gas Utilities – "Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act", which is found in 18 CFR, Part 201.

If you do not wish to adopt the federal accounting procedures identified above, you should follow generally accepted accounting procedures to account for these utilities. However, governmental entities using utility accounting and reporting standards are still subject to GASB standards. Disclosures required by GASB must be included in the entity's financial statements.

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Subject: Internal Service Funds
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These funds are established to provide financing for activities, usually of a service nature, such as shops and garages, central purchasing and stores departments, etc. These services are rendered to other departments of the county on a cost-reimbursement basis.

There are many advantages afforded a governmental unit in the use of internal service funds. For instance, through the operation of a central equipment garage, proper maintenance and use of motor equipment can more readily be assured. Centralized purchasing and control over stores permits quantity buying (with the attendant discounts) and reduces the likelihood of duplicate and excessive inventories.

The use of internal service funds is optional. However, it is recommended that counties review their organizational structure and establish them whenever it would prove to be expedient.

The following are examples of internal service funds that may be considered:

- Equipment Maintenance Fund
- Stores and Purchases Fund
- Fleet Lease Fund

The purpose, functions and composition of some of these internal service funds are described in the following paragraphs. The primary sources of revenue for this fund are the charges against the user departments for work performed or services provided. However, some money may be received from outside sources such as payments by persons damaging county equipment.

Equipment Maintenance Fund

In this fund, transactions pertaining to equipment maintenance and repair performed for other county departments are recorded.

The activity of the fund consists of the servicing, preventive maintenance, repair and major overhaul of all mobile, mechanical and automotive equipment. To the extent possible, all mechanical and repair work should be done in the county-owned garage facilities. Payments for outside work performed by private vendors are also made from this fund. The overall purpose of this equipment servicing arrangement is to provide the most economical repair and maintenance work on equipment used by the various departments and to keep such equipment in good operating condition.

The accounting procedures would be similar to those employed by a commercial garage. Purchase of garage facilities and mechanical equipment would be charged directly to the fixed asset accounts and annual provision for depreciation would be reflected in the expenses. Materials, supplies and prepaid expenses at the end of each fiscal period should be inventoried and "set up" when appropriate. The self-balancing group of accounts of this fund contains all the asset, liability, revenue, and expense accounts normally found in a similar commercial business.

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Stores and Purchases and Fund

Purchasing, storing and issuing the supplies and materials used in central stores by the requisitioning departments in the performance of their particular services should be accounted for through the stores and purchase fund. It is recommended that central stores be kept on a perpetual inventory basis with checkups by physical count at least annually. Different sections of the inventory may be checked at various times during the fiscal period.

Revenue of this fund will consist almost entirely of charges to the various departments for supplies and materials drawn or used in their behalf. Expenditures for purchases of materials and supplies will be charged directly to the perpetual inventory account. Expenses of the purchasing agent and warehousing would be included in this fund. Materials issued to a department would be billed at cost plus a fee to compensate for overhead expenses.

Fleet Lease Fund

A fleet lease fund is established to purchase vehicles and major equipment that are leased out to user departments. A fleet lease fund has several advantages such as: several departments may need vehicles that can be shared with each department paying only for its usage; cost of major equipment items can be spread out over several years thereby allowing more consistent budgeting by user departments; and overall usage of county-owned vehicles and equipment can be monitored and controlled more effectively.

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Reference: II. A.04
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Subject: Fiduciary Funds (Trust and Agency)
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Fiduciary fund reporting focuses on net assets and changes in net assets. Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished from agency funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Pension (and other employee benefit) trust funds should be used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other employee benefit plans. The mere fact that a government offers pension benefits or other benefits to its employees does not necessarily mean that the government should report a pension (or other employee benefit) trust fund. Rather, the critical factor is whether a government is *holding resources in trust* for that purpose.

GAAP require the use of separate trust funds for each individual pension plan. A pension plan is an arrangement where all assets accumulated for the payment of benefits may legally be used to pay any member or beneficiary. If certain assets are legally restricted to the payment of certain members or beneficiaries, then there is more than one pension plan for financial reporting purposes.

Investment trust funds should be used to report external portion of investment pools reported by the sponsoring government. Investment trust funds are created when legally separate governments commingle or pool their resources in an investment portfolio for the benefit of all participants. If the sponsoring government is a participant, the arrangement is referred to as a mixed pool and only the external portion of the pool's resources is reported in the investment trust fund.

Private-purpose trust funds should be used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency funds should be used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds, unlike trust funds, typically do *not* involve a formal trust agreement. Rather, agency funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Accordingly all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

Agency funds are most commonly used to account for taxes collected by one government on behalf of other governments. GAAP require the use of an agency fund to account for debt service transactions involving special assessment debt for which the government is not obligated in any manner. That is,

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Reference: II. A.04
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Subject: Fiduciary Funds (Trust and Agency)
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property tax collections related to the repayment of no-commitment special assessment debt must be accounted for in an agency fund pending their remittance to bondholders. GAAP also mandate the use of an agency fund to account for pass-through grants that are equivalent to pure cash conduits. To qualify as a pure cash conduit, a grant must have no administrative involvement and no direct financial involvement with the grant program.

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Reference: II. B
Page: 1 of 1
Subject: Chart of Accounts
Effective Date: 1 April 1987
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REFER TO SECTION I. C. 07 FOR THE MASTER CHART OF ACCOUNTS

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Reference: II. C.01
Page: 1 of 1
Subject: Budgetary Procedures - Introduction
Effective Date: 1 November 2005
Revision Date:

The significance of a county's budget process cannot be overemphasized. The budget process is an essential element in the financial planning, control and evaluation of a county and it provides the opportunity for those citizens paying for governmental services to be heard by their elected representatives. Recognizing the significance of the budget process, the Utah legislature has set forth laws that define the budget process, both for the protection of the taxpayers and for the elected and appointed county officials. The Uniform Fiscal Procedures Act for Counties contains those laws. For ease of understanding, the laws pertaining to the normal budget process have been summarized on the following page. The complete text of these laws is provided in section II. G and should be referred to as needed.

Utah Code Section 17-36-3(23) defines the budget officer as the county auditor. The budget officer, in addition to preparing the tentative budget, should prepare a budget message, as set forth in Section 17-36-10:

“Each tentative budget submitted in a county with a population in excess of 25,000 determined pursuant to Section 17-36-4 shall be accompanied by a budget message in explanation of the budget. The budget message shall contain an outline of the proposed financial policies of the county for the budget year and describe in connection therewith, the important features of the budgetary plan. It shall also state the reasons for changes from the previous year in appropriation and revenue items and explain any major changes in financial policy. A budget message for counties with a population of less than 25,000 is recommended but not incumbent upon the budget officer.”

The budget laws recognize the benefits of uniform budgets which can be compared from one year to the next and can also be compared with other counties. The State Auditor is charged with providing these uniform budget forms and ensuring that they are completed and on file in his office for inspection.

Budgets are estimates, and therefore, from time to time it may be necessary to amend the county's budget. County budgets can and should be amended if it is apparent that expenditures are going to exceed the budget for any reason. Budgets can be amended as late as the last day of the fiscal year. A budget is also an appropriation of funds. Therefore, it is not permissible to amend the budget after the fiscal year has ended. The procedures for amending a budget are essentially the same as to adopt a budget originally, except the county is not required to send a copy to the State Auditor.

While counties are required to adopt budgets for the general fund, special revenue, debt service, capital project and enterprise funds and submit them to the State Auditor's Office, the only budgets that are required to be presented in the financial report are the general fund and major special revenue funds.

Section I.B.02.01 includes a property tax calendar to assist you in meeting the budgetary requirements and deadlines.

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Reference: II. C.02
Page: 1 of 2
Subject: Summary of Budget Procedures and Timetable
Effective Date: 1 July 1986
Revision Date: 1 November 2005

The following summary should be reviewed and understood by all elected and appointed county officials, including all department heads. Officials directly involved in the budget approval and modification processes should become familiar with the complete text of these budget laws, as well as all other budgetary procedures and laws discussed in this part of the manual.

Code
Section

Budget Preparation and Adoption

- 17-36-8 Budget required for general, special revenue, debt service and capital projects funds.
- 17-36-9 Financial plan of all estimated revenues and all appropriations for expenditures required. Each first, second, and third class county that provides municipal type services shall establish a special revenue fund, "Municipal Services Fund," and capital projects funds, "Municipal Capital Projects Fund," or establish a special district to provide municipal services.
- 17-36-10 By November 1, county auditor shall prepare and file with governing body a tentative budget. The tentative budget is to be reviewed and tentatively adopted by governing body.
- 17-36-11 Tentative budget shall be a public record available for inspection for at least ten days prior to adoption of final budget.
- 17-36-12 Published notice required seven days prior to public hearings on adoption of budget.
- 17-36-13 Public hearing to be held on tentatively adopted budget and all interested persons given the opportunity to be heard.
- 17-36-14 Final adjustments to tentative budget by governing body after public hearing. No decrease of amounts appropriated for reduction of deficit or increase of total revenue may be made.
- 17-36-15 On or before the last day of each fiscal period, budget will be adopted by resolution. A copy of budget to be certified by county auditor and filed with State Auditor within thirty days of adoption. Certified copy of budget to be available for public inspection.

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Reference: II. C.02
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Subject: Summary of Budget Procedures and Timetable
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Code Section

Budget Changes

- 17-36-22 Transfer of unexpended appropriations from one expenditure account to another in same department can be made with consent of the budget officer.
- 17-36-23 Governing body may by resolution transfer unexpended appropriation from one department to another department within the same fund.
- 17-36-24 Budget appropriation for any department may be reduced by resolution for any purpose other than to transfer funds to another department.
- 17-36-25 Budget may be increased in budgetary funds other than general fund provided that notice of such action was published five days before any regular meeting of the governing body.
- 17-36-26 Budget in general fund may be increased by resolution after public hearing. Notice of hearing to be published at least five days prior to the hearing.

Code Section

Additional Requirements From "Truth in Taxation" Legislation

- 59-2-918 By March 1 the county governing body must be notified of the date, time and place for a
(2)(c)and public hearing at which the budget for the following year will be considered. Also,
59-2-919 notice must be given and advertisement made of any proposed increase in the certified
tax rate.

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Reference: II. C.03
Page: 1 of 1
Subject: Operating and Capital Budgets for Enterprise, Internal Service, and Other Special Funds
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Like the governmental fund types (general, special revenue, debt service and capital projects) which are required to follow budgetary procedures, enterprise and internal service funds also must follow budgetary procedures. However, there are some important differences in these procedures. Therefore, enterprise and internal service funds are addressed in a separate section of the law and in this manual. Enterprise and internal service fund budget procedures are set forth in *Utah Code* Section 17-36-32. A summary of similarities and differences between proprietary fund budgets and governmental fund type budgets is included below.

Similarities with Other Budgets

- A. Enterprise and internal service fund budgets must be subject to public hearing.
- B. The same budgetary control over expenditures not being allowed in excess of budgets exists.
- C. County adopted purchasing procedures must be followed.
- D. Budget may be reduced by governing body.
- E. Unexpended appropriations may be transferred within enterprise or internal service fund.

Differences from Other Budgets

- A. Budget may be increased by governing body without public hearing.
- B. A supplementary estimate of all capital projects required in the next three years for the enterprise fund is required to be submitted.

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Reference: II. C.04
Page: 1 of 2
Subject: Fund Balance - Accumulation, Usage, and Deficits
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Utah Code Section 17-36-16(1) states:

- (1) A county may accumulate retained earnings in any enterprise or internal service fund or a fund balance in any other fund; but with respect to the General Fund, its use shall be restricted to the following purposes:
 - (a) To provide cash to finance expenditures from the beginning of the budget year until general property taxes, or other revenues are collected;
 - (b) To provide a fund or reserve to meet emergency expenditures; and
 - (c) To cover unanticipated deficits for future years.

Utah Code Section 17-36-16(2) sets forth the amount of funds that may be accumulated in the general fund and requires that the excess be included as available resources for budget purposes. However, in *Utah Code* Section 17-36-16(3) it states that: "Any fund balance exceeding 5% of the total General Fund revenues may be used for budgetary purposes." This subsection has two effects. First, it allows fund balance to be used for regular budgetary purposes. And second, it provides a floor below which counties may not spend their resources (except in emergencies).

Utah Code Section 17-36-16(2) states:

- (1) The maximum accumulated unappropriated surplus in the general fund, as determined prior to adoption of the tentative budget, shall not exceed an amount equal to the greater of:
- (2) (a) The maximum accumulated unappropriated surplus in the General Fund, as determined prior to adoption of the tentative budget, may not exceed an amount equal to the greater of:
 - (i) (A) for a county with a taxable value of \$750,000,000 or more and a population of 100,000 or more, 20% of the total revenues of the General Fund for the current fiscal period; or
 - (B) for any county, 50% of the total revenues of the General Fund for the current fiscal period; and
 - (ii) the estimated total revenues from property taxes for the current fiscal period.
- (b) Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the General Fund budget for the next fiscal period.

Since the actual year-end surplus fund balance cannot be determined until after the current year budget has been adopted, the next fiscal year refers to that fiscal year starting one year after the fund balance is determined to be in excess. In determining what is to be considered in calculating fund balance, the State Auditor has determined that money received with restrictions on expenditure, such as state-allocated Class "B" Road Funds, should not be included in computing excess fund balance.

Even though the accumulation of fund balance in funds other than the general fund is not restricted, these funds are established for a specific purpose and the usage of the accumulated fund balance in any of these funds is restricted for those purposes. When those purposes no longer exist, the fund balances are to be disposed of in the manner provided by *Utah Code* Section 17-36-29:

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“If the necessity to maintain any special fund ceases and there is a balance in such fund, the governing body shall authorize the transfer of the balance to the fund balance account in the general fund. Any balance which remains in a special assessment fund and any unrequired balance in a special improvement guaranty fund shall be treated as provided in Section 17A-3-341. Any balance which remains in a capital improvements or capital projects fund shall be transferred to the appropriate debt service fund or such other fund as the bond ordinance requires or to the general fund balance account.”

Some counties find themselves with a deficit fund balance in the general fund and believe that, in accordance with *Utah Code* Section 17-36-17(2), they can appropriate five percent of their general fund revenues per year to pay off this deficit. The State Auditor has taken the position that if the deficit was an illegally created deficit (i.e., expenditures in excess of that budgeted), the total deficit should be appropriated in the following fiscal year.

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Reference: II. C.05
Page: 1 of 1
Subject: Emergency Expenditures
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Utah Code Section 17-36-27 provides the governing body the authority to increase expenditures without a public hearing, and even incur a deficit in the fund balance of the general fund in the case of an emergency. However, the definition of an emergency as set forth in the law is restrictive to such things as natural calamities and the authority provided by this section may not be used for other reasons, such as to cover unbudgeted expenditures that may be more prudently made now than in the future.

If the governing body determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, and that the expenditure of money in excess of the general fund budget is necessary, it may make such expenditures and incur such deficits as reasonably necessary to meet the emergency.

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Reference: II. C.06
Page: 1 of 1
Subject: Interfund Loans
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Utah Code Section 17-36-30 provides for loans by one fund to another:

The governing body may (1) authorize interfund loans from one fund to another at such interest rates and subject to such terms for repayment as it may prescribe and may (2) with available cash in any fund, purchase or otherwise acquire for investment, issued unmatured bonds of the county or of any county fund.

These loans may not be made for the purpose of covering an operating deficit in any of the funds of the county that were incurred in violation of budgetary laws.

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Reference: II. C.07
Page: 1 of 1
Subject: County Budget Form Instructions
Effective Date: 1 July 1986
Revision Date: February 2010

Utah Code Section 17-36-4 requires the State Auditor to “prepare and supply each county budget officer with suitable budget forms.” Section 17-36-8 requires the budget officer to use these forms in the preparation of the tentative budget. Section 17-36-15 requires that when adopted, the budget is to be certified by the budget officer and filed with the State Auditor within 30 days after adoption.

“Certification of Budget” forms, budget worksheets, and budget instructions are available in a fill in pdf format and can be accessed from the State Auditor’s web page at <http://www.sao.utah.gov/lgForms.html>. The fill in pdf budget form and instructions for counties can be completed and e-mailed back to the Utah State Auditor’s Office. (Please review the instructions on the form.) Mailing a hard copy of your budget is not necessary. Also budgets no longer need to be notarized.

Questions are frequently received about the necessity of using the State Auditor’s budget forms when governmental units have their own computerized budget process which provides printouts in a different format than these forms. This is a very legitimate concern, but it needs to be considered in relation to the intent and purpose of uniformity. Many different citizens groups, research organizations, and other groups use these forms for analysis and research purposes. Because of their needs and the intent of the law, the State Auditor’s budget forms or a computer printout with the same information and format must be filed with the State Auditor’s Office. “Certification of Budget” only forms are available to download at <http://www.sao.utah.gov/lgForms.html> for those governments who use their computer printouts for submitting budgets.

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Reference: II. C.07.01
Page: 1 of 2
Subject: Costs of Assessing and Collecting Property Taxes
Effective Date: 1 April 1997
Revision Date: 1 November 2005

The *Utah Code* establishes a method and tax levy to assist counties in recovering at least part of the costs of assessing and collecting property taxes. *Utah Code* Section 59-2-906.1 creates a multi-county assessing and collecting levy not to exceed .0002. This is a statewide levy which is equalized among the counties in accordance with a formula included in *Utah Code* Section 59-2-906.2. This formula is based on the number of parcels in the county, weighted for parcel type, and a weighted parcel factor based on county size.

Utah Code Section 59-2-906.1 provides an additional levy that counties may levy to help pay for the costs of assessing and collecting property taxes. This levy is limited to .0003 per dollar of taxable value of taxable property in the county. The entire amount of this levy is kept by the county for these purposes.

Both of these levies are subject to Truth in Taxation requirements and are required to be adjusted for changes in assessed valuations.

The State Auditor's Office administers the multi-county levy and distributes the amounts received from paying counties based on the formulas in *Utah Code* Section 59-2-906.2. Each county collects both tax levies from its property owners. Counties which collect more from these levies than the formula amount are required to remit the excess to the State Auditor's Office by the 10th of the next month after the amounts have been received by the county auditor.

It is critical that monies obtained from these levies be used only for the purposes authorized by the *Utah Code*. This is particularly important since the multi-county levy is equalized among the counties.

Utah Code Section 59-2-906.2(5) limits the use of these monies for; (a) establishing and maintaining accurate property valuations and uniform assessment level, and (b) improving the efficiency of the property tax system. Sections II. C.07.01.01 through II. C.07.01.08 of the *Uniform Accounting Manual* provide principles of allowable costs for determining costs of assessing and collecting property taxes.

Utah Code Section 59-2-906.4 requires that each county separately budget and account for the use of any monies received or expended under a levy imposed under Section 59-2-906.1, 59-2-906.2, or 59-2-906.3. The *Uniform Accounting Manual* requires accounting for all costs of assessing and collecting in a separate special revenue fund.

In accordance with State law, every county needs to keep records that adequately document that costs paid from these monies are legitimate costs under *Utah Code* Section 59-02-906.2(5), and Section II. C. 07.01 through II. C.07.01.08 of the *Uniform Accounting Manual*, as outlined above. At a minimum, counties should use a format similar to the forms provided in section II. C.09. These forms, or a similar process, should be used both as part of the budgetary process and then again as part of the reporting and audit process. They should be used as part of the budgetary process to ensure that funds generated by the assessing and collecting levies are appropriated for the purposes allowed by *Utah Code* Section 59-2-906.2(5). The forms should be used again as part of the reporting and auditing process to ensure that the

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monies are spent as required and that unspent funds are reserved for future use in accordance with the *Utah Code*.

The *Utah Legal Compliance Audit Guide* requires independent auditors to test the county's records to ensure that these monies are used as provided above.

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Reference: II. C.07.01.01
Page: 1 of 1
Subject: Assessing and Collecting - Purpose and Scope
Effective Date: 1 December 1986
Revision Date: 1 November 2005

A. Purpose and Scope.

1. Objectives. This guideline sets forth the principles for determining the allowable costs of assessing and collecting property taxes by counties as allowed by current legislative authority. The principles are for the purposes of cost determination and are not intended to identify the circumstances or dictate the manner of assessing and collecting by counties. No provision for profit or other increment above cost is intended or allowed.
2. Policy Guides. The application of these principles is based on the fundamental premise that:
 - a. Counties are responsible for the efficient and effective administration of the property tax system through the application of sound management practices.
 - b. Counties assume the responsibility for seeing that funds appropriated for the property tax system in each county have been expended and accounted for consistent with their responsibilities under state law.
 - c. Each county, in recognition of its own unique combination of staff, facilities and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration.
 - d. Adequate documentation needs to be maintained to support all expenses charged to the cost of assessing and collecting. Independent auditors will review the amounts expended for assessing and collecting to ensure that monies generated by the assessing and collecting levy are spent only for legitimate assessing and collecting purposes. Independent auditors will also determine if unspent assessing and collecting funds are properly reserved for use in subsequent years for this specific purpose.

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Reference: II. C.07.01.02
Page: 1 of 2
Subject: Assessing and Collecting - Basic Guidelines
Effective Date: 1 December 1986
Revision Date: 1 November 2005

B. Basic Guidelines.

- 1 Factors affecting allowability of costs.** To be allowable as a cost of assessing and collecting in the property tax system, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient administration of the program.
 - b. Be authorized or not prohibited under State or local laws or regulations.
 - c. Be consistent with policies, regulations, and procedures that apply uniformly to other activities, functions and services of each county government.
 - d. Be accorded consistent treatment through application of generally accepted accounting principles (GAAP) appropriate to the circumstances.
 - e. Not be allocable to, or included as, a cost of any other federal, State or locally financed program in either the current or a prior period.
 - f. Be net of all applicable credits.

- 2. Allocable costs.**
 - a. A cost is allocable to the property tax system to the extent of benefits received by the system.
 - b. Any cost allocable to the property tax system under these principles may not be shifted to other funds, departments, agencies or programs to overcome fund deficiencies, avoid restrictions imposed by law or grant agreements, or for other reasons.
 - c. Where an allocation of indirect cost will ultimately result in a charge to the property tax system, an allocation plan will be required for review by the independent auditor.

- 3. Applicable credits.** Applicable credits refer to those receipts or reduction of expenditure-type transactions which offset or reduce expense items allocable to the property tax system as direct or indirect costs. Examples of such transactions are: recording fees, purchase discounts; rebates or allowances; recoveries or indemnities on losses; sale of publications, equipment; income from personal or incidental services; adjustments of overpayments; or erroneous charges. Applicable credits may also arise from federal or state grants or contracts or revenue from other external sources.

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Reference: II. C.07.01.02
Page: 2 of 2
Subject: Assessing and Collecting - Basic Guidelines
Effective Date: 1 December 1986
Revision Date: 1 November 2005

C. Composition of Cost

1. **Total cost.** The total cost of the property tax system is comprised of the allowable direct cost incident to the performance of its function, plus the allocable portion of allowable indirect costs, less applicable credits.
2. **Classification of costs.** There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some, but indirect with respect to the property tax system or other ultimate cost objective. It is essential, therefore, that each item of cost be treated consistently either as a direct or an indirect cost.

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Reference: II. C.07.01.03
Page: 1 of 1
Subject: Assessing and Collecting - Composition of Costs
Effective Date: 1 December 1986
Revision Date: 1 April 1997

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Reference: II. C.07.01.04
Page: 1 of 1
Subject: Assessing and Collecting - Direct/Indirect Cost (Definitions)
Effective Date: 1 December 1986
Revision Date: 1 November 2005

D. Direct Costs

Direct costs are those that can be identified specifically with a particular cost objective. Direct costs may also be charged to cost objectives used for the accumulation of costs pending distribution in due course to the property tax system.

E. Indirect Costs

Indirect costs are those not specifically budgeted within a department. For example, postage is an indirect cost to a department whose county has a central mailing facility which is funded as a separate department, but is a direct cost when it is included in the budgets of each department.

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Reference: II. C.07.01.05
Page: 1 of 1
Subject: Assessing and Collecting - Cost Allocation Plan for Indirect Costs
Effective Date: 1 December 1986
Revision Date: 1 November 2005

F. Cost Allocation Plan for Indirect Costs

1. **General.** A plan for allocation of costs will be required to support the distribution of any indirect costs related to the property tax system. All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges.
2. **Requirements.** The allocation plan should cover all indirect costs of the property tax system as well as all costs to be allocated from other funds, agencies or organizational units. The cost allocation plan should, to the extent feasible, be presented in a single document. The allocation plan should contain, but not be limited to, the following:
 - a) The nature and extent of services provided and their relevance to the property tax system.
 - b) The items of expense to be included.
 - c) The methods to be used in distributing cost.

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Reference: II. C.07.01.06
Page: 1 of 1
Subject: Assessing and Collecting - Standards for Selected Items of Costs
Effective Date: 1 December 1986
Revision Date: 1 November 2005

G. Standards for Selected Items of Costs

- 1. Selected list of allowable items.** The items shown in Attachment A are a general, but not exclusive list, of allowable costs. This list is presented as examples of allowable costs which could be inferred from the basic guideline principles outlined in Attachment B.
- 2. Suggested standards for allowable costs.** Suggested standards for allowable costs are shown in Attachment B. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable, rather determination of allowability in each case should be based on the treatment of standards provided for similar or related items of cost. The allowability of a selected item of cost is subject to the general policies and principles stated in Attachment B.

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Reference: II. C.07.01.07
Page: 1 of 1
Subject: Assessing and Collecting - Attachment A (Allowable Costs)
Effective Date: 1 December 1986
Revision Date: 1 November 2005

ATTACHMENT A

Allowable Costs:

1. Accounting
2. Advertising
3. Advisory Councils
4. Audit service
5. Bonding
6. Budgeting
7. Building lease management
8. Building space and related activity
9. Central stores
10. Communications
11. Compensation for personal services
12. Data Processing
13. Depreciation
14. Disbursing service
15. Employee fringe benefits
16. Employee morale, health and welfare costs
17. Exhibits
18. Insurance and indemnification
19. Legal expenses
20. Maintenance and repair
21. Management studies
22. Materials and supplies
23. Memberships, subscriptions and professional activities
24. Motor pools
25. Payroll preparation
26. Personnel administration
27. Printing and reproduction
28. Procurement service
29. Professional services
30. Training and education
31. Transportation
32. Travel

NOTE: Allowable costs will only be considered to the extent they affect the property tax system.

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Reference: II. C.07.01.08
Page: 1 of 6
Subject: Assessing and Collecting - Attachment B (Allowable Cost Standards)
Effective Date: 1 December 1986
Revision Date: 1 November 2005

ATTACHMENT B

Allowable Cost Standards:

1. **Accounting.** The cost of establishing and maintaining accounting and other information systems required for the management of the property tax system is allowable. This includes costs incurred by central service agencies for these purposes.
2. **Advertising.** Advertising media includes newspapers, magazines, radio and television programs, direct mail, trade papers, and the like. The advertising costs allowable are those which are solely for:
 - a. Recruitment of personnel required for the property tax system.
 - b. Solicitation of bids for the procurement of goods and services.
 - c. Disposal of surplus property.
 - d. Public notices.
3. **Advisory councils.** Costs incurred by advisory councils or advisory boards, established to carry out the responsibilities of the property tax system.
4. **Audit service.** The cost of audits, internal and independent, relating to the administration and management of functions related to the property tax system is allowable.
5. **Bonding.** Costs of premiums on security or personal bonds covering employees who handle property tax system funds are allowable.
6. **Budgeting.** Costs incurred for the development, preparation, presentation, and execution of budgets are allowable.
7. **Building lease management.** The administrative cost for lease management which includes review of lease proposals, maintenance of a list of available property for lease, and related activities is allowable.
8. **Building space and related facilities.** The cost of space in privately owned buildings used for the benefit of the property tax system is allowable, subject to the conditions stated below. The total cost of space may not exceed the rental cost of comparable space and facilities in the same

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Reference: II. C.07.01.08
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locality. The cost of space procured for the property tax system may not be charged for period of nonoccupancy.

- a. **Rental cost.** The rental cost of space in a privately-owned building is allowable.
 - b. **Maintenance and operation.** The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable.
 - c. **Rearrangements and alterations.** Costs incurred for rearrangement and alteration of facilities required specifically for the property tax system are allowable.
9. **Central stores.** The cost of maintaining and operating a central stores organization for supplies, equipment, and materials used either directly or indirectly for the benefit of the property tax system is allowable.
10. **Communications.** Communication costs incurred for telephone calls or service, teletype service, wide area telephone service (WATS), centrex, tie lines, data lines, postage, messenger service and similar expenses are allowable.
11. **Compensation for personal services.**
- a. **General.** Compensation for personal services includes all remuneration, paid currently or accrued, for services rendered during the county's fiscal year, including but not necessarily limited to wages, salaries, and supplementary compensation and benefits. The costs of such compensation are allowable to the extent the total compensation for individual employees:
 1. Is reasonable for the services rendered;
 2. Follows an appointment made in accordance with State and local law, i.e., an elected or appointed official, merit appointment, or lawfully hired emergency, seasonal or temporary employee;
 3. Is comparable to that paid for similar work in the labor market in which the employing county competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

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- b. **Payroll and distribution of time.** Amounts charged for personal services, regardless of whether treated as direct or indirect costs, will be based on payrolls documented and provided in accordance with generally accepted practice of the County. Payrolls must be supported by time and attendance or equivalent record for individual employees. Salaries and wages of employees chargeable to other cost centers in addition to the property tax system will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort.

- 12. **Data Processing.** The cost of data processing services to the property tax system is allowable. This cost may include rental of equipment or depreciation on county owned equipment. The acquisition of equipment, whether by outright purchase, rental-purchase, or other method of purchase is allowable.

- 13. **Depreciation.**
 - a. The depreciation period on computer equipment purchased directly will be 5 years.
 - b. Leased equipment or any other purchases over a period of time exceeding five years will be charged at 100% of the yearly lease or installment payments.
 - c. Depreciation on buildings or other assets is not an allowable cost.

- 14. **Disbursing services.** The cost of disbursing property tax system funds by the Treasurer, Auditor or other designated officer is allowable. Disbursing services cover the processing of checks or warrants from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts.

- 15. **Employee fringe benefits.** Costs identified under a. and b. below are allowable to the extent that total compensation for employees is reasonable as defined in paragraph 11.
 - a. Employee benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, and the like, if they are: (1) provided pursuant to an approved leave system; and (2) the cost thereof is equitably applied to all other county employees.
 - b. Employee benefits in the form of employer's contribution or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, and the like, provided such benefits are granted under approved plans and are applied consistently to all similar classes of employees in the County.

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16. **Employee morale, health and welfare costs.** The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employees' counseling services, employee information publications, and any related expenses incurred in accordance with State law or County ordinance, are allowable. Income generated from any of these activities will be offset against expenses.
17. **Exhibits.** Costs of exhibits relating specifically to the Property Tax System are allowable.
18. **Insurance and indemnification.** Costs of insurance required or approved and maintained pursuant to State Law, County Ordinance or adopted policy, are allowable subject to the following limitations.
 - a. Actual costs of premiums plus unrecoverable loss from deductibles.
 - b. Contributions to a reserve for a self-insurance program are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums are consistent to the coverage and rates had insurance been purchased to cover the risk.
 - c. Actual losses paid or replacement costs incurred, but must result in equitable charges relating to the extent of use by the Property Tax System.
19. **Legal expenses.** The cost of legal expenses required in the administration of the Property Tax System is allowable.
20. **Maintenance and repair.** Costs incurred for necessary maintenance, repair, or upkeep of property which neither add to the permanent value of the property, nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.
21. **Management studies.** The cost of management studies to improve the effectiveness and efficiency for the management and operation of the Property Tax System is allowable, except for studies performed and paid by agencies other than the county.
22. **Materials and supplies.** The cost of materials and supplies necessary to carry out the Property Tax System function is allowable. Purchases made specifically for the Tax System should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the county. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost.

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23. **Memberships, subscriptions and professional activities.**
- a. **Memberships.** The cost of membership in business, technical, and professional organizations is allowable provided: (1) the benefit from the membership is related to the functions of the Property Tax System; (2) the expenditure is for agency, not individual, membership; (3) the cost of the membership is reasonable related to the value of the services or benefits received; and (4) the expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation.
 - b. **Reference material.** The cost of books and subscriptions to business, professional, and technical periodicals is allowable when related to the Property Tax System.
 - c. **Meetings and conferences.** Costs are allowable when the primary purpose of the meeting is the dissemination of technical or directive information relating to the Property Tax System and is consistent with similar practices applied throughout the County.
24. **Motor pools.** The costs of a service organization which provides automobiles, and other forms of transportation, necessary to the Property Tax System at a mileage or fixed rate and/or provides vehicle maintenance, inspection and repair services, are allowable.
25. **Payroll preparation.** The cost of preparing payrolls and maintaining necessary related wage records is allowable.
26. **Personnel administration.** Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for the Tax System, are allowable.
27. **Printing and reproduction.** Costs for printing and reproduction services, including but not limited to, forms, reports, manuals, and informational literature, are allowable. Publication costs of reports or other media relating to Tax System accomplishments or results are allowable.
28. **Procurement service.** The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for the Tax System is allowable.
29. **Professional services.** Costs of professional services rendered by individuals or organizations not a part of the Property Tax system are allowable subject to the following restrictions: (1) the retention of such services were made in accordance with state law and county ordinances and policies; and (2) such services are reasonable to the efficient operation and management of the Property Tax System.

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30. **Training and education.** The cost of in-service training, customarily provided for employee development, which directly or indirectly benefits the Tax System is allowable.
31. **Transportation.** Costs incurred for freight, cartage, express, postage and other transportation costs relating either to goods purchased, delivered, or moved from one location to another are allowable.
32. **Travel.** Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business incident to tax system function. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in other county-sponsored or authorized travel.

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Subject: Annual Financial Reports
Effective Date: 1 July 1986
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The financial statements represent the final product of the entire process of accounting techniques and procedures employed to record the financial transactions of a county. They provide the administrative officials, the local citizenry, state and federal agencies, etc., the tools with which to analyze and appraise the financial conditions of a county and the results of its operations for a given period or periods of time. The financial statements of counties are also being reviewed and studied for a variety of other reasons, including energy-related and other impact issues and for comparing taxes and cost of services of one county to another.

It is important that the financial statements of counties be uniform for the reasons listed above. Also, the concept of uniform financial reporting as well as budgeting and accounting are stressed in several sections of the *Utah Code*.

Section I.C. of the *Uniform Accounting Manual* (General Section) sets forth the requirements for financial reports to be in accordance with generally accepted accounting principles (GAAP) and also sets forth additional state or federal compliance reporting requirements.

In the interest of uniformity, this manual outlines specific reporting requirements that, while in accordance with GAAP, go beyond the requirements of GAAP either in reporting detail or specifically setting forth a reporting method for which GAAP allows optional reporting methods (see section I.D.). An example of this concept is state road funds which are required to be reported in the general fund by this manual but which are provided optional reporting methods by GAAP.

Utah Code Section 17-36-37 sets forth the requirements for annual financial reports to be prepared, presented and filed by the counties. Section 17-36-38 allows this requirement to be met “by the presentation of the report of the independent auditor...”

17-36-37. Budget Officer – Annual financial statement – Contents.

- (1) The budget officer of each county, within 180 days after the close of each fiscal period or, for a county that has adopted a fiscal period that is a biennial period, within 180 days after both the midpoint and the close of the fiscal period, except as provided by section 17-36-38, shall prepare and make available to the governing body an annual financial report which shall contain:
 - (a) a statement of revenues and expenditures and a comparison with the budget of the general fund, similar statements of all other funds for which budgets are required, and statements of revenues and expenditures or of income and expense, as the case may be, of all other operating funds of the county;
 - (b) a balance sheet of each fund and a combined balance sheet of all funds as of:
 - (i) for a county that has adopted a fiscal period that is a biennial period, the midpoint and the close of the fiscal period, and

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- (ii) for each other county, the close of the fiscal period, or
 - (c) any other reports the governing body may require, including work performance data, tax levies, taxable values, details of bonded indebtedness, and historical facts of interest to the governing body and the public.
- (2) Copies of the annual report shall be furnished to the state auditor and made a matter of public record in the office of the budget officer.

17-36-38. The annual report required by section 17-36-37 may be satisfied by a county by the presentation of the report of the independent auditor on the results of operations for the year and financial condition at the midpoint of the fiscal period or at the close of the fiscal period if it is prepared in conformity with the uniform system of budgeting, accounting, and reporting.

Counties are also required to publish notification in a local newspaper that the audit is complete and a copy is available for inspection.

17-36-39. Independent audits are required for all counties as provided in Title 51, Chapter 2a.

17-36-40. Within ten days after the receipt of the audit report furnished by the independent auditor, the county auditor shall prepare and publish at least twice in a newspaper of general circulation within the county, a notice to the public that the county audit is complete. A copy may be inspected at the office of the county auditor.

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Reference: II. D.02
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Subject: Financial Statement Presentation of Budget Information for Governmental Fund Types
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1. **Budgetary reporting in connection with the basic financial statements.**

Budget-to-actual comparisons are required by GASB in connection with the basic financial statements for the general fund and any major individual special revenue funds for which legally adopted annual budgets are adopted. These comparisons may be presented either as the third of the basic governmental fund financial statements or as required supplementary information (RSI). The State Auditor's Office along with the GFOA recommends that these budgetary comparisons be presented as part of the basic governmental fund financial statements.

Budget-to-actual comparisons for the debt service, capital project and minor special revenue funds must appear in the supplementary information section of the financial report...never in the body of the financial report or in the required supplementary information section of the report.

At minimum, the budgetary comparison must include the following: Original budget (the first complete appropriated budget), the final amended budget, and actual amounts. GAAP encourage governments to present a variance column to highlight differences between actual amounts and the final amended budget. Governments also have the option of presenting a variance column for differences between the original budget and the final amended budget. A county can take one of two approaches to format the budget comparison: the budget document approach or the financial statement approach.

For those entities submitting a comprehensive annual financial report, which is a level of reporting more exacting and extensive than just the basic financial statements, the GFOA indicates that budget-to-actual comparisons must be presented at the *legal level of budgetary control* within the CAFR for *all* individual governmental funds with legally adopted annual budgets (including capital projects funds, debt service funds, permanent funds, and non-major special revenue funds).

A potential problem exists in reporting budgets for capital projects that extend beyond one fiscal year. Generally, budgets should coincide with the term of the individual project or projects. If the capital project is financed entirely from bonded indebtedness and/or funds previously set aside from the capital projects, the budget would not need to be reported in the Budget to Actual Statement. However, the budget and progress on the project would need to be reported in the notes, i.e., original budget, changes in the budget (which may require a hearing), expenditures to date, anticipated future expenditures, and total estimated cost.

Projects financed with an annual appropriation will still need to be reported in the Budget to Actual Statement on an annual basis.

2. Several questions have been raised regarding the presentation of this budget and actual comparison in the annual audit report.

A. How should budget information be shown to reflect a balanced budget as required by *Utah Code* Section 17-36-9(b) when accumulated beginning fund balance is being used to finance

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part of the expenditures? (Fund balance usage in the general fund is restricted by *Utah Code* Section 17-36-16, *Utah Code* Section 17-36-17 sets forth requirements for usage of excess fund balance.)

For governmental fund types other than the general fund, *Utah Code* Section 10-6-110 does not preclude the usage of fund balance to finance expenditures. However, to comply with the intent of Section 17-36-9 any usage of fund balance should be budgeted as an available resource for appropriation purposes. Even though it is treated as a budgeted resource in the budget process, the usage of beginning fund balance to help finance expenditures for these fund types should not be reflected as revenues or resources on this budget and actual comparison. In the general fund, as in other budgeted governmental fund types, the usage of fund balance to finance expenditures should be reflected after all revenue, expenditures, and other financing sources and uses are presented. This line should be entitled “Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses”. However in the general fund, because of the restrictions of *Utah Code* Section 17-36-16 and 17-36-17, a brief explanation should either be given after this heading or footnote disclosures made of what fund balance is being used to finance expenditures. Possible explanations could be “general fund – usage of excess fund balance as statutorily required” or “general fund – usage of reserved “road fund” fund balance”.

- B. How should the budget and actual comparison reflect more budgeted revenues and other sources than budgeted expenditures and other uses?

This is a budgeted increase in fund balance. Again, no special treatment or disclosure is required on this financial statement for governmental fund types other than the general fund since the accumulation of fund balance in these fund types is not restricted. However, as noted above, planned increase in fund balance should be treated in the county budget process as a usage of financial resources in order to comply with the intent of Section 17-36-9(b). In the general fund, an excess of budgeted revenue and other sources over budgeted expenditures and other uses may reflect a county’s desire to increase their unreserved fund balance or it may reflect the fact that more restricted revenues are received in one year than the county anticipates spending (for example, state allocated road funds). Since *Utah Code* Sections 17-36-16 and 17-36-17 restrict the accumulation of fund balance in the general fund, any budgeted increase in the fund balance should be explained in this financial statement or in footnote disclosure. Possible explanations could be: “general fund – increase in reserved “road fund” fund balance” or “general fund – budgeted increase in unreserved fund balance”.

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Reference: II. D.03
Page: 1 of 1
Subject: Interim Financial Reports
Effective Date: 1 October 1992
Revision Date: 1 November 2005

Utah Code Section 17-36-36 prescribes the monthly and quarterly interim reporting requirements for counties:

The budget officer shall present to the governing body the following financial statements prepared in the manner prescribed by the uniform system of budgeting, accounting, and reporting:

1. A summary of cash receipts and disbursements for each fund or group of funds and for each department within each fund reportable at the end of the month showing the cash and investments balance at the beginning of the period, the total receipts collected during the period, the total disbursements made during the period and the cash and investment balance at the end of the period.
2. Not less than once each quarter or more often if requested by the governing body, a condensed statement of revenues and expenditures and comparison with the budget of the general fund and the allotments thereof, as reflected by the books of account.
3. A comparative quarterly income and expense statement for each enterprise fund showing a comparative analysis between the operations of such fund for the current fiscal reporting period and the same period in the previous year.
4. A condensed statement of the operating and capital budget of each enterprise fund showing revenues and expenses and balances compared with the budget for any period requested by the governing body or required by the uniform system of budgeting, accounting and reporting.
5. Any other statement of operations or reports on financial condition as the governing body or the uniform system of budgeting, accounting, and reporting may require.

All financial statements made pursuant to this section shall be open for public inspection during regular business hours.

These interim financial reports are critical to the fiscal management of a county. The budgetary controls under which county officials are required to operate cannot be monitored by the governing body and other affected officials without interim financial reports. Also, accurate and timely interim financial reports are necessary for the governing body to be able to monitor the overall financial conditions of the county.

The following interim financial reports are presented for illustrative purposes. Any changes can be made to suggested formats as long as the interim financial reports are presented to the governing body at least quarterly with at least the same level of detail as the adopted budget.

ILLUSTRATED INTERIM FINANCIAL REPORT
AND COMPARISON WITH THE BUDGET
Governmental Fund Types
(General, Special Revenue, Debt Service, Capital Projects)

_____ FUND

FOR THE _____ MONTHS ENDED _____

	Annual Budget	Current Period	Year to Date	Percent of Budget	
				Current Year	Prior Year
REVENUES:					
Property tax	_____	_____	_____	_____	_____
Sales tax	_____	_____	_____	_____	_____
Intergovernmental	_____	_____	_____	_____	_____
Fines/forfeitures	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL REVENUES	_____	_____	_____	_____	_____
EXPENDITURES:					
General government	_____	_____	_____	_____	_____
Public safety	_____	_____	_____	_____	_____
Public health	_____	_____	_____	_____	_____
Highways & public imprvmnts.	_____	_____	_____	_____	_____
Parks & recreation	_____	_____	_____	_____	_____
Economic development	_____	_____	_____	_____	_____
Principal & interest	_____	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL EXPENDITURES	_____	_____	_____	_____	_____
Excess of revenues over (under) expenditures	_____	_____	_____	_____	_____
OTHER FINANCING SOURCES & USES:					
Transfers from (to) other funds	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL OTHER FINANCING SOURCES & USES	_____	_____	_____	_____	_____
Excess of revenues over (under) expenditures & other sources & uses	_____	_____	_____	_____	_____

ILLUSTRATED INTERIM FINANCIAL REPORT
AND COMPARISON WITH THE BUDGET
Enterprise and Similar Fund Operations

_____ FUND

FOR THE _____ MONTHS ENDED _____

	Annual Budget	Current Period	Year to Date	Percent of Budget	
				Current Year	Prior Year
REVENUES:					
Charges for services	_____	_____	_____	_____	_____
Interest	_____	_____	_____	_____	_____
Contributions/Grants	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL REVENUES	_____	_____	_____	_____	_____
EXPENSES:					
Personal services	_____	_____	_____	_____	_____
Contractual services	_____	_____	_____	_____	_____
Materials & supplies	_____	_____	_____	_____	_____
Utilities	_____	_____	_____	_____	_____
Depreciation	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL EXPENSES	_____	_____	_____	_____	_____
Transfers from (to) other funds	_____	_____	_____	_____	_____
Net income	_____	_____	_____	_____	_____
Beginning retained earnings	_____	_____	_____	_____	_____
Ending retained earnings	=====	=====	=====	=====	=====

Reconciliation of Accounts Receivable
Customer Charges and Collections

Accounts receivable - beginning of period	\$ _____
ADD: Billings this period	\$ _____
(LESS): Collections this period	\$ _____
Accounts receivable - end of period	\$ _____

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Reference: II. D.05
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Subject: Statement of Taxes Charged, Collected, & Disbursed - Current & Prior Years
Effective Date: 1 October 1992
Revision Date: 1 November 2005

Instructions for the “Statement of Taxes Charged, Collected, & Disbursed - Current & Prior Years”

The format of the “Statement of Taxes Charged, Collected & Disbursed - Current & Prior Years” presented on II. D.05.01 must be used to disclose property tax activity each year in the county’s financial report. This may be accomplished by either including a copy of Tax Commission form “TC 750” or you may create your own form which is identical in format to include in the financial report.

The following instructions, by column number, should be followed when completing the “Statement of Taxes Charges, Collected, & Disbursed - Current & Prior Years:”

1. YEAR-END VALUE: The taxable value of all real, personal, and centrally assessed property after all county board of equalization (BOE) changes have been posted to the assessment roll.
2. RDA VALUE: The taxable value of all property in redevelopment areas within an entity’s tax base upon which the entity collected no taxes for the current year. This is commonly referred to as tax increment value and for those agencies which are taking 100% of their increment, it is simply the difference between the base year value and the current year value for any given area. Where an agency is not entitled to 100%, or, has chosen to take less than 100% of the increment available, the RDA value is calculated by dividing the entity’s portion of taxes collected and distributed to the redevelopment agency by the entity’s tax rate.
3. ADJUSTED VALUE: Column (2) subtracted from column (1). This is the year-end post-board value adjusted for RDA.
4. TAX RATE: The current year’s approved tax rate. The previous year’s tax rate should **not** be used for personal property.
5. TAXES CHARGED: Column (3) multiplied by column (4). This charge is **without** RDA taxes.
6. UNPAID TAXES: This includes all unpaid taxes for real, personal, and centrally assessed properties that were assessed for the current year and includes all preliminary and subsequent tax sales.
7. ABATEMENTS: The amount of tax relief granted for veteran and blind exemptions and indigent abatements. This column should **not** include circuit breaker tax credits as the county is fully reimbursed for these credits.
8. OTHER: This should include all other forms of relief including adjustments for double assessments, illegal and erroneous assessments, overages and shortages, adjustments granted by the county governing body, corrections of errors and omissions, the difference in the current tax rate and the previous year’s rate for personal property, etc.

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9. TOTAL RELIEF: Column (6) plus column (7) plus column (8).
10. TOTAL TAXES COLLECTED: Total taxes collected and distributed to the entity for the current year. If amounts are collected but not distributed, please provide a footnote identifying such amounts.
11. COLLECTION RATE: Column (10) divided by column (5).
12. FEE IN LIEU: All amounts collected for property subject to an in-lieu fee. This includes registered property subject to the 1.7% fee as well as aircraft subject to the 1% or .5% fee rates.
13. MISCELLANEOUS COLLECTIONS: Collections other than those for current taxes charged. Miscellaneous collections should include such items as FAA rollback taxes and interest earnings. Prior year collected amounts refunded to taxpayers as the result of a tax commission decisions or court order should be include in this column as a negative amount.
14. DELINQUENT TAXES: All delinquent property tax revenues for real, personal, and centrally assessed properties for all previous years.
15. INTEREST, PENALTIES, & COSTS: All penalties and interest charged and collected on delinquent taxes should be included in this column. This includes the 2% penalty for real property as well as the penalties collected on personal property pursuant to *Utah Code* Section 59-2-307 & 309. Any amount collected to cover administration costs such as title searches for the May Tax Sale or costs in conjunction with seizure and sale procedures should be accounted for in this column.

EVERY COUNTY IS REQUIRED TO HAVE THIS STATEMENT IN ITS AUDIT REPORT FOR YEAR'S ENDING DECEMBER 31, 1993 AND LATER. ALSO, THE INDEPENDENT AUDITOR SHOULD PROVIDE AT LEAST "IN RELATION TO THE FINANCIAL STATEMENTS TAKEN AS A WHOLE" ASSURANCE ON THIS STATEMENT.

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Reference: II. E.01
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Subject: Fiscal Responsibilities of Governing Body
Effective Date: 1 April 1987
Revision Date: 1 November 2005

The overall fiscal responsibility and accountability of a county rests with its governing body. Even though some specific fiscal responsibilities are given by law to other elected county officials, the governing body has the oversight responsibility to ensure that the other elected officials are complying with their legally mandated responsibilities.

The governing body has the following specific fiscal administrative responsibilities as set forth by the *Utah Code*. In addition, there are other sections of the Code that set forth responsibilities of the governing body that may not necessarily be of a fiscal nature but that do impact the fiscal operations of a county. Included after the specific fiscal responsibilities are some responsibilities of this nature.

Budgetary Control

- 17-36-10 On or before the first day of the next to last month of every fiscal period, the budget officer shall prepare and file with the governing body a tentative budget. The tentative budget is to be reviewed and tentatively adopted by the governing body.
- 17-36-12 Governing body shall determine time and place for public hearing and ensure notification is published in newspaper at least seven days prior to the hearing.
- 59-2-909 Before June 22 governing body to adopt a proposed tax rate, or if there is no increase in
and the certified tax rate, a final tax rate is adopted.
- 17-36-31
- 59-2-918 Proper format for newspaper advertisement and notice to taxpayers if county exceeds
and certified tax rate.
- 59-2-919
- 17-36-13 Governing body shall hold a public hearing on the tentatively adopted budget and all interested persons given the opportunity to be heard.
- 17-36-14 Governing body to make final adjustments to the tentative budget after public hearing. No decrease of amounts to be appropriated for reduction of deficit nor increase of budgeted expenditures over total estimated revenues may be made.
- 17-36-15 On or before the last day of each fiscal period, the budget will be adopted by resolution of the governing body.
- 17-36-31 Governing body to set property tax rate.

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Budget Changes

- 17-36-22 Transfer of unexpended appropriations from one expenditure account to another in the same department can be made with the consent of the budget officer.
- 17-36-23 Governing body may by resolution transfer unexpended appropriation from one department to another department within the same fund.
- 17-36-24 Budget appropriation for any department may be reduced by resolution of the governing body for any purpose other than to transfer funds to another department.
- 17-36-25 Budget may be increased in budgetary funds other than general fund by the governing body, provided that notice of such action was published five days prior to the meeting.
- 17-36-26 General fund budget may be increased by resolution of governing body after public hearing. Notice of hearing to be published five days prior to the hearing.

Other Financial Responsibilities

- 17-50-303 Governing body may borrow money in the anticipation of collection of taxes and other revenues.
- 17-53-305 Governing body to allow charges to the county and order warrants to be drawn on the county treasurer after charges have been examined by county auditor (see also 17-19-3).
- 17-50-402 Payment or rejection of claims by governing body (see also 17-50-403 and 17-50-404).
- 17-36-21 "No officer or employee of a county shall make any expenditure or encumbrance in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in excess of the total departmental appropriation is the personal obligation of the officer or employee and is unenforceable against the county."
- 17-36-27 Governing body may authorize whatever expenditures are necessary to meet an emergency.
- 17-36-30 Governing body may authorize interfund loans or purchase of outstanding county bonds.
- 17-36-43 Authorizes the governing body to adopt a financial administration ordinance for the
and purpose of having the county auditor or certain county administrators approve
17-36-44 disbursements within guidelines approved by the governing body.

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Reference: II. E.01
Page: 3 of 3
Subject: Fiscal Responsibilities of Governing Body
Effective Date: 1 April 1987
Revision Date: 1 November 2005

Overall Administrative Controls that May Impact the Fiscal Operations of the County

- 17-53-106 Governing body may supervise the official conduct of all county officers to see that they faithfully perform their duties.
- 17-53-106 (2)(a)(iii) Governing body “may examine and audit the accounts of all officers having the care, management, collection or disbursement of moneys belonging to the county or appropriated by law or otherwise for its use and benefit”.
- 17-16-3 Governing body may consolidate offices of county officers with certain exceptions.
- 17-16-7 Governing body to approve of appointed deputies and assistants of other county officers.

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Reference: II. E.02
Page: 1 of 1
Subject: Fiscal Responsibilities of County Executive
Effective Date: 1 July 1986
Revision Date: 1 November 2005

- 17-53-302 The County Executive shall, except as otherwise delegated by statute to another county officer, exercise administrative and auditing control over all funds and assets, tangible and intangible of the county and supervise budgeting and accounting functions.
- 17-53-303 Examine and audit the accounts of all officers having the care, management, collection or disbursement of moneys.
- 17-53-305 Settle and allow all accounts chargeable against county
- 17-53-306 Payment of warrants authorized by county executive.

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. E.03
Page: 1 of 4
Subject: Auditor Responsibilities
Effective Date: 1 July 1986
Revision Date: 1 November 2005

County auditors serve multiple roles in their counties. They serve as the budget officer and accountant for the county as well as auditor and may also serve as the purchasing agent and county clerk in some cases. The following, taken from the Utah Code, sets forth or summarizes some of these responsibilities:

- 11-1-1 thru 11-1-3 The county auditor shall endorse a certificate upon each bond, warrant, or county and is issued according to law. When the governing body approves payment for interest on bonded debt, salaries, or current expenses of the county, such approval protects the county auditor in certifying that a warrant is within the lawful debt limit of the county. Section 11-1-3 provides for the penalty for failure to endorse any certificate required.
- 17-53-209(b) County auditor to keep a warrant record “in which must be entered in the order of drawing all warrants drawn on the treasurer, with their number and reference to the order on the minute record, with date, amount, on what account and the name of the payee.”
- 17-15-16 “Accounts for county charges of every description must be presented to the auditor and board of county executive to be audited as prescribed in this title.”
- 17-19-1 **County auditor’s powers and duties.**
- (1) Each person seeking payment from a county on any bill, account, or charge of any nature, incurred by or on behalf of the county by any of the county officers or contracted for by the county executive, shall present the claim to the county auditor.
 - (2) The county auditor shall:
 - (a) before the claim is paid:
 - (i) investigate, examine, and inspect each claim; and
 - (ii) recommend approval or disapproval of each claim and endorse the recommendation upon the claim;
 - (b) report the claims and his recommendation to the county executive after the investigation is completed; and
 - (c) keep, in a book kept for that purpose, a complete record of all claims, his recommendation on the claims, the reasons for the recommendation, and the action of the county legislative body on the claims.
 - (3)
 - (a) At least annually, the county auditor shall examine the books and accounts of the county executive, county attorney, district attorney, county treasurer, county clerk, county recorder, county sheriff, and county surveyor.
 - (b) At least quarterly, the county auditor shall examine and reconcile the books and accounts of the county assessor.
 - (c) At least annually, the county auditor shall examine the books and accounts of the justice court judges.
 - (d) The county auditor may examine the books and accounts of all other county offices or administrative units of the county.

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Subject: Auditor Responsibilities
Effective Date: 1 July 1986
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- (e) In a multi-county prosecution district, the county auditor specified in the interlocal agreement creating the prosecution district may examine the books and accounts of the district attorney.
- (4) (a) To fulfill the requirements of this section, each county officer, office, or administrative unit shall give the county auditor complete and free access to all books, records, and papers.
 - (b) (i) If the county auditor finds that the books and accounts of any county officer, office, or administrative unit are not kept according to law or that incorrect or improper reports have been made by those officers, offices, or administrative units, he shall report his findings to the county executive at their next regular meeting.
 - (ii) If the county auditor finds that the records of a justice court judge are not kept according to law or that incorrect or improper reports have been made by the justice court judge, the county auditor shall provide a copy of his report to the state court administrator, in addition to reporting his findings to the county executive and county legislative body.

17-19-3 **Payments-Notification**

- (1) (a) Subject to Subsection (1) (b), each claim incurred by the county and legally examined and allowed and ordered paid by the county executive shall, if approved by the county auditor as to the availability of funds as provided in Section 17-19-1, be paid by:
 - (i) a warrant drawn by the auditor on the county treasurer in favor of the person entitled to payment; or
 - (ii) a county check or such other payment mechanism as may be adopted pursuant to Chapter 36, Uniform Fiscal Procedures Act for Counties.
- (b) No claim may be paid until:
 - (i) the auditor:
 - (A) receives from the county executive the certified list mentioned in Subsection 17-20-1.7(4); and
 - (B) makes a recommendation regarding payment as provided in Section 17-50-401; and
 - (ii) the county executive approves payment of the claim in accordance with the standards and procedures of Section 17-50-401.
- (2) Each debt and demand against the county, when the amount is fixed by law and not directed to be audited by some other person or tribunal, shall be paid by either:
 - (a) a warrant drawn by the auditor on the county treasurer, or
 - (b) a check or such other payment mechanism as may be adopted pursuant to Chapter 36, Uniform Fiscal Procedures Act for Counties.
- (3) (a) The auditor shall distinctly specify on each warrant the liability for which it is made and when the liability accrued. The auditor shall also notify the treasurer of the date,

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amount, and payee of and number assigned to each warrant issued and the aggregate amount of all contemporaneous payments by warrant.

- (b) The auditor shall notify the treasurer of the amount and payee of all payments to be made by check or other payment mechanism and, if the auditor issues the check or other payment mechanism, the date of and number assigned to each check or other payment mechanism and the aggregate amount of all such contemporaneous payments.

17-19-5 **Numbering of payments-Payments not presented for collection.**

- (1) Each warrant, check, or other payment mechanism issued during each year, commencing with the 1st day of January, shall be numbered consecutively, and the number, date, and the amount of each, the name of the person to whom payable, and the purpose for which drawn shall be stated thereon. The auditor shall register all payments when they are made.
- (2) Any payment not presented for collection shall be disposed of pursuant to Title 67, Chapter 4a, Unclaimed Property Act.

17-19-6 **“Books to show receipts and disbursements.** The auditor shall keep the books of the county in such a manner as will show the amount of receipts from and disbursements of each department.”

17-19-7 **“Current accounts with treasurer.** The auditor must keep accounts current with the treasurer.”

17-19-8 **“Administration of oaths-Subpoena power.** The auditor is authorized to administer any oath or affirmation necessary to the performance of the duties of his office, and shall have power to subpoena witnesses before him and to examine into any matter that he may deem necessary.”

17-19-9 **“Books open to inspection.** The auditor shall keep and carefully preserve all documents, books, records and papers required to be kept in his office, and the same shall be open to public inspection during office hours.”

17-19-12 **Joint statement with treasurer.** The auditor and the treasurer of each county shall, at such times as the county legislative body may require, make a joint statement to the county executive and the county legislative body, showing the financial condition of the county.

17-19-13 **“Seal.** The county auditor shall have a seal, to be furnished by the county legislative body, the impression of which shall contain the following words: ‘State of Utah, County Auditor,’ together with the name of the county in which the same is to be used.”

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- 17-19-14 **“Duties-Omnibus provision.** The auditor must perform such other duties as may be required by law.”
- 17-19-19 **“Budget officer-departmental revenue and expenditure report.**
- (1) The county auditor or the county clerk in those counties in which the functions of the clerk and auditor are combined shall be and act as budget officer of the county.
 - (2) Each department for which county funds are appropriated shall file with the county auditor not less than three months before the commencement of each fiscal year on forms furnished by the county auditor a detailed estimate and statement of the revenue and necessary expenditures of such department for the next budget year. The estimate and statement shall set forth the number of persons to be regularly employed; the kinds of service to be performed, the salaries and wages to be paid, the kind of work to be performed and the improvements to be made together with the estimated cost of such service, work and improvements. The statement shall also record performance data expressed in work units, unit costs, man hours, and man years sufficient in detail, content, and scope to permit the county auditor to prepare and process the county budget.
 - (3) In the preparation of the budget, the county auditor and all other county officers are subject to sections 17-36-1 to 17-36-44 and to the uniform system of budgeting, accounting, and reporting established pursuant thereto.”
- 17-36-8
and
17-36-10 County auditor to prepare budget and present it to the governing body by November 1.
- 17-36-20 County auditor to serve as purchasing agent unless otherwise provided by governing body.
- 17-36-21 No expenditures are to be made in excess of the department budget by any county officer or employee.
- 17-36-36 County auditor to prepare and present monthly and quarterly financial statements to governing body.
- 17-36-37 County auditor to prepare annual financial report. (Also see 17-36-38.)
- 17-36-40 County auditor to publish notification of audit completion in newspaper.
- 17-36-43
and
17-36-44 If financial administration ordinance is approved by the governing body, the county auditor may approve certain claims for payment.

REFER TO SECTION II. F.09 FOR THE COUNTY AUDITOR’S RESPONSIBILITIES IN REGARD TO THE PROPERTY TAX PROCESS.

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Reference: II. E.04
Page: 1 of 3
Subject: Treasurer Responsibilities
Effective Date: 1 July 1986
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The county treasurer serves in a dual capacity that involves financial transactions of public funds. As such, the treasurer is:

1. The custodian of all county funds and receives and disburses them upon proper authorization of the county commission and county auditor with whom the treasurer is required to keep accounts current.
2. The agent designated to collect and apportion the ad valorem taxes and to also receive, in trust, certain other money for the account of county government, the State of Utah, the District Court and other taxing units.
3. The investment officer of the county.

The following sections of the *Utah Code* set forth or summarize some of these responsibilities:

17-24-1 General duties. The county treasurer shall:

- (1) receive all money belonging to the county and all other money by law directed to be paid to the treasurer, including proceeds of bonds, notes, or other evidences of indebtedness issued under Title 11, Chapter 14, Local Government Bonding act;
- (2) deposit and invest all money received under Title 51, Chapter 7, State Money Management Act;
- (3) keep a record of the receipts and expenditures of all such money;
- (4) disburse county money:
 - (a) on a county warrant issued by the county auditor; or
 - (b) subject to Sections 17-19-1, 17-19-3, and 17-19-5, by a county check or such other payment mechanism as may be adopted pursuant to Chapter 36, Uniform Fiscal Procedures Act for Counties;
- (5) perform the duties assigned to the treasurer under Title 59, Chapter 2, Part 13, Collection of Taxes;
- (6) perform the duties under Title 59, Chapter 2, Part 13, Collection of Taxes, that have been reassigned to the treasurer in an ordinance adopted under Section 17-16-5.5; and
- (7) perform other duties that are required by law or ordinance or other duties that are required by law or ordinance.

17-24-4 Payment of warrants, checks, or other instruments.

- (1) When a warrant is presented for payment and there is money in the treasury for that purpose, the treasurer shall pay it.
- (2) Upon receiving the notice from the county auditor under Subsection 17-19-3(3)(b) and if there is adequate money in the treasury, the treasurer shall, by check or other payment mechanism, make any payment not already paid by warrant.
- (3) Notwithstanding Subsection (1) and (2), the treasurer has no obligation to pay any warrant or to issue any check or other payment instrument before receiving the certified list under Subsection 17-5-209(4).

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- 17-24-5 **Payment of warrants in order presented-Nonpayment of warrants-Interest.** The county treasurer shall pay all warrants in the order presented and as funds are available. When any warrant is presented to the treasurer for payment and is not paid for want of funds, the warrant shall bear interest at the rate of 5% per annum until paid.
- 17-24-11 **Monthly reconciliations with auditor.** The county treasurer shall reconcile with the county auditor by the last day of each month for the preceding month.
- 17-24-12 **Reports to county executive or legislative body.** Each county treasurer must make a detailed report whenever required so to do by the county executive or by the legislative body at any of their regular or special meetings of all money received by the treasurer, and of disbursements thereof, and of all other proceedings in the treasurer's office so that the receipts into the treasury and the amount of disbursements shall clearly and distinctly appear.

Treasurers Duties-Property Taxes

- 59-2-326 County auditor to deliver corrected assessment roll to county treasurer by November 1.
- 59-2-327 County treasurer charged with full amount of taxes levied.
- 59-2-1317 Index of property owners-Tax notice.
- 59-2-1318 Entry of tax payments.
- 59-2-1319 Treasurer to provide, upon request, a receipt to all persons paying taxes.
- 59-2-1320 Treasurer to make settlement with county legislative body and deliver statement under oath to county auditor.
- 59-2-1321 Deductions and refunds by treasurer.
- 59-2-1322 Treatment of property assessed more than once.
- 59-2-1323 Undivided interests in real estate.
- 59-2-1324 Seizure and sale of personal property by treasurer to collect delinquent taxes.
thru
59-2-1345
- 59-2-1346 Redemptions and tax sale by treasurer.
thru
59-2-1364

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59-2-1365 Apportionment by treasurer
thru
59-2-1366

59-2-1372 Final settlement with treasurer. Delinquent tax control account.

Money Collected by Courts

78-5-135 County justices of the peace to deposit money collected with county treasurer within 7 days or less. Also allows creation of revolving fund and requires county auditor to reconcile such fund at least quarterly. (See also *Utah Code* Section 78-27-4.)

Money Management Act (51-7-1 thru 23)

51-7-11 Qualifying investments.
51-7-17 Criteria for investments.

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Reference: II. E.05
Page: 1 of 2
Subject: Other Elected Official Responsibilities
Effective Date: 1 July 1986
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County officials other than the governing body, auditor, and treasurer also have fiscal responsibilities. Some of the fiscal responsibilities as set forth by Utah law are:

17-36-21 **“Expenditure limitations.** No officer or employee of a county shall make any expenditure or encumbrance in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in excess of the total departmental appropriation is the personal obligation of the officer or employee and is unenforceable against the county.”

County Attorney

17-53-103 **Unauthorized payment or warrant – Investigation by another county attorney – Action to enjoin or recover payment.**

- (1) (a) If a county officer, without authority of law, orders any money paid for any purpose, or if any other county officer draws a warrant in the officer’s own favor or in favor of any other person without being authorized to do so by the county legislative body or by law, the county attorney of that county shall request a county attorney from another county to investigate whether an unauthorized payment has been ordered or an unauthorized warrant drawn.
- (b) If the county attorney requests a county attorney from another county to investigate under Subsection (1)(a), the county attorney shall deputize the investigate county attorney.
- (2) If an investigating county attorney determines that an unauthorized payment has been ordered or that an unauthorized warrant has been drawn, that county attorney may commence and prosecute an action in the name of the county:
 - (a) If the payment has not been made or the warrant paid, to enjoin the payment of the unauthorized payment or of the unauthorized warrant: or
 - (b) If the payment has been made or the warrant paid, to recover from the payee or the county officer and the officer’s official bondsman the amount paid.
- (3) An order of the county legislative body is not necessary in order to maintain an action under Subsection (2).

17-50-405 **County legislative body claim for expenses – County attorney’s opinion of legality.**

- (1) Each claim against the county presented by any member of the county legislative body for the member’s expenses shall:
 - (a) be itemized and verified as other claims;
 - (b) state that the service has been actually rendered; and
 - (c) be presented to the county attorney or, in a county that has a district attorney, but not a county attorney, the district attorney.

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- (2) (a) The county or district attorney, as the case may be, shall endorse on the claim, in writing, the attorney's opinion as to its legality.
- (b) If the attorney declares the claim illegal, the attorney shall state specifically the reasons why it is illegal, and the county executive shall reject the claim.

17-18-1(7)(d) "The county attorney shall: deliver receipts for money or property received in his official capacity and file duplicates with the county treasurer."

17-18-1(7)(e) "The county attorney shall: on the first Monday of each month file with the auditor an account verified by oath of all money received in an official capacity during the preceding month, and at the same time pay it over to the county treasurer."

County Clerk

17-20-1.7 **Clerk's duties.** The clerk shall:

- (1) prepare and certify duplicate lists of all claims, showing the amount and date of each claim or order and the date of the allowance or rejection of the claim, which lists shall be countersigned by the county executive.
- (2) deliver to and leave with the county auditor one of the lists referred to in Subsection (1) and deliver to and leave with the county treasurer the other list.
- (3) preserve and file all accounts acted upon by the county legislative body, except such as are necessarily kept by the auditor.

The county clerk also has fiscal responsibilities relating to his/her responsibilities as clerk of the court.

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Reference: II. F.01
Page: 1 of 2
Subject: Financial Administration Ordinance
Effective Date: 1 July 1986
Revision Date: 1 November 2005

County fiscal statutes were written to provide maximum control over the disbursement of county funds. These statutes, while providing for the control of the disbursement of county money, are often cumbersome and result in delays in making disbursements, such as payroll, that should be made on a timely basis. Other problems arise in the fiscal administration of organizations created by the county, such as county hospitals that are generally located away from the county administrative offices.

Many counties faced with these problems have either chosen to ignore fiscal statutes or have made modifications to their fiscal administration from that prescribed in the statutes. In an effort to be in compliance with the law, and yet desiring to make some modifications to the fiscal administration of their hospital, one county asked for a State Attorney General's opinion on the matter. The Attorney General's opinion stated, "the county's power with respect to accounting practices is fixed by statute and the county cannot authorize a disregard for these provisions." Accordingly, the county cannot authorize a modification of procedures set forth in the statutes.

Utah cities faced with this same dilemma went to the 1979 Utah Legislature, who approved the concept of a financial administration ordinance to provide flexibility while still maintaining control and accountability.

Changes in the County Fiscal Procedures Act, which includes the option of a county adopting a Financial Administration Ordinance, were approved by the 1983 Utah Legislature. Counties are not required to adopt such an ordinance and should only do so if they believe it would improve their fiscal operations.

17-36-43 **Financial Administration Ordinance-Purposes.** The county legislative body, after consultation with the county auditor, may adopt a financial administration ordinance authorizing the county auditor, or appointed administrator in the case of county operated hospitals or mental health districts to act as the financial officer for the purpose of approving:

1. payroll checks, if the checks are prepared in accordance with a salary schedule established in a personnel ordinance or resolution; or
2. routine expenditures, such as utility bills, payroll related expenses, supplies, materials, and payments on county-approved contracts and capital expenditures which are referenced in the budget document and approved by an appropriation resolution adopted for the current fiscal year.

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17-36-44 **“Financial Administration Ordinance-Required provisions.** The financial administration ordinance, adopted pursuant to Section 17-36-43, shall provide:

1. a maximum amount over which purchases may not be made without the approval of the county executive;
2. that the financial officer be bonded for a reasonable amount; and
3. any other provisions the county legislative body deems advisable.”

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Reference: II. F.02.01
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Subject: County Hospitals
Effective Date: 1 July 1986
Revision Date: 1 November 2005

A county hospital which is run by the county, or hospitals for which the fiscal controls remain with the county, including the responsibility to cover operating losses of the hospital, should be reported as an enterprise fund of the county.

An annual audit is required for all hospitals. The audit may be performed by the county's independent auditors, or by other independent auditors, but the hospital should be included in the financial statements of the county if the county has any fiscal responsibility for the hospital or other obligations relating to the hospital. If a county has transferred all fiscal and managerial responsibility to an independent company, the hospital's operations would not have to be reported in the county audit report, but such information should be footnoted in the county's financial statements.

The State Auditor has prepared the following accounting procedures for counties that have adopted an appropriate fiscal administration ordinance. For counties that have not adopted such an ordinance, all disbursements and receipts would need to follow the same procedures as other county funds.

These accounting procedures for county hospitals would not affect a county hospital where the administration and all fiscal responsibility has been transferred to an independent company and the county has no additional managerial or fiscal responsibility. The proposal is also considered a minimum level of accountability and control by the county and greater control may be exercised by the county if so desired by the governing body.

1. Receipts and revenues collected by the county hospital should be recorded on the records and accounts of the hospital and then given to the county treasurer or deposited into an account within the control and custody of the county treasurer within 3 working days of receipt.
2. A hospital checking account may be established to function as provided by this policy. A monthly (or semi-monthly) deposit shall be made to the account by the county treasurer as budgeted and approved by the county auditor and commission. Normal operating expenditures of the hospital, as approved and defined by the county commission, may be made from this account provided that the checks have been signed by an individual or individuals approved by the county commission. Expenditures that are not normal operating expenditures or that exceed certain dollar amounts or other limits as established the commission must be approved by the commission and county auditor as provided by *Utah Code* Section 17-19-1.
3. A monthly report of all receipts and disbursements of the hospital shall be prepared by the appropriate hospital personnel and after being audited by the county auditor shall be presented to the county commission within 30 days of the end of the month being reported. The audit by the county auditor shall include a reconciliation of receipts to those given to the county treasurer and to the accounts receivable and revenue reports of the hospital. The auditor shall also indicate on the report whether or not disbursements made from the hospital account are proper and in accordance with the policy for disbursements approved by the county commission.

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Reference: II. F.02.02
Page: 1 of 1
Subject: Health and Mental Health Districts
Effective Date: 1 July 1986
Revision Date: 1 November 2005

HEALTH AND MENTAL HEALTH DISTRICTS

Health and mental health districts are considered to be a part of county operations and as such have many of the county fiscal administrative requirements as other county operations. An exception to this is a multi-county or mental health district that operates as a separate joint venture and accordingly does not operate through an agent county. While most district health departments also cover a multi-county area, they are required by Section 26A-1-118 to operate through an agent county.

In the case of single county health or mental health districts or where a county is acting as an agent county, the county governing body may want to pass a financial administration ordinance and establish procedures for the receipt, disbursement, and budgetary control of these funds similar to that previously explained for county-operated hospitals.

In the case of health districts, such an ordinance may not be necessary for the disbursement of funds. According to *Utah Code* Section 26A-1-119, “...claims or demands against the fund (Health Department Fund) shall be allowed on certification by the health officer or other employee of the local health department designated by the board” (local board of health). Based on this law, neither the county governing body nor the county auditor would be required to approve expenditures except for overall budgetary control from the health district’s fund.

Most of the money health districts receive is legally restricted for health department purposes either by grants, special mill levies, or by other counties. In order to not distort the general fund of the agent county’s financial statements, we recommend that the health districts be shown as a special revenue fund of the agent county.

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Reference: II. F.02.03
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Subject: Recreational, Tourist, and Convention Bureaus
Effective Date: 1 July 1986
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RECREATIONAL, TOURIST AND CONVENTION PROMOTION BUREAUS

17-31-2 **Purposes of transient room tax - Purchase or lease of facilities - Mitigating impacts of recreational, tourism, or conventions - Issuance of bonds.**

- 1) Any county legislative body may impose the transient room tax provided for in Section 59-12-301 for the purposes of:
 - a) establishing, financing, and promoting recreational, tourist, film production, and conventions;
 - b) acquiring, leasing, constructing, furnishing, or operating convention meeting rooms, exhibit halls, visitor information centers, museums, and related facilities;
 - c) acquiring or leasing land required for or related to the purposes listed in Subsection (1)(b); and
 - d) as required to mitigate the impacts of recreational, tourism, or conventions in counties of the fourth, fifth, and sixth class, paying for:
 - i) solid waste disposal operations;
 - ii) emergency medical services;
 - iii) search and rescue activities; and
 - iv) law enforcement activities.
- 2) A county may use not more than 1/3 of the proceeds of the transient room tax provided in Section 59-12-301 for any combination of the following purposes:
 - a) (i) acquiring, leasing, constructing, furnishing, maintaining, or operating:
 - (A) convention meeting rooms;
 - (B) exhibit halls;
 - (C) visitor information centers;
 - (D) museums; and(ii) acquiring or leasing land required for or related to the described in Subsection (2) (a) (i);
 - b) as required to mitigate the impacts of recreation, tourism, or conventions in counties of the fourth, fifth, and sixth class, to pay for:
 - (i) solid waste disposal operations;
 - (ii) emergency medical services;
 - (iii) search and rescue activities; and
 - (iv) law enforcement activities; or
 - c) making the annual payment of principal, interest, premiums, and necessary reserves for any or the aggregate of bonds authorized under Subsection (3).
- 3) a) The county legislative body may issue bonds or cause bonds to be issued, as permitted by law, to pay all or part of any costs incurred for the purposes set forth in Subsection (2) (a) or (b) that are permitted to be paid from bond proceeds.

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- b) When the proceeds of the transient room tax provided in Section 59-12-301 are not needed for payment of principal, interest, premiums, and reserves on bonds issued as provided in Subsection (2) (c), the county legislative body shall use those proceeds as provided in Subsections (1), subject to the limitation of subsection (2).

17-31-3 **Reserve fund authorized - Use of collected bonds.** The county legislative body may create a reserve fund and any funds collected but not expended during any fiscal year shall not revert to the general fund of the governing bodies but shall be retained in a special fund to be used in accordance with Section 17-31-2 through 17-31-5.

59-12-302 **Collection of tax.**

- 1) a) Except as provided in Subsection (1) (b) or (c), the tax authorized under this part shall be administered, collected, and enforced in accordance with:
 - i) the same procedures used to administer, collect, and enforce the tax under:
 - (A) Part 1, Tax Collection, or
 - (B) Part 2, Local Sales and Use Tax Act; and
 - ii) Chapter 1, General Taxation Policies.
- b) i) Notwithstanding Section 59-12-206, each county may collect the tax imposed by the county and need not transmit the tax to the commission or contract with the commission to collect the tax.
- ii) The amount of tax collected shall be reported to the commission as provided in Subsection 59-12-207.1(13).

17-31-5 **General powers of board.** The county legislative body may do and perform any and all other acts and things necessary, convenient, desirable, or appropriate to carry out the provisions of Section 17-31-2 through 17-31-5.

To meet the requirements of establishing a special fund required by 17-31-3, all revenue and expense transactions applicable to the operation of the fund established by 17-31-3, are to be accounted for in a special revenue fund of the county. The budget requirements of this fund are the same as the general fund, as required in Section 17-36-8. The audit and reporting of this fund is to be included as part of the audit of the general accounts of the county. Special tests should be performed by the independent CPA as required by the *State Legal Compliance Audit Guide*.

If the fund created in 17-31-3 contracts with any outside organization for any promotional services, these contracts are to provide that expenditures from the travel fund are to be made only for documented reimbursable costs incurred by the outside organization. If this contract does not exist, any outside organizations using transient room tax are subject to the audit by the county's independent auditor.

The receipts and disbursements from the fund are to be made in the same manner as general fund transactions.

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Reference: II. F.02.04
Page: 1 of 1
Subject: County Fairs
Effective Date: 1 April 1987
Revision Date: 1 November 2005

COUNTY FAIRS

Authority to have fairs is established in *Utah Code* Section 17-53-222.

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. F.02.05
Page: 1 of 1
Subject: Council on Aging
Effective Date: 1 July 1986
Revision Date: 1 November 2005

COUNCIL ON AGING (created by county resolution)

Through the authority and funding of the State of Utah's Division of Aging and Adult Services, many counties have, by resolution, created local Councils on Aging. Inasmuch as these organizations are created by the county, they are subject to the Uniform Fiscal Procedures Act for Counties. To establish uniform accounting procedures for all Councils on Aging created by the counties, all revenue and expenditures applicable to a Council on Aging are to be accounted for in a special revenue fund.

The receipting, disbursing, budgeting, auditing and reporting of monies from this fund are to be done in accordance with procedures required for the general fund.

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. F.03
Page: 1 of 2
Subject: Justice Court Accounting Procedures
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Justice court judges are employees of the city, town or county within which the jurisdiction they administer is located. In accordance with *Utah Code* Section 78-5-128, "every justice court judge shall be paid a fixed compensation determined by the governing body of the respective municipality or county...". As employees of cities, towns, or counties, money collected by justices of the peace is subject to the same fiscal controls as other monies of the cities, towns, or counties.

Money received by the justice court judges should be given to the county treasurer or auditor (as specified by county procedures) or deposited directly into bank accounts in their custody and control. These accounts, which in many cases will be transfer type accounts, should be established as close as possible to the place of business of the various justice courts. To provide a means whereby money, such as bail money, can be returned "within 7 days", a revolving account may be established, with the approval of the governing body, from which a check could be written as approved by the treasurer and the court clerk or justice court judge, but without requiring the approval of the governing body or the county auditor unless so required by county procedures.

Legislation which clarifies these accounting procedures is reflected below:

78-5-135 Funds collected-Deposits and reports-Special account-Accounting

- 1) (a) Municipal justice courts shall deposit public funds in accordance with Section 51-4-2.
- (b) The treasurer shall report to the city recorder the sums collected and deposited. The recorder shall then apportion and remit the collected proceeds as provided in Section 78-5-116.
- (c) The municipality shall retain all small claims filing fees including the governmental filing fee for actions filed by the municipality as provided in Section 78-6-14.
- 2) (a) County justice courts shall deposit public funds in accordance with Section 51-4-2.
- (b) The treasurer shall report to the county auditor the sums collected and deposited. The auditor shall then apportion and remit the collected proceeds as provided in Section 78-5-116.
- (c) The county shall retain all small claims filing fees including the governmental filing fee for actions filed by the county as provided in Section 78-6-14.
- 3) Money received or collected on any civil process or order issued from a justice court shall be paid within seven days to the party entitled or authorized to receive it.
- 4) (a) With the approval of the governing body a trust or revolving account may be established in the name of the justice court and the treasurer for the deposit of money collected including bail, restitution, unidentified receipts, and other money that requires special accounting.
- (b) Disbursements from this account do not require the approval of the auditor, recorder, or governing body.

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Subject: Justice Court Accounting Procedures
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- (c) The account shall be reconciled at least quarterly by the auditor of the governing body.

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. F.04
Page: 1 of 1
Subject: State Escheat Act (Unclaimed Property)
Effective Date: 1 July 1986
Revision Date: 1 November 2005

As noted in Section I. D.05, the 1983 State Legislature passed the Uniform Disposition of Unclaimed Property Act which contains significant changes from prior treatment of unclaimed property. Specifically, *Utah Code* Section 67-4a-210 states that:

“Any intangible property held by the executive, legislative, or judicial branch of the United States government, or a state or a county or municipal subdivision of a state, or any of their authorities, agencies, instrumentalities, administrations, services, or other organizations that remains unclaimed for more than one year after it became payable or distributable is considered abandoned.”

Section 67-4a-303(3) requires the State Treasurer to reimburse the county for any unclaimed money turned over to the state for which a subsequent claim has been made against the county and payment has been made by the county to the owner.

Utah Code Section 77-24 specifies how unclaimed tangible or “custodial” property is to be handled. Briefly, “Custodial property” means tangible property: (a) that comes into the possession of a peace officer through execution of a search warrant; (b) that comes into the possession of a peace officer pursuant to an arrest of a person, with or without a warrant; or (c) that he received or took as evidence in connection with any public offense; or (d) that comes into the possession of a municipal or county animal control officer. If custodial or tangible property is not claimed by the owner before the expiration of three months from the receipt of notice, or if the owner is unknown and no claim of ownership has been made, the agency having possession may either: (a) appropriate the property for public use; or (b) sell the property at public auction and appropriate the proceeds to its own use.

Tangible property is defined as any property that is not intangible property. Intangible property is defined as: (a) money, checks, drafts, deposits, interest, dividends, and income; (b) credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, unused airline tickets, and unidentified remittances; (c) stocks and other intangible ownership interest in business associations; (d) money deposited to redeem stocks, bonds, coupons, and other securities or to make distributions; (e) amounts due and payable under the terms of insurance policies; and (f) amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

In summary, an attempt should be made by the governmental unit to locate the owners of unclaimed property. Details of the law regulating the disposition of unclaimed property can be found in *Utah Code* Section 77-24 for tangible property and *Utah Code* Section 67-4a for intangible property. If questions still remain, call the Unclaimed Property Division at the State Treasurer’s Office. Their telephone number is 320-5360. They are located at 341 South Main, 5th Floor, Salt Lake City, UT 84101.

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. F.05
Page: 1 of 1
Subject: Encumbrance Accounting System
Effective Date: 1 July 1986
Revision Date: 1 November 2005

All counties are required to use an encumbrance or other budgetary control system to ensure that appropriation to county departments are not overspent. An encumbrance system is a budgetary procedure whereby funds are reserved from an appropriation account at the point when the purchase order is executed without waiting for the receipt of merchandise and the related invoice. The purchase order and the disbursement vouchers are the basic documents from which the transactions in the appropriation expenditure ledger are recorded.

The appropriation ledger is composed of five major columnar sections: the first is for recording the expenditures; the second is for recording the encumbrances; the third is to record the total expenditures and encumbrance; the fourth is for recording the appropriations; and the fifth is for recording the unexpended appropriation.

When a purchase order is received and approved by the county auditor, an entry of the amount involved is made in the appropriation expenditure ledger of the fund and account to which it applies in the column headed "encumbrances". The amount of the order as recorded is subtracted from the balance in the appropriation column and the remainder is entered as the "unencumbered balance". When the obligation is approved for payment, the amount entered from the purchase ordered in the encumbrance column is canceled by reversing the original entry and the actual expenditure is then recorded in the "expenditure column". If the amount of the purchase order and the amount of the expenditures are the same, the encumbered balance will not be affected. If, however, the amounts vary, the unencumbered balance will either be increased or reduced by the difference.

STATE OF UTAH

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Reference: II. F.06
Page: 1 of 1
Subject: Purchasing Procedures
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Utah Code Section 17-36-20 requires:

“All purchases or all encumbrances on behalf of any county shall be made or incurred only upon an order or approval of the person duly authorized to act as purchasing agent for the county, except encumbrances or expenditures directly investigated and reported by the county auditor and approved by the governing body. Unless otherwise provided by the governing body, the budget officer or such officer’s agents shall serve as purchasing agent.”

The “Utah Procurement Code” exempts counties from the provisions of the Act. However, each county should by ordinance or resolution, establish purchasing procedures that are not inconsistent with the appropriate sections of the Utah Procurement Code.

Counties are encouraged to take advantage of the purchasing power of the State by purchasing goods or services under the Utah State purchasing contracts. In addition to reduced prices, counties can save time by not having to price shop for items covered by State contracts. Additional information concerning this program can also be obtained through the State Purchasing Division.

Counties are also encouraged to be aware of the availability of surplus property that may be purchased through the State Agency for Government Surplus, 447 West 13800 South, Draper, Utah 84020 (801) 619-7200.

An example of purchasing policies can be obtained from the State Auditor’s Office.

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UNIFORM ACCOUNTING MANUAL

Reference: II. F.07
Page: 1 of 1
Subject: County Due Bill System
Effective Date: 1 July 1986
Revision Date: 1 November 2005

Prior to 1996, counties were required by State law and by this manual to use “Due Bills” in receipting revenues received by the county. The use of due bills is no longer required. However, many counties still use the due bill process to maintain control over cash receipts. Therefore, the following procedures are recommended for the processing of due bills by the county auditor and county treasurer in counties still using this process:

Procedures

1. The county auditor’s office prepares the four-part form as amounts (other than taxes) become due to the county. The following information is completed on prenumbered forms:
 - a. Name of person or persons indebted to the county.
 - b. Amount due the county.
 - c. Uniform Accounting System’s revenue account number.
 - d. Date.
 - e. Auditor or deputy preparing form.
2. After completing the above information, the last copy of the form is retained by the county auditor’s office and the other three copies are sent with the person indebted to the county treasurer’s office to make appropriate payment of amount due.
3. The treasurer signs the form indicating proper payment has been made and distributes the three copies of the form as follows:

Original - to person making payment as his official receipt.

1st copy - retained by county treasurer as copy to record the cash receipt upon the treasurer’s book.

2nd copy - returned to county auditor’s office to verify on a daily basis that payment was made.
4. The county treasurer and county auditor should reconcile amounts due against amounts paid. This will provide and appropriate reconciliation of cash receipt records between the treasurer and auditor as required by State statute.

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Reference: II. F.08
Page: 1 of 1
Subject: Records Retention Requirements
Effective Date: June 1987
Revision Date: 1 November 2005

REFER TO SECTION I. C.11.04 FOR THE RECORDS RETENTION REQUIREMENTS

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL

Reference: II. F.09
Page: 1 of 26
Subject: Property Tax Statutory Deadlines
Effective Date: 1 April 1987
Revision Date: 1 November 2005

J A N U A R Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	RESPONSIBILITY
1 (on or before)	59-2-508	Receives applications from owners of land actively devoted to agricultural use for assessment under the Farmland Assessment Act. The county assessor shall continue to accept applications filed until March 1 upon payment of a late filing fee in the amount of \$25, which shall be paid to the county treasurer. Has all applications recorded by county recorder.	Assessor
1 (on or before)	59-2-1206(2)	Payment of credits granted for homeowners credit due to counties (if list is received from counties on or before Nov. 30).	State Tax Comm.
1 (on or before)	59-2-306	Personal property affidavits mailed to property owners. (Suggested date)	Assessor
1	59-2-104	All taxable property is assessed.	Assessor
1	59-2-1302, 59-2-1325	Lien date for valuation of real and personal property. All property appraised based upon status as of January 1.	Assessor
1	59-2-1101	Exemption status determined by ownership (unless property is subsequently purchased by a governmental entity in which case the entity shall collect and pay a proportional tax based upon the length of time the property was <u>not</u> owned by the entity).	Assessor
1	59-2-1302, 59-2-1331	Interest rate to be applied to delinquent taxes is established. The interest rate is equal to the sum of (6%) and the targeted federal funds rate.	Treasurer
1	59-2-210	Lien date for mines.	State Tax Comm.
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer

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J A N U A R Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
10 (on or before)	51-4-2	Deposits state funds received during the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the state treasurer.	Treasurer
16 (before)	59-2-1331, 59-2-1332	Last day to pay delinquent taxes and penalty on such property as is held by the county (unless date of delinquency was extended by governing body from Nov. 30 to Dec. 20).	Treasurer
15 (on or before)	17-21-22	Transmits final maps and plats as of Jan. 1 to county assessor. Receives final ownership maps and plats as of Jan. 1 from county recorder.	Recorder Assessor
15 (on or before)	59-2-215	Last day for chief executive officer of any state agency to transmit report of lands sold by state during past year.	State Tax Comm.
15 (on or before)	17-36-15	Final adopted county budgets due to state auditor.	Auditor

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J A N U A R Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
10	59-2-1332.5	Last day for publication of delinquency list (unless holiday or Sunday in which case the following day) if date of delinquency was extended by county governing body from Nov. 30 to Dec. 30.	Treasurer
31	17-24-11	Monthly (and annual) settlement between county auditor and county treasurer.	Treasurer
1 st Monday (on or before)	59-2-1307	Receives car, bus and motor transport tax collections from state tax commission.	Treasurer
1 st Monday	17A-2-721	On the first Monday of each month, remits to irrigation district all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
1 st Monday	59-2-1316	Annual settlement of county assessor and county treasurer with county auditor.	Treasurer/Assessor
During Jan.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Jan. thru June	59-2-1345(2)	Perform audit of the treasurer's tax sale records at least once a year.	Auditor
		Accounts to county auditor for monies due county by reason of redemptions.	Treasurer

STATE OF UTAH

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F E B R U A R Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1	59-2-216	Last day for furnishing to county assessors list of all patents of lands (except patents of mining lands); a certified list of lands sold by state for which certificates of purchase or patents were issued during the past year, and a list describing lands sold upon contracts for purchase during the past year.	State Tax Comm.
5	59-2-1332	Time for preliminary tax sale if date of delinquency was extended by proclamation of county governing body. (30 day extension)	Treasurer
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the state with the state treasurer.	Treasurer
28	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer

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F E B R U A R Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 st Monday	17A-2-721	On the first Monday of each month, remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
1 st Week	59-2-1311	Reports unpaid taxes on state-assessed property to state tax commission.	Treasurer
During Feb.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Jan. thru June	59-2-1345(2)	Perform audit of the treasurer's tax sale records at least once a year.	Auditor
		Accounts to county auditor for monies due county by reason of redemptions.	Treasurer

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M A R C H

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (on or before)	59-2-202	Last day for taxpayers' statements from public utilities and other inter-county systems.	State Tax Comm.
1 (on or before)	59-2-1101	Annual affidavits of use and applications for exemption to be filed with the Board of Equalization for certain exempt property. (Suggested date.)	Co. Gov. Body
1	59-2-919(7)	All taxing entities to notify county governing body of the date, time and place of its budget hearing.	Co. Gov. Body
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated)	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
15 (on or before)	59-2-1339	Completes delinquent tax record and attaches treasurer's certificate to record.	Treasurer

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MARCH

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
31	59-2-1343	Files "Final Tax Sale Listing" (all properties not redeemed following lapse of 4 years from date of preliminary tax sale) with county auditor.	Treasurer
31	59-2-1365	Makes final settlement with all taxing entities and apportions interest earned during year to taxing entities (unless otherwise negotiated).	Treasurer
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	59-2-1320	Makes quarterly settlement with county governing body and files certified statements of official transactions with county auditor.	
1 st Monday	17A-2-721	On the first Monday of each month, remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
1 st Monday	59-2-1366	Apportions and pays all monies from redemption and assignments.	Treasurer
1 st Monday (on or before)	17A-2-549	Receives certified statement of estimate of amount of money to be raised by taxation (assessments) from drainage districts.	Assessor
2 nd Monday	17A-2-553	Drainage taxes attach as lien on real property.	Aud., Treas.
During March	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
March 1 st (by)	59-2-1006(5)	Decide all real property tax appeals. All decisions are to be reported to the applicable county auditor.	State Tax Comm.

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MARCH

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
March 1 st (by)	59-2-1006(5)	Make changes necessary to comply with decisions, orders, or assessments made by the tax commission.	Auditor
During Jan. thru June	59-2-1345(2)	Perform audit of the treasurer's tax sale records at least once a year. Accounts to county auditor for monies due county by reason of redemptions.	Auditor Treasurer

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A P R I L

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
30	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
During April	59-2-1345(3)	Before the final May tax sale listing is compiled, treasurer receives credit for delinquent taxes, penalties, and administrative costs charged against all real estate upon which the period of redemption is expiring in the nearest forthcoming final tax sale.	Auditor
1 st Monday	17A-2-721	On the first Monday of each month, remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
During April	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
By 1 st Week in April	59-2-1343	Provides list of delinquent properties to be advertised for tax sale to the county auditor.	Treasurer

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M A Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (on or before)	59-2-1102	Board of equalization holds hearings and renders written decisions on exemptions.	Co. Gov. Body
1	59-2-201	Completion date of assessment of centrally-assessed property.	State Tax Comm.
1	59-2-705(2)	Submits to each county assessor an estimate of the cost of personal property audits.	State Tax Comm.
2 (before)	53A-16-110(1)	Deadline for election to permit special tax by school district.	Auditor, Assessor
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
15 (before)	59-2-1302	Personal property lien attached date.	Auditor, Treasurer
16 (before)	17A-2-909	Mosquito abatement districts make written estimate of revenue requirements to county governing body and county auditor.	Co. Gov. Body, Auditor

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M A Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
22 (before)	17A-2-818(1)(i)	Metropolitan water districts to publish notice of hearing.	
22 (before)	59-2-311, 59-2-314	Completes assessment book and transmits with affidavit to county auditor. Any assessor who fails to transmit the information by time prescribed is subject to \$1,000 fine.	Assessor
22 (before)	59-2-303	Determines ownership and assessment of each property (except state-assessed) and regularly updates assessment records.	Assessor
25 (before)	59-2-801	Apportions total of all state-assessed property to the several counties.	State Tax Comm.
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
During May	59-2-1351(2)	Notice of the auditor's tax sale to be published once each week for four successive weeks prior to sale. Notice of the sale must also be mailed to last known record owners and other lien holders.	Auditor
During May	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
May or June	59-2-1346, 59-2-1351	Conducts tax sale. Property owners may redeem delinquent property up to the date of sale.	Co. Auditor

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Subject: Property Tax Statutory Deadlines
Effective Date: 1 April 1987
Revision Date: 1 November 2005

J U N E

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (before)	59-2-924(1)(a)	Reports assessed valuation to the county auditor and state tax commission.	Assessor
1 (before)	59-2-802	Reports valuation and apportionment of all state-assessed property to county auditor.	State Tax Comm.
1 (on or before)	59-2-1007	Last day for application for hearing on state-assessed property.	State Tax Comm.
1 (prior to)	53A-19-101	Tentative budget for school districts filed with local board.	Superintendent
8 (before)	59-2-322	Reports valuation to state tax commission.	Auditor
8 (on or before)	59-2-924(1)(b)	Sends the assessed valuation, certified tax rate, and forms to submit a tax levy request to all taxing entities.	Auditor
8 (on or before)	59-2-803	Reports apportionment of state-assessed property to taxing entities.	Auditor
June 1 thru Oct 1	59-2-1007(3)	Hearings protesting assessments made by state tax commission.	State Tax Comm.
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to	Treasurer

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<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
10(on or before-cont'd)	51-4-2	be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	
15 (before)	59-2-902, 59-2-905	Transmits statement of Uniform School Fund tax rate to each county auditor.	State Tax Comm.
15 (before)	17A-2-617	Fire protection districts submit budgets to county clerk and county governing body reviews budget and determines the tax levy.	Co. Gov. Body, Clerk
16 (before)	53A-17a-144	State Board of Education determines estimated total cost of state-supported minimum school program and certifies it to state tax commission, division of finance and State Auditor.	State Board of Ed.
17 (before)	59-2-323	Transmits statement of changes to assessment roll (or within 10 days from filing of county auditor report).	State Tax Comm.
22 (before)	17A-2-1044	Public transit districts determine amount necessary to be raised by taxation. After public notice and general election, county governing body levies tax.	Auditor, Co. Gov. Body
22 (before)	17A-1-431, 17A-2-308(4)	Improvement districts certify amount of taxes to be levied to county clerk (not less than 15 days prior to date county governing body meets to set tax rate), which county governing body must adopt a levy to provide.	Clerk
22 (on or before)	17-36-31, 59-2-909	County governing body to adopt proposed tax rate(s) on the taxable property of the county and set levies for all funds.	Co. Gov. Body

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22 (on or before)	59-2-912, 59-2-913	Each taxing entity to adopt a proposed tax rate (or final if no increase) and submit it to the county auditor. County auditor to transmit to State Tax Commission.	Auditor
22 (on or before)	59-2-924(3)	Each taxing entity to adopt a tentative budget (or final if there is no proposed increase in the certified tax rate). Calendar year entities report previously adopted budgets.	Auditor
22 (before)	59-2-901	Transmits statement of general state tax rate and Uniform School Fund tax rate to each county auditor.	State Tax Comm.
30	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	On the first Monday of each month, remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
1 st Monday	59-2-1320	Makes quarterly settlement with county governing body and files certified statement of official transactions with county auditor.	Treasurer
May or June	59-2-1346, 59-2-1351	Conducts tax sale. Property owners may redeem delinquent property up to the date of sale.	Co. Auditor
During June	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Jan. thru June	59-2-1345(2)	Perform audit of the treasurer's tax sale records at least once a year.	Auditor
		Accounts to county auditor for monies due county by reason of redemption.	

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J U L Y

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (on or before)	17A-2-718	Receives estimate of amount of money required for current year from board of directors of irrigation districts.	Co. Gov. Body
1 (on or before)	17A-2-1425	Receives from water conservancy districts estimated operating and maintenance charges of special assessments.	Auditor
1 (on or before)	17A-2-1426	Receives from water conservancy districts amount of annual installments and extends the amounts so certified on the tax roll.	Auditor
7 (before)	59-2-1009	Equalization of assessment between counties.	State Tax Comm.
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt.	Treasurer
		Settles monies belonging to the State with the State Treasurer.	

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JULY

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
22 (on or before)	59-2-919(4)	Mails notice of valuation and intent to exceed certified tax rate (at least 10 days prior to board of equalization and 10 days prior to public hearing to exceed).	Auditor
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
During July	17A-2-548	Provide mailed notice (within 15 days of receipt) to each landowner assessed by drainage district of amount assessed and time and place of board of equalization. Board of equalization to make final determination of assessments.	Co. Gov. Body
During July	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer

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AUGUST

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
3 (on or before)	59-2-918 59-2-919	Taxing entities must advertise their intention to increase property tax revenue (excluding new growth) starting two weeks prior to adoption of the final budget.	
During August	59-2-1001(1)	Act as clerk of the county board of equalization.	Auditor
During August	59-2-1001(5)	Meet with, testify before, and examine witnesses as needed with the county board of equalization.	Assessor
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt.	Treasurer
		Settles monies belonging to the State with the State Treasurer.	
15 (on or before)	17-21-22	Delivers changes in ownership maps and plats during the first seven months of the calendar year to the county assessor.	Recorder

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AUGUST

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
17 (on or before)	59-2-920	Last day for public hearing and adoption of final tax rate by all taxing entities who are adopting an increase in the certified tax rate. A final budget is also adopted by June 30 entities holding tax rate hearings. Calendar year entities adopt final budget by the following December 15.	Aud., Tax Comm.
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
During Aug.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Aug.	59-2-1004, 59-2-1005	A taxpayer has 30 days from the date of the tax notice mailing to appeal their real property tax valuation with the County Board of Equalization.	Co. Gov. Body
During Aug.	59-2-919(4)	Begin County Board of Equalization hearings at least 10 days after mailing property tax notices.	Co. Gov. Body

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<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (before)	59-2-1206	Deadline for application for homeowner's credit (circuit breaker) to be filed with county. However, application may be made directly with Tax Commission until Dec. 31.	Property Owners
1 (on or before)	59-2-1105, 59-2-1106, 59-2-1109	Applications for tax relief filed with county for veteran and blind exemptions and indigent abatement and deferrals.	Co. Gov. Body
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
15 (on or before)	17-21-22	Reports to county assessor all changes in the ownership of real property which were recorded during the first seven months of the year.	Recorder
17 (on or before)	59-2-920, 17-36-15	Final adopted budgets of entities with a June 30 fiscal year end who have adopted an increase in the certified tax rate due to the State Auditor.	Auditor

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<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
30	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
2 nd Monday	59-2-1320	Makes quarterly settlement with county governing body and files certified statement of official transactions with county auditor.	Treasurer
During Sept.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Sept.	59-2-1004, 59-2-1005	A taxpayer has 30 days from the date of the tax notice mailing to appeal their property tax valuation with the County Board of Equalization.	Co. Gov. Body
During Sept.	59-2-1006	File notice of appeal to state tax commission on board of equalization action within 30 days.	Property Owners
During Sept.	59-2-1006(5)	Decide all personal property tax appeals 90 days of the date that the appeal was files. All decisions are to be reported to the applicable county auditor.	State Tax Comm.
During Sept.	59-2-1006(5)	Make changes necessary to comply with decisions, orders, or assessments made by the tax commission.	Auditor

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O C T O B E R

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (by)	59-2-1004	The County Board of Equalization shall render a decision on each real property tax appeal. Any extension beyond October 1 shall first be approved by the commission.	Co. Gov. Body
1 (by)	59-2-1007	Last day for board of equalization actions. Properties not resolved are deemed to be denied.	Co. Gov. Body
2 (before)	59-2-514(2)	State Farmland Evaluation Advisory Committee recommends classifications of lands and fair value to state tax commission.	State Tax Comm.
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
15 (on or before)	17-21-22	Reports to county assessor all changes in the ownership of real property which were recorded during the past month.	Recorder

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O C T O B E R

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
15 (before)	59-2-1011	County auditor's affidavit to be completed and attached to assessment roll indicating all changes, corrections, and orders of the board of equalization.	Auditor
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17-21-23	Returns plats to county recorder for final revisions.	Assessor
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
During Oct.	59-2-1006	File notice of appeal to state tax commission on board of equalization action within 30 days.	Property Owners
During Oct.	59-2-1006(5)	Decide all personal property tax appeals within 90 days of the date that the appeal was filed. All decisions are to be reported to the applicable county auditor	State Tax Comm.
During Oct.	59-2-1006(5)	Make changes necessary to comply with decisions, orders, or assessments made by the tax commission.	Auditor
During Oct.	59-2-1332	If tax delinquency date is to be extended by action of the county governing body (from November 30 to December 30), proclamation to that effect must be published before the 1 st day of November in at least two issues of a newspaper in general circulation in the county.	Co. Gov. Body
During Oct.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor
During Oct.	59-2-1005	The County Board of Equalization shall render a decision on each personal property tax appeal within 60 days after receipt of the appeal.	Co. Gov. Body

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NOVEMBER

<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (before)	59-2-1332	County governing body may extend delinquency date from Nov 30 to Dec. 30. (notice must have been published prior to Nov. 1)	Co. Gov. Body
1 (before)	59-2-325	Reports property valuation by classification to State Auditor and state tax commission.	Auditor
1 (before)	59-2-326	Delivers corrected assessment roll to county treasurer with affidavit attached.	Auditor
1 (before)	59-2-327	Charges county treasurer with taxes.	Auditor
1 (on or before)	17-36-10	Tentative budget for counties filed with the county governing body.	Auditor
1	59-2-1317	Completes mailing of combined valuation tax notices.	Treasurer
1	59-2-327	Delivers assessment roll and report of accumulated total of preliminary taxes charged to the county treasurer.	Auditor
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated)	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt.	Treasurer
		Settles monies belonging to the State with the State Treasurer.	

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<u>DATE</u>	<u>U.C.A.</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
15 (on or before)	17-21-22	Reports to county assessor all changes in the ownership of real property which were recorded during the past month.	Recorder
30	59-2-1206(2)	Last day to file list of homeowner's credits granted with tax commission and receive payment by Jan 1.	Auditor
30	59-2-1331	Taxes unpaid are delinquent (except if holiday or Sunday in which case at noon the following day) unless extended by county governing body to Dec. 20. Closes office for the receipt of taxes until a delinquency list for publication has been prepared.	Co. Gov. Body
30	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
1 st Week	53A-17a-144(3)	State tax commission notifies state board of education of state aid amounts.	State Tax Comm.
During Nov.	59-2-1006(5)	Decide all personal property tax appeals within 90 days of the date that the appeal was filed. All decisions are to be reported to the applicable county auditor.	State Tax Comm.
During Nov.	59-2-1006(5)	Make changes necessary to comply with decisions, orders, or assessments made by the tax commission.	Auditor
During Nov.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor

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D E C E M B E R

<u>DATE</u>	<u>U.C.A</u>	<u>SUBJECT MATTER</u>	<u>RESPONSIBILITY</u>
1 (on or before)	53A-17a-133	Election deadline for school voted leeway tax.	
10 (on or before)	59-2-1365	Pays monies collected the preceding month to each taxing entity (unless otherwise negotiated).	Treasurer
10 (on or before)	51-4-2	Deposits state funds received within the month in a qualified depository for the credit of the appropriate public treasurer or with the appropriate public treasurer (except prop. tax which is apportioned and paid in accordance with 59-2-210). All other public funds are to be deposited in a qualified depository daily but not later than 3 days after receipt. Settles monies belonging to the State with the State Treasurer.	Treasurer
10	59-2-402(5)	Filing deadline for rebate on proportional assessment of transitory personal property.	Auditor
15 (on or before)	17-36-15	Counties and special districts adopt final budgets.	Auditor
15 (on or before)	59-2-1309	State tax commission publishes delinquent car and bus (Rolling Stock).	State Tax Comm.
15 (on or before)	17-21-22	Reports to county assessor all changes in the ownership of real property which were recorded during the past month.	Recorder
20 (noon)	59-2-1332	Date of delinquency if delinquency date has been extended by county governing body. (from Nov. 30 to Dec. 30)	Treasurer

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31 (on or before)	59-2-1205	Receives claims for renter's and mobile home owner's credit.	State Tax Comm.
31 (on or before)	59-2-1332.5	Publishes delinquent list unless the date of delinquency was extended by county governing body to Dec. 30.	Treasurer
		Delinquent tax list published by treasurer under direction of county governing body unless the date of delinquency has been extended.	Co. Gov. Body
31	17-24-11	Monthly settlement between county auditor and county treasurer.	Treasurer
1 st Monday	17A-2-721	Remits to irrigation districts all monies, warrants, coupons or bonds collected or received by him on account of said district.	Treasurer
2 nd Monday	59-2-1320	Makes quarterly settlement with county governing body and files certified statement of official transactions with county auditor.	Treasurer
		Receives quarterly settlement from treasurer and certified statement of official transactions filed with auditor.	Co. Gov. Body
During Dec.	17A-2-552	Makes a written report to the treasurer of each drainage district located within the county stating the amount of taxes paid, delinquent taxes, name of delinquent landowners and descriptions of lands.	Treasurer
During Dec.	59-2-1001	Board of equalization meets on personal property.	Co. Gov. Body, Aud., Assessor

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Reference: II. F.10
Page: 1 of 1
Subject: Expenditure of State-Allocated Road Funds
Effective Date: 1 October 1992
Revision Date:

Utah Code Sections 72-3-103 to 110, 72-6-108 to 110, 72-2-107 to 110, and 72-7-106 set forth the requirements for the use of state-allocated road funds. There is also a booklet entitled *Regulations Governing Class B & C Road Funds*, published by the Utah Department of Transportation (UDOT), which explains the rules and regulations governing the expenditure of these funds and required reporting. Questions regarding this area should be directed to Brett L. Hadley at 965-4366 or Kevin Anderson at 965-4542 of UDOT.

The compliance audit responsibility to ensure that these funds are appropriately spent should be met by the governmental units' independent auditors. In accordance with the *State of Utah Legal Compliance Audit Guide*, all audits should contain (1) a statement by the auditor expressing positive assurance of compliance with State fiscal laws identified by the State Auditor; (2) a copy of the auditor's letter to management that identifies any material weakness in internal controls discovered by the auditor and other financial issues related to the expenditure of funds received from federal, state, or local governments; and (3) management's response to the specific recommendations. All entities having an audit and receiving Class B or C road funds are required by Administrative Rule R915-3-7.3 paragraph 7 to submit a copy of that audit to the Department of Transportation. It should be addressed to the attention of Brett Hadley or Kevin Anderson, UDOT 4501 South 2700 West, Salt Lake City, UT 84119. While the UDOT may still visit a city, town or county to verify the information submitted them, they generally rely on the audit report received. For those towns that do not have independent audits, the UDOT auditor may periodically visit to review the expenditures made.

Refer to I.C.05.01 for more information regarding class B and C road fund.

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Reference: II. G.01
Page: 1 of 3
Subject: Uniform Fiscal Procedures Act (Summary)
Effective Date: 1 July 1996
Revision Date: 1 November 2005

UTAH CODE
SECTION

SUMMARY

- | | |
|-----------------------------|---|
| 17-36-1 | Title of Act. |
| 17-36-2 | Legislative Intent - Uniform accounting, budgeting and financial reporting. |
| 17-36-3 | Definitions of terms used in this Act. |
| 17-36-4 | State Auditor and advisory committee to prescribe uniform fiscal procedures, review and update procedures, prepare budget forms, and provide training and instruction. |
| 17-36-5 | Organization and membership in advisory committee. |
| 17-36-6 | Funds to be maintained by counties. |
| 17-36-7 | Accrual or modified accrual basis of accounting. |
| 17-36-8
thru
17-36-15 | Budgetary procedures. (Summarized in section II.C) |
| 17-36-16 | Fund balance or retained earnings may be accumulated in any fund. The general fund accumulation is restricted to 20% of the total revenues of the general fund for the current fiscal year for counties with an assessed valuation over \$750,000,000 and population in excess of 100,000. Smaller counties are restricted to general fund accumulation of one year's property taxes. Usage of fund balance in the general fund restricted for specific purposes. Also, fund balance in the general fund must not go below 5% of general fund revenues. |
| 17-36-17 | Appropriations not to exceed expendable revenue. Appropriation for existing deficits. |
| 17-36-18 | Property tax levy to be set based on budget. |
| 17-36-19 | Counties to use encumbrance or other budgetary control system to ensure budgeted expenditures are not in excess of unencumbered balance. |
| 17-36-20 | Purchasing procedures for counties. |
| 17-36-21 | No expenditures to be made in excess of appropriation. Such obligations are personal obligations of person incurring. |
| 17-36-22 thru
17-36-26 | Budgetary changes and modifications. (Summarized in section II.C) |

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UTAH CODE
SECTION

SUMMARY

- 17-36-27 Approval for emergency expenditures.
- 17-36-28 Unexpended appropriations to lapse at the end of the year.
- 17-36-29 Disposition of unused amounts remaining in special funds.
- 17-36-30 Interfund loans may be authorized.
- 17-36-31 County property tax rate to be set before June 22nd.
- 17-36-32 Operating and capital budgets required for enterprise and special funds.
- 17-36-33 REPEALED.
- 17-36-34 Special assessments paid to treasurer to be used only for payment of bonds.
- 17-36-35 County officials not to profit from use of public funds.
- 17-36-36 County auditor to furnish governing body with monthly and quarterly financial reports.
- 17-36-37 County auditor to prepare an annual financial report. Annual audit report may be
thru substituted for annual financial report.
- 17-36-38
- 17-36-39 Annual independent audits required.
- 17-36-40 County auditor to publish fact that audit is complete and ready for inspection.
- 17-36-41 State auditor to evaluate accounting practices and systems of counties and provide advice and assistance to them.
- 17-36-42 State auditor to evaluate budgetary and reporting practices of counties and provide information to counties.

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UTAH CODE SECTION

SUMMARY

- 17-36-43 County governing body may adopt a financial administration ordinance to streamline processing of certain claims.
- 17-36-44 Required provisions of financial administration ordinance.
- 17-36-45 Internal control structure.
- 17-36-46 Reserve for Capital Improvements Guidelines outlined.
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17-36-1. **Title.**

This act shall be known any may be cited as the "Uniform Fiscal Procedures Act for Counties."

17-36-2. **Purpose of chapter.**

The purpose of this act is to codify and revise the law relating to county fiscal procedures in order to establish uniform accounting, budgeting, and financial reporting procedures for all counties. This act provides for the establishment of uniform procedures for the adoption and administration of fiscal and optional performance budgets.

The act is intended to enable counties to make financial plans for both current and capital expenditures, to ensure that executive staffs administer their respective functions in accordance with adopted budgets, and to provide taxpayers and investors with information about the financial policies and administration of the county in which they are interested.

17-36-3. **Definitions.**

As used in this chapter:

(1) "Accrual basis of accounting" means a method where revenues are recorded when earned and expenditures recorded when they become liabilities notwithstanding that the receipt of the revenue or payment of the expenditure may take place in another accounting period.

(2) "Appropriation" means an allocation of money for a specific purpose.

(3) (a) "Budget" means a plan for financial operations for a fiscal period, embodying estimates for proposed expenditures for given purposes and the means of financing the expenditures.

(b) "Budget" may refer to the budget of a fund for which a budget is required by law, or collectively to the budgets for all those funds.

(4) "Budgetary fund" means a fund for which a budget is required, such as those described in Section **17-36-8**.

(5) "Budget officer" means the county auditor, county clerk, or county executive as provided in Subsection **17-19-19(1)**.

(6) "Budget period" means the fiscal period for which a budget is prepared.

(7) "Check" means an order in a specific amount drawn upon the depository by any authorized officer in accordance with Section **17-19-3** or **17-24-1**.

(8) "Countywide service" means a service provided in both incorporated and unincorporated areas of a county.

(9) "Current period" means the fiscal period in which a budget is prepared and adopted.

(10) "Department" means any functional unit within a fund which carries on a specific activity.

(11) "Encumbrance system" means a method of budgetary control where part of an appropriation is reserved to cover a specific expenditure by charging obligations, such as

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purchase orders, contracts, or salary commitments to an appropriation account. An expenditure ceases to be an encumbrance when paid or when the actual liability is entered in the books of account.

(12) "Estimated revenue" means any revenue estimated to be received during the budget period in any fund for which a budget is prepared.

(13) "Fiscal period" means the annual or biennial period for recording county fiscal operations.

(14) "Fund" means an independent fiscal and accounting entity comprised of a sum of money or other resources segregated for a specific purpose or objective.

(15) "Fund balance" means the excess of the assets over liabilities, reserves, and contributions, as reflected by its books of account.

(16) "Fund deficit" means the excess of liabilities, reserves, and contributions over its assets, as reflected by its books of account.

(17) "General Fund" means the fund used to account for all receipts, disbursements, assets, liabilities, reserves, fund balances, revenues, and expenditures not required to be accounted for in other funds.

(18) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment; but it does not constitute an expenditure or a use of retained earnings, fund balance, or unappropriated surplus of the lending fund.

(19) "Last completed fiscal period" means the fiscal period next preceding the current period.

(20) "Modified accrual basis of accounting" means a method under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when they become measurable and available to finance expenditures of the current period.

(21) "Municipal capital project" means the acquisition, construction, or improvement of capital assets that facilitate providing municipal service.

(22) "Municipal service" means a service not provided on a countywide basis and not accounted for in an enterprise fund, and includes police patrol, fire protection, culinary or irrigation water retail service, water conservation, local parks, sewers, sewerage treatment and disposal, cemeteries, garbage and refuse collection, street lighting, airports, planning and zoning, local streets and roads, curb, gutter, and sidewalk maintenance, and ambulance service.

(23) "Retained earnings" means that part of the net earnings retained by an enterprise or internal service fund which is not segregated or reserved for any specific purpose.

(24) "Special fund" means any fund other than the General Fund, such as those described in Section 17-36-6.

(25) "Unappropriated surplus" means that part of a fund which is not appropriated for an ensuing budget year.

(26) "Warrant" means an order in a specific amount drawn upon the treasurer by the auditor.

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17-36-3.5. **Fiscal period -- Annual or biennial.**

- (1) Except as provided in Subsection (2), the fiscal period for each county shall be an annual period beginning on January 1 of each year and ending December 31 of the same calendar year.
- (2)
 - (a) Notwithstanding Subsection (1), the legislative body of a county may, by ordinance, adopt for the county a fiscal period that is a biennial period beginning January 1 and ending December 31 of the following calendar year.
 - (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify in its budget the amount of ad valorem property tax it intends to levy and collect during both the first half and the second half of the budget period.
 - (c) Each county that adopts a fiscal period that is a biennial period under Subsection (2)(a) shall:
 - (i) comply with Sections **59-2-912** through **59-2-926** as if it had adopted a fiscal period that is an annual period; and
 - (ii) allocate budgeted revenues and expenditures to each of the two annual periods in the biennial budget.
 - (d) The legislative body of each county that adopts a fiscal period that is a biennial period under Subsection (2)(a) shall, within ten days after the adoption of the ordinance adopting the biennial period, deliver a copy of the ordinance to the state auditor.

17-36-4. **State auditor - Advisory committee - Duties.**

- (1) The state auditor, with the assistance, advice, and recommendation of the advisory committee, shall:
 - (a) prescribe a uniform system of fiscal procedures for the several counties;
 - (b) conduct a constant review and modification of such procedures to improve them;
 - (c) prepare and supply each county budget officer with suitable budget forms; and
 - (d) prepare instructional materials, conduct training programs, and render other services deemed necessary to assist counties in implementing the uniform system.
- (2) The uniform system of procedure may include reasonable exceptions and modifications applicable to counties with a population of 25,000 or less, such population to be determined by the Utah Population Work Committee. Counties may expand the uniform system to serve better their needs. Deviations from or alterations to the basic prescribed classification system for the identity of funds and accounts should not be made.

17-36-5. **Creation of Citizens and County Officials Advisory Committee - Membership - Expenses.**

- (1) For the purpose of this act there is created a Citizens and County Officials Advisory Committee appointed by the state auditor composed of the following persons:
 - (a) five county auditors elected to that specific and exclusive position;
 - (b) five county treasurers elected to that specific and exclusive position;

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- (c) two citizens with expertise in the area of local government and the needs and problems of such government;
 - (d) four additional elected county officers, one of whom shall be from the five largest counties in the state and one of whom shall be from the five smallest counties in the state; and
 - (e) such other members as the auditor considers appropriate.
- (2) (a) Except as required by Subsection (b), the terms of committee members shall be four years each.
- (b) Notwithstanding the requirements of Subsection (a), the state auditor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of committee members are staggered so that approximately half of the committee is appointed every two years.
- (3) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.
- (4) (a) (i) Members who are not government employees shall receive no compensation or benefits for their services, but may receive per diem and expenses incurred in the performance of the member's official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107
- (ii) Members may decline to receive per diem and expenses for their service.
- (b) (i) State government officer and employee members who do not receive salary, per diem, or expenses from their agency for their service may receive per diem and expenses incurred in the performance of their official duties from the committee at the rates established by the Division of Finance under Section 63A-3-106 and 63A-3-107.
- (ii) State government officer and employee members may decline to receive per diem and expense for their service.
- (c) (i) Local government members who do not receive salary, per diem, or expenses from the entity that they represent for their service may receive per diem and expenses incurred in the performance of their official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (ii) Local government members may decline to receive per diem and expenses for their service.
- (5) The advisory committee shall assist, advise, and make recommendations to the state auditor in the preparation of a uniform system of county budgeting, accounting and reporting.

17-36-6. Required funds and accounts.

- (1) In its system of accounts, each county shall maintain the following funds or account groups that are appropriate to its needs:
- (a) a general fund;
 - (b) special revenue funds;

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- (c) debt service funds to account for the retirement of general obligation bonds or other long-term indebtedness including the payment of interest.
 - (d) capital project funds, as required to account for the application of proceeds from the sale of general obligation bonds or other general long-term debt, or funds derived from other sources, to the specific purposes for which they are authorized;
 - (e) a separate fund for each utility or enterprise such as an airport fund, a sewer fund, a water fund, or other similar funds;
 - (f) intragovernmental service funds;
 - (g) trust and agency funds such as a cemetery perpetual-care fund or a retirement fund;
 - (h) a separate fund for each special improvement district, which shall be known as a special assessment fund;
 - (i) a ledger or group of accounts to record the details relating to the general obligation bonds or other long-term indebtedness of the county;
 - (j) a ledger or group of accounts to record the details relating to the general obligation bonds or other long-term indebtedness of the county;
 - (k) municipal services fund as required in Section 17-36-9; and any other funds for special purposes required or established under the uniform system of budgeting, accounting, and reporting.
- (2) The county shall classify the funds and account groups established under the authority of this section according to the uniform procedures established by this chapter.

17-36-7. **Basis of accounting.**

The basis of accounting to record transactions by counties shall be either accrual or modified accrual as prescribed in the uniform system of budgeting, accounting, and reporting.

17-36-8. **Preparation of budgets.**

The budget officer of each county shall prepare each budget period, on forms provided pursuant to Section 17-36-4, a budget for each of the following funds which are included in its system of accounts:

- (1) general fund;
- (2) special revenue funds;
- (3) debt service funds;
- (4) capital project funds; and
- (5) any other fund or funds for which a budget is required by the uniform system of budgeting, accounting, and reporting.

17-36-9. **Budget - Financial plan - Contents - Municipal services and capital projects funds.**

- (1) (a) The budget for each fund shall provide a complete financial plan for the budget period and shall contain in tabular form classified by the account titles as required by the

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uniform system of budgeting, accounting, and reporting:

- (i) estimates of all anticipated revenues;
 - (ii) all appropriations for expenditures; and
 - (iii) any additional data required by Section 17-36-10 or by the uniform system of budgeting, accounting, and reporting.
- (b) The total of appropriated expenditures shall be equal to the total of anticipated revenues.
- (2) (a) Each first, second, and third class county that provides municipal-type services under Section 17-34-1 shall:
- (i) establish a special revenue fund, "Municipal Services Fund," and a capital projects fund, "Municipal Capital Projects Fund" or establish a special district to provide municipal services; and
 - (ii) budget appropriations for municipal services and municipal capital projects from these funds.
- (b) The Municipal Services Fund is subject to the same budgetary requirements as the county's general fund.
- (c) (i) Except as provided in Subsection (c)(ii), the county may deposit revenue derived from any taxes otherwise authorized by law, income derived from the investment of money contained within the municipal services fund and the municipal capital projects fund, the appropriate portion of federal money, and fees collected into a municipal services fund and a municipal capital projects fund.
- (ii) The county may not deposit revenue derived from a fee, tax, or other source based upon a countywide assessment or from a countywide service or function into a municipal services fund or municipal capital projects fund.
- (d) The maximum accumulated unappropriated surplus in the municipal services fund, as determined prior to adoption of the tentative budget may not exceed an amount equal to the total estimated revenues of the current fiscal year.

17-36-10. Preparation of tentative budget.

- (1) On or before the first day of the next to last month of every fiscal year, the budget officer shall prepare for the next budget period and file with the governing body a tentative budget for each fund for which a budget is required.
- (2) The tentative budget shall set forth in tabular form:
 - (a) actual revenues and expenditures in the last completed fiscal period;
 - (b) estimated total revenues and expenditures for the current fiscal period;
 - (c) the estimated available revenues and expenditures for the ensuing budget period computed by determining:
 - (i) the estimated expenditures for each fund after review of each departmental budget request.
 - (ii) (A) the total revenue requirements of the fund;
 - (B) the part of the total revenue that will be derived from revenue sources other than property tax; and
 - (C) the part of the total revenue that must be derived from property taxes;

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- (d) if required by the governing body, actual performance experience to the extent available in work units, unit costs, man hours, and man years for each budgeted fund that includes an appropriation for salaries or wages for the last completed fiscal period and the first eight months of the current fiscal period if the county is on an annual fiscal period, or the first 20 months of the current fiscal period if the county is on a biennial fiscal period, together with the total estimated performance data of like character for the current fiscal period and for the ensuing budget period.
- (3) The budget officer may recommend modifications of any departmental budget request under Subsection (2)(c)(i) before it is filed with the governing body, if each department head has been given an opportunity to be heard concerning the modification.
- (4) Each tentative budget shall contain the estimates of expenditures submitted by any department together with specific work programs and other supportive data as the governing body requests. The tentative budget shall be accompanied by a supplementary estimate of all capital projects or planned capital projects within the budget period and within the next three succeeding years.
- (5) (a) Each tentative budget submitted in a county with a population in excess of 25,000 determined pursuant to Section 17-36-4 shall be accompanied by a budget message in explanation of the budget.
 - (b) The budget message shall contain an outline of the proposed financial policies of the county for the budget period and describe the important features of the budgetary plan. It shall also state the reasons for changes from the previous fiscal period in appropriation and revenue items and explain any major changes in financial policy.
 - (c) A budget message for counties with a population of less than 25,000 is recommended but not incumbent upon the budget officer.
 - (6) The tentative budget shall be reviewed, considered, and tentatively adopted by the governing body in a regular or special meeting called for that purpose. It may thereafter be amended or revised by the governing body prior to public hearings thereon, except that no appropriation required for debt retirement and interest or reduction, pursuant to Section 17-36-17, of any deficits which exist may be reduced below the required minimum.

17-36-11. **Public inspection of tentative budget.**

The tentative budget and all supportive schedules and data shall be a public record available for inspection during business hours at the offices of the county clerk or auditor for at least ten days prior to the public hearing on the adoption of a final budget.

17-36-12. **Notice of budget hearing.**

The governing body shall determine the time and place for the public hearing on the adoption of the budget. Notice of such hearing shall be published at least seven days before the hearing in at least one newspaper of general circulation within the county, if there is such a paper; otherwise, the hearing shall be published by posting notice in three conspicuous places within the county.

17-36-13. **Public hearing on budget.**

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At the specified time and place or at any time and place to which such public hearing may be adjourned, the governing body shall hold a public hearing on the budget where all interested persons shall have an opportunity to be heard for or against the estimates of revenue and expenditures and performance data or any item in any fund.

17-36-14. **Adjustments to tentative budget.**

After the public hearing the governing body shall make final adjustments to the tentative budget as it deems appropriate, giving due consideration to matters discussed at the hearing. Nevertheless, there shall be no decrease in the amount appropriated, as provided in Section 17-36-17, for reduction of any deficit which exists, nor shall any budget increase exceed the estimated revenue for such budget.

17-36-15. **Adoption of budget.**

On or before the last day of each fiscal period, the governing body by resolution shall adopt the budget which, subject to further amendment, shall thereafter be in effect for the next fiscal period. A copy of the final budget, and of any subsequent amendment thereof, shall be certified by the budget officer and filed with the state auditor not later than thirty days after its adoption. A copy, similarly certified, shall be filed in the office of the budget officer for inspection by the public during business hours.

17-36-16. **Retained earnings - Accumulation - Restrictions - Disbursements.**

- 1) A county may accumulate retained earnings in any enterprise or internal service fund or a fund balance in any other fund; but with respect to the General Fund, its use shall be restricted to the following purposes:
 - a) to provide cash to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other revenues are collected;
 - b) to provide a fund or reserve to meet emergency expenditures; and
 - c) to cover unanticipated deficits for future years.
- 2) a) The maximum accumulated unappropriated surplus in the General Fund, as determined prior to adoption of the tentative budget, may not exceed an amount equal to the greater of:
 - (i) (A) for a county with a taxable value of \$750,000,000 or more and a population of 100,000 or more, 20% of the total revenues of the General Fund for the current fiscal period; or
 - (B) for any other county, 50% of the total revenues of the General Fund for the current fiscal period; and
 - (ii) the estimated total revenues from property taxes for the current fiscal period.b) Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the General Fund budget for the next fiscal period
- 3) Any fund balance exceeding 5% of the total General Fund revenues may be used for budgetary purposes.

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- 4) a) A county may appropriate funds from estimated revenue in any budget period to a reserve for capital improvements within any capital improvements fund which has been duly established by ordinance or resolution.
- b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
- c) Disbursements from the reserves shall be made only by transfer to a revenue account within a capital improvements fund pursuant to an appropriation for the fund.
- d) Expenditures from the capital improvement budget accounts shall conform to all requirements of this act as it relates to the execution and control of budgets.

17-36-17. **Appropriations in final budget - Limitations.**

- 1) The governing body of a county shall not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue of the fund for the budget period.
- 2) There shall be included as an item of appropriation in the budget of each fund for any fiscal period any existing deficit as of the close of the last completed fiscal period to the extent of at least 5% of the total revenue of the fund in the last completed fiscal period or if the deficit is less than 5% of the total revenue, an amount equal to the deficit.

17-36-18. **Estimated revenue from property tax.**

The amount of estimated revenue from property tax required by the budget shall constitute the basis for determination of the property tax to be levied for the corresponding tax year subject to legal limitations.

17-36-19. **Encumbrance system.**

Each county shall use an encumbrance system or other budgetary controls to ensure that no expenditure is made for any item of an appropriation unless there is a sufficient unencumbered balance in the appropriation and available funds, except in cases of an emergency as hereinafter provided in Section 17-36-27.

17-36-20. **Purchases or encumbrances by purchasing agent**

All purchases or all encumbrances on behalf of any county shall be made or incurred only upon an order or approval of the person duly authorized to act as purchasing agent for the county, except encumbrances or expenditures directly investigated and reported by the county auditor and approved by the governing body. Unless otherwise provided by the governing body, the budget officer or such officer's agents shall serve as purchasing agent.

17-36-21. **Expenditure limitation.**

No officer or employee of a county shall make any expenditure or encumbrance in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in

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excess of the total departmental appropriation is the personal obligation of the officer or employee and is unenforceable against the county.

17-36-22. **Transfer of unexpended appropriation balance by department.**

With the consent of the budget officer, any department may transfer any unencumbered or unexpended appropriation balance or any part from one expenditure account to another within the department during the budget year, or an excess expenditure of one or more line items may be permitted; provided, that the total of all excess expenditures or encumbrances does not exceed the total unused appropriation within the department at the close of the budget year.

17-36-23. **Transfer of unexpended appropriation balance by governing body.**

At the request of the budget officer or upon its own motion, the governing body may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one department in a fund to another department within the same fund; provided that no appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law may be reduced below the required minimum.

17-36-24. **Budget appropriation reduction.**

The budget appropriation for any department may be reduced, for any purpose other than to transfer funds to another department, by resolution of the governing body provided that five days= notice of the proposed action is given to all members of the governing body and to the director of the department affected, and that such director is permitted to be heard on the proposed reduction. Notice may be waived by the affected department or by any member of the governing body.

17-36-25. **Budget appropriation increase.**

The budget appropriation of any budgetary fund other than the general fund may be increased at any regular meeting of the governing body, provided that notice that such action will be considered is published at least five days before the meeting in at least one issue of a newspaper of general circulation in the county, if there is one; otherwise, the notice may be published by posting it in three conspicuous places within the county.

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17-36-26. **Increase in general fund budget.**

The budget of the general fund may be increased by resolution of the governing body, only after a duly called hearing shall have been held and all interested parties shall have been given an opportunity to be heard. Notice of such hearing shall be published at least five days before such hearing in at least one issue of a newspaper generally circulated in the county, if there is one; otherwise, the hearing may be published by posting notice in three conspicuous places within the county.

After such public hearing the governing body may amend the general fund budget as it deems appropriate with due consideration to matters discussed at the public hearing and to revised estimates of revenues.

17-36-26.5 **Review of second year's budget for biennial budgets.**

(1) In a county that has adopted a fiscal period that is a biennial period under Subsection 17-36-3.5(2), the governing body shall, in a public hearing before December 31 of the first year of the biennial period, review the individual budgets of the funds set forth in Sections 17-36-8 and 17-36-32e for the second year of the biennial period.

(2) In each review under Subsection (1), the governing body shall follow the procedures of Section 17-36-12 and 17-36-13 for holding a public hearing.

17-36-27. **Emergency expenditures - Deficit.**

If the governing body determines that an emergency exists such as widespread damage from fire, flood or earthquake, and that the expenditure of money in excess of the general fund budget is necessary, it may make such expenditures and incur such deficits as reasonably necessary to meet the emergency.

17-36-28. **Lapse of appropriation.**

All appropriations shall lapse following the close of the budget period to the extent that they are unexpended or encumbered.

17-36-29. **Special fund ceases - Transfer.**

If the necessity to maintain any special fund ceases and there is a balance in such fund, the governing body shall authorize the transfer of the balance to the fund balance account in the General Fund. Any balance which remains in a special assessment fund and any unrequired balance in a special improvement guaranty fund shall be treated as provided in Section 17A-3-341. Any balance which remains in a capital projects fund shall be transferred to the appropriate debt service fund or such other fund as the bond ordinance requires or to the general fund balance account.

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17-36-30. **Interfund loans - Acquisition of issued unmatured bonds.**

The governing body may (1) authorize interfund loans from one fund to another at such interest rates and subject to such terms for repayment as it may prescribe and may (2) with available cash in any fund, purchase or otherwise acquire for investment, issued unmatured bonds of the county or of any county fund.

17-36-31. **Tax levy - Amount.**

- (1) Before June 22 of each year, the county legislative body shall levy a tax on the taxable real and personal property within the county. In its computation of the total levy subject to Sections 59-2-908 and 59-2-911, it shall determine the requirements for each fund and specify the amount of the levy apportioned to each fund.
- (2) The proceeds of the tax apportioned for purpose of the General Fund shall be credited in the General Fund.
- (3) The proceeds of the tax apportioned for utility and other special fund purposes shall be credited to the appropriate accounts in the utility or other special funds.

17-36-32. **Operating and capital budget - Expenditures.**

Before or at the time the governing body adopts budgets for the budgetary funds specified in Section 17-36-8, it shall adopt an "operating and capital budget" for the next fiscal period for each enterprise fund and for any other special non-budgetary fund for which operating and capital budgets are prescribed by the uniform system of budgeting, accounting, reporting.

"Operating and capital budget," for purposes of this section, means a plan of financial operation for an enterprise or other special fund embodying estimates of operating and nonoperating resources and expenses and other outlays for a fiscal period. Except as otherwise expressly provided, "budget" or "budgets" and the procedures and controls relating thereto in other sections of this act are not applicable to the "operating and capital budgets" provided in this section.

Operating and capital budgets shall be adopted and administered in the following manner:

- (1) On or before the first day of the next to last month of each fiscal period, the budget officer shall prepare for the next fiscal period on forms provided pursuant to Section 17-36-4, and file with the governing body a tentative operating and capital budget for each enterprise fund and for any other special fund which requires an operating and capital budget.

The tentative operating and capital budget shall be accompanied by a supplementary estimate of all capital projects or planned capital projects within the next fiscal period and within the three next succeeding fiscal period.

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The budget officer shall prepare all the estimates after review and consultation, if requested, with the concerned department, but thereafter the budget officer has authority to revise any departmental estimate before it is filed with the governing body.

- (2) The tentative operating and capital budget shall be reviewed by the governing body at any regular or special meeting called for that purpose. It may make any changes it deems advisable. Prior to the close of the fiscal period, it shall adopt an operating and capital budget for the next fiscal period.
- (3) Upon final adoption, the operating and capital budget shall be in effect for the budget period subject to amendment. A copy of the operating and capital budget for each fund shall be certified by the budget officer and made available to the public during business hours in the offices of the county auditor. A copy of the operating and capital budget shall be filed with the State Auditor within 30 days after its adoption.

The governing body may during the budget period amend the operating and capital budget of an enterprise or other special fund by resolution. A copy of the operating and capital budget as amended shall be filed with the state auditor.

- (4) Any expenditure from an operating and capital budget shall conform to the requirements for budgets specified by Sections 17-36-20, 17-36-22, 17-36-23, and 17-36-24.

17-36-33. **Repealed.**

17-36-34. **Special assessment.**

Money received by the county treasurer from any special assessment shall be applied toward payment of the improvement for which the assessment was approved. Such money shall be used exclusively for the payment of the principal and interest on the bonds or other indebtedness incurred to finance such improvements, except as provided in Section 17-36-29.

17-36-35. **County officials - Profit from public funds.**

If the governing body receives evidence that a county official is profiting from public money or uses it for any unauthorized purpose, the matter shall be promptly referred to the county attorney or district attorney for appropriate action. If convicted for any such offense, the county official shall immediately forfeit his office.

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17-36-36. **Financial statements**

The budget officer shall present to the governing body the following financial statements prepared in the manner prescribed by the uniform system of budgeting, accounting, and reporting:

- (1) A summary of cash receipts and disbursements for each fund or group of funds and for each department within each fund reportable at the end of each month showing the cash and invested balance at the beginning of the period, the total receipts collected during the period, the total disbursements made during the period and the cash and invested balance at the end of the period.
- (2) Not less than once each quarter or more often if requested by the governing body, a condensed statement of revenues and expenditures and comparison with the budget of the general fund and the allotments thereof, as reflected by the books of account.
- (3) A comparative quarterly income and expense statement for each enterprise fund showing a comparative analysis between the operations of such fund for the current fiscal reporting period and the same period in the previous year.
- (4) A condensed statement of the operating and capital budget of each enterprise fund showing revenues and expenses and balances compared with the budget for any period requested by the governing body or required by the uniform system of budgeting, accounting and reporting.
- (5) Any other statements of operations or reports on financial condition as the governing body or the uniform system of budgeting, accounting, and reporting may require.

All financial statements made pursuant to this section shall be open for public inspection during regular business hours.

17-36-37. **Budget officer - Annual financial statement - Contents.**

- (1) The budget officer of each county, within 180 days after the close of each fiscal period or, for a county that has adopted a fiscal period that is a biennial period, within 180 days after both the midpoint and the close of the fiscal period, except as provided by Section 17-36-38, shall prepare and make available to the governing body an annual financial report which shall contain:
 - (a) a statement of revenues and expenditures and a comparison with the budget of the general fund, similar statements of all other funds for which budgets are required, and statements of revenues and expenditures or of income and expense, as the case may be, of all other operating funds of the county;
 - (b) a balance sheet of each fund and a combined balance sheet of all funds as of:
 - (i) for a county that adopted a fiscal period that is a biennial period, the midpoint and the close of the fiscal period; and
 - (ii) for each other county, the close of the fiscal period; or
 - (c) any other reports the governing body may require, including work performance data, tax levies, taxable values, details of bonded indebtedness, and historical facts of interest to the governing body and the public.

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- (2) Copies of the annual report shall be furnished to the state auditor and made a matter of public record in the office of the budget officer.

17-36-38. **Presentation of annual report by independent auditor.**

The annual report required by Section 17-36-37 may be satisfied by a county by the presentation of the report of the independent auditor on the results of operations for the year and financial condition at the midpoint of the fiscal period or at the close of the fiscal period if it is prepared in conformity with the uniform system of budgeting, accounting, and reporting.

17-36-39. **Independent audits.**

Independent audits are required for all counties as provided in Title 51, Chapter 2a.

17-36-40. **Notice that audit complete.**

Within ten days after the receipt of the audit report furnished by the independent auditor, the county auditor shall prepare and publish at least twice in a newspaper of general circulation within the county, a notice to the public that the county audit is complete. A copy may be inspected at the office of the county auditor.

17-36-41. **Analysis and evaluation of accounting practices and systems by State Auditor - Regional accounting services**

- (1) The State Auditor shall analyze and evaluate the accounting practices and systems used by the counties and provide advice and consultation to them in improving and updating their practices and systems.
- (2) Any county or group or association of counties may by agreement pursuant to the Interlocal Co-operation Act provide accounting services upon a regional basis for other counties or other local governmental units. The State Auditor shall evaluate the county or other organizations ability to provide such service and shall periodically review the internal controls maintained by such a county or organization.

17-36-42. **Analysis and evaluation of practices of selected counties by State Auditor.**

The State Auditor shall also continue to analyze and evaluate the budgeting and reporting practices and experiences of selected counties and make such information available to other counties.

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17-36-43. **Financial administration ordinance - Purposes.**

The county legislative body, after consultation with the county auditor, may adopt a financial administration ordinance authorizing the county auditor, or appointed administrator in the case of county operated hospitals or mental health districts to act as the financial officer for the purpose of approving:

- (1) payroll checks, if the checks are prepared in accordance with a salary schedule established in a personnel ordinance or resolution; or
- (2) routine expenditures, such as utility bills, payroll-related expenses, supplies, materials, and payments on county-approved contracts and capital expenditures which are referenced in the budget document and approved by an appropriation resolution adopted for the current fiscal year.

17-36-44. **Financial administration ordinance - Required provisions.**

The financial administration ordinance, adopted pursuant to Section 17-36-43, shall provide:

- (1) a maximum amount over which purchases may not be made without the approval of the county executive;
- (2) that the financial officer be bonded for a reasonable amount; and
- (3) any other provisions the county legislative body considers advisable.

17-36-45. **Internal control structure.**

- (1) Each county legislative body shall, with the advice and assistance of the county auditor and county treasurer, implement an internal control structure to ensure, on a reasonable basis, that all valid financial transactions of the county are identified and recorded accurately and timely. The objectives of the internal control structure shall be to ensure:
 - (a) the proper authorization of transactions and activities;
 - (b) the appropriate segregation of:
 - (i) the duty to authorize transactions;
 - (ii) the duty to record transactions; and
 - (iii) the duty to maintain custody of assets;
 - (c) the design and use of adequate documents and records to ensure the proper recording of events;
 - (d) adequate safeguards over access to and use of assets and records; and
 - (e) independent checks on performance and proper valuation of recorded amounts.
- (2) The State Auditor shall evaluate procedures implemented to effectuate this section and shall provide advise and consultation in approving and updating these procedures.

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17-36-46. Reserve fund for capital improvements -- Creation -- Purpose -- Limitation.

- (1) The legislative body of any county may establish and maintain, by ordinance, a cumulative reserve fund to be accumulated by levy for the purpose of financing the purchase of real property and the cost of planning, constructing or rehabilitating public buildings or other public works and capital improvements.
- (2) (a) Before a reserve fund under Subsection (1) may be established, the county legislative body shall designate by ordinance the specific purpose for which the fund is established.
(b) Except as provided in Section **17-36-50**, all funds in a reserve fund under Subsection (1) shall be expended for the designated purposes.

17-36-47. Reserve fund for capital improvements -- Estimate of amount required -- Tax levy -- Accumulation from year to year -- Restriction on use.

- (1) Subject to Subsection (4) the legislative body of a county that has established a reserve fund under Section **17-36-46** may:
 - (a) include in the annual budget or estimate of amounts required to meet the public expenses of the county for the ensuing year such sum as it considers necessary for the uses and purposes of the fund; and
 - (b) include those amounts in the annual tax levy of the county.
- (2) Subject to Subsection (4), the moneys in the fund shall be allowed to accumulate from year to year until the county legislative body determines to spend any money in the fund for the purpose specified.
- (3) Subject to Subsection (4), money in the fund at the end of a fiscal year shall remain in the fund as surplus available for future use, and may not be transferred to any other fund or used for any other purpose.
- (4) The amount of money in a reserve fund established under Section **17-36-46** may not exceed .6% of the taxable value of the county.

17-36-48. Reserve fund for capital improvements -- Transfer to fund of unencumbered surplus county funds.

At any time after the creation of a reserve fund under Section **17-36-46**, the county legislative body may transfer to the fund any unencumbered surplus county funds remaining at the end of a fiscal year.

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17-36-49. Reserve fund for capital improvements -- Investment -- Interest and income.

- (1) All moneys belonging to a reserve fund created under Section **17-36-46** shall be invested in such securities as are legal for other funds of the county.
- (2) The interest and income from the investments shall be a part of the fund.

17-36-50. Reserve fund for capital improvements -- Use for projects other than originally specified -- Special election.

- (1) The legislative body of any county may submit the proposition of using funds in a reserve fund established under Section **17-36-46** for projects other than originally specified to the electors of the county at a special election if the projects are for the purposes set forth in Section **17-36-46**.
- (2) If a proposition under Subsection (1) is proposed, the county legislative body shall fix a time and place for a special election on the proposition, to be held as provided by law.

17-36-51. Establishment of tax stability and trust fund -- Increase in tax levy.

- (1) (a) Notwithstanding anything to the contrary contained in statute, the legislative body of any county may by ordinance establish and maintain a tax stability and trust fund, for the purpose of preserving funds during years with favorable tax revenues for use during years with less favorable tax revenues.
(b) Each fund under Subsection (1)(a) shall be subject to all of the limitations and restrictions imposed by this section and Sections **17-36-52** and **17-36-53**.
(c) The principal of the fund shall consist of all sums transferred to it in accordance with Subsection (2) and interest or other income retained in the fund under Subsection **17-36-52(2)**.
- (2) After establishing a tax stability and trust fund as provided in Subsection (1), the legislative body, in establishing the levy for the property tax levied by the county under Section **59-2-908**, may establish the levy at a level not to exceed .0001 per dollar of taxable value of taxable property increase per year that will permit the county to receive during that fiscal year sums in excess of what may be required to provide for the purposes of the county. Any excess sums so received are to be transferred from the General Fund of the county into the tax stability and trust fund.

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17-36-52. Tax stability and trust fund -- Deposit or investment of funds -- Use of interest or other income.

- (1) All amounts in the tax stability and trust fund established by a county under Section **17-36-51** may be deposited or invested as provided in Section **51-7-11**. These amounts may also be transferred by the county treasurer to the state treasurer under Section **51-7-5** for the treasurer's management and control under Title 51, Chapter 7, State Money Management Act.
- (2) The interest or other income realized from amounts in the tax stability and trust fund shall be returned to the general fund of the county during the fiscal year in which the income or interest is paid to the extent the interest or income is required by the county to provide for its purposes during that fiscal year. Any amounts so returned may be used for all purposes as other amounts in such general fund. Any interest or income not so returned to the county's general fund shall be added to the principal of that county's tax stability and trust fund.

17-36-53. Tax stability and trust fund -- Amount in fund limited -- Disposition of excess.

- (1) The total amount in a county's tax stability and trust fund established under Section **17-36-51** shall be limited to the percentage of the total taxable value of property in that county not to exceed the limits provided in the following schedule:

Total Taxable Value	Fund Limits Percentage of Taxable Value	but not to exceed:
Less than \$500,000,000	1.6%	\$5,000,000
From 500,000,000 to 1,500,000,000	1.0%	7,500,000
Over 1,500,000,000	.5%	15,000

- (2) If any excess occurs in the tax stability and trust fund over the percentage or maximum dollar amounts specified in Subsection (1), this excess shall be transferred to the general fund of the county and may be used for all purposes as other amounts in the general fund are used.
- (3) If any excess in the fund exists because of a decrease in total taxable value, that excess may remain in the fund, but if the excess amount in the fund is decreased below the limitations of the fund for any reason, the fund limitations established under Subsection (1) apply.

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17-36-54. Tax stability and trust fund -- Use of principal -- Determination of necessity -- Election.

If the legislative body of a county that has established a tax stability and trust fund under Section **17-36-51** determines that it is necessary for purposes of that county to use any portion of the principal of the fund, the county legislative body shall submit this proposition to the electorate of that county in a special election called and held in the manner provided for in Title 11, Chapter 14, Local Government Bonding Act, for the holding of bond elections. If the proposition is approved at this special election by a majority of the qualified electors of the county voting at the election, then that portion of the principal of the fund covered by the proposition may be transferred to the county's general fund for use for purposes of that county.