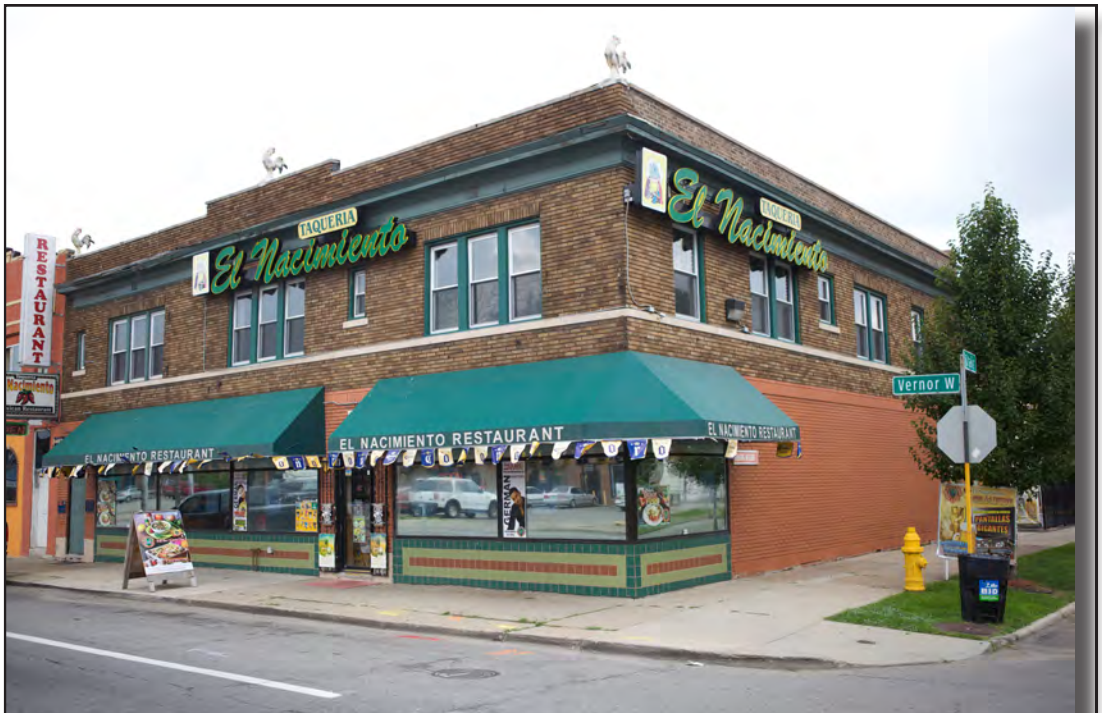

Located in the Southwest section of the city of Detroit and Known for it's Mexican cuisine at restaurants such as Mexican Village, Evie's Tamales, El Zocalo and Xochimilco, Mexicantown has had a thriving economy since the 2000s, as evidenced by new housing and increased business openings.

APPENDIX

Adopted Budget FY 2011-2012
and Projected Budget FY 2012-2013

2011-2012
ENROLLED APPROPRIATIONS
ORDINANCE

August 25, 2011

ENROLLED ORDINANCE

No. 2011-398

INTRODUCED BY COMMISSIONER(S) Parker and Co-sponsored by Commissioner Varga:

AN ORDINANCE TO MAKE APPROPRIATIONS FOR CERTAIN COUNTY DEPARTMENTS AND AGENCIES AND PROGRAMS; FOR THE PURPOSE OF PROVIDING SERVICES TO THE RESIDENT PUBLIC AND TO COMPLY WITH THE COUNTY CHARTER AND PUBLIC ACT 2 OF 1968, AS AMENDED; TO PROVIDE FOR THE DISPOSITION OF FEES AND OTHER REVENUES RECEIVED BY THE VARIOUS AGENCIES OF THE COUNTY AND TO ADOPT A COMPREHENSIVE BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CHARTER COUNTY OF WAYNE:

SECTION 1. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the General Fund:

LEGISLATIVE FUNCTIONS

County Commission Expenditures			**$**	**9,166,901**
Appropriation Sources:				
Charges, Fees, and Fines		2,376,900		
General Fund/General Purpose		6,790,001		
Total Revenues	**$**	**9,166,901**		
TOTAL LEGISLATIVE FUNCTIONS			**$**	**9,166,901**

(1) Consistent with the state-required chart of accounts, generally accepted accounting principles and cost accounting principles, and pursuant to sound financial management practices; with the consent and at the request of the Auditor General; in such a manner as the function of the Auditor General may be appropriately charged against and its costs fully recovered from the several major line and support functions and activities of the county by an indirect cost allocation system, the Chief Financial Officer shall as a matter of fundamental fiscal policy assure that the indirect cost allocation plans which are developed for the current and future years support this articulated policy objective. The Auditor General shall carefully record and document all services performed by his office on a sound cost-accounting basis in order to support the chargeback formula for services provided by his office, and shall endeavor to commit at least 85% of the annual services of the office to independent internal audit work to be performed in accordance with Government Auditing Standards as issued by the United States Comptroller General.

(2) In order to improve oversight, budgetary integrity, and timely decision-making, the CEO's constituency-relations staff shall maintain direct and continuing efforts to communicate with each commissioner on a monthly basis regarding all programs and events, which impact the citizens of his or her district. If these timely communications are not forthcoming, the Committee on Ways and Means shall schedule a review and consider why the funds, which have been appropriated for this purpose, should not be deleted.

(3) The Office of the Auditor General shall report on the status of all sensitive issues to the designated committee of concern (i.e. budget concerns to Ways and Means, public services to Public Services).

(4) The Auditor General is requested to conduct an audit on the allocation of chargeback costs included in the FY 09-10 and FY10-11 budgets and to submit a written report to the Committee on Ways and Means on or before June 1, 2012. The report needs to be formally submitted on department letterhead.

JUDICIAL FUNCTIONS

Circuit Court Expenditures			**$**	**80,014,686**
Appropriation Sources:				
General Fund/General Purpose		80,014,686		
Total Revenues	**$**	**80,014,686**		
Probate Court Expenditures			**$**	**6,593,008**
Appropriation Sources:				
General Fund/General Purpose		6,593,008		
Total Revenues	**$**	**6,593,008**		

Grand Jury Expenditures			**$**	**28,800**
Appropriation Sources:				
General Fund/General Purpose		28,800		
Total Revenues	**$**	**28,800**		
TOTAL JUDICIAL FUNCTIONS			**$**	**86,636,494**
GENERAL GOVERNMENT FUNCTIONS				
Adult Probation Expenditures			**$**	**2,039,504**
Appropriation Sources:				
General Fund/General Purpose		2,039,504		
Total Revenues	**$**	**2,039,504**		
County Executive Expenditures			**$**	**1,864,884**
Appropriation Sources:				
Charges, Fees, and Fines		730,400		
General Fund/General Purpose		1,134,484		
Total Revenues	**$**	**1,864,884**		
County Elections Expenditures			**$**	**1,756,632**
Appropriation Sources:				
State Grants and Contracts		393,327		
Charges, Fees, and Fines		102,960		
General Fund/General Purpose		1,260,345		
Total Revenues	**$**	**1,756,632**		
Board of Canvassers Expenditures			**$**	**199,595**
Appropriation Sources:				
Charges, Fees, and Fines		15,000		
General Fund/General Purpose		184,595		
Total Revenues	**$**	**199,595**		
Management & Budget Expenditures			**$**	**3,791,067**
Appropriation Sources:				
Local Grants and Contracts		1,341,000		
Charges, Fees, and Fines		90,000		
General Fund/General Purpose		2,360,067		
Total Revenues	**$**	**3,791,067**		
M&B Support Services Expenditures			**$**	**15,590,655**
Appropriation Sources:				
Charges, Fees, and Fines		15,590,655		
Total Revenues	**$**	**15,590,655**		
Corporation Counsel Expenditures			**$**	**10,583,700**
Appropriation Sources:				
Charges, Fees, and Fines		10,483,700		
General Fund/General Purpose		100,000		
Total Revenues	**$**	**10,583,700**		
County Clerk Expenditures			**$**	**18,758,223**
Appropriation Sources:				
Licenses and Permits		587,600		
Federal Grants and Contracts		362,884		
Local Grants and Contracts		6,000		
Charges, Fees, and Fines		16,331,171		
Interest, Dividends, Rents		2,000		
General Fund/General Purpose		1,468,568		
Total Revenues	**$**	**18,758,223**		

Personnel Expenditures			**$**	**5,657,962**
Appropriation Sources:				
Charges, Fees, and Fines		5,657,962		
Total Revenues	**$**	**5,657,962**		
Prosecuting Attorney Expenditures			**$**	**37,610,086**
Appropriation Sources:				
Federal Grants and Contracts		2,208,918		
State Grants and Contracts		933,157		
Local Grants and Contracts		1,180,640		
Charges, Fees, and Fines		1,504,937		
General Fund/General Purpose		31,782,434		
Total Revenues	**$**	**37,610,086**		
Register of Deeds Expenditures			**$**	**8,380,000**
Appropriation Sources:				
Charges, Fees, and Fines		8,380,000		
Total Revenues	**$**	**8,380,000**		
R of D Remonumentation Grant Expenditures			**$**	**410,000**
Appropriation Sources:				
State Grants and Contracts		410,000		
Total Revenues	**$**	**410,000**		
Treasurer Expenditures			**$**	**6,778,493**
Appropriation Sources:				
Charges, Fees, and Fines		337,000		
General Fund/General Purpose		6,441,493		
Total Revenues	**$**	**6,778,493**		
TOTAL GENERAL GOVERNMENT FUNCTIONS			**$**	**113,420,801**

(1) The County Treasurer shall take pro-active measures to assure that senior citizens do not lose their homes as a result of the accelerated collection process recently enacted into law for delinquent property taxes. The County Treasurer may make individual payment arrangements within his discretion. The Treasurer shall report to the Committee on Government Operations by no later than April 1, 2012, on the number and type of problem cases encountered and also the number of satisfactory arrangements made. The report needs to be formally submitted on elected official letterhead.

(2) The County Treasurer shall provide a report on legal cases for FY 10-11. The report shall include the number of cases pending, the number of cases dismissed and the number of cases settled with settlement amount. The department shall report to the Committee on Government Operations no later than December 1, 2011. The report needs to be formally submitted on elected official letterhead.

(3) The County Treasurer shall provide a report on the status of the reserve funds. The report should include the amount in the funds and the plans of usage. The department shall report to the Committee on Ways and Means no later than November 1, 2011. The report needs to be formally submitted on elected official letterhead.

(4) The County Treasurer shall report on or about November 1, 2011, March 1, 2012 and July 1, 2012 to the Committee on Ways and Means on Tourist Tax collection efforts. The report needs to be formally submitted on elected official letterhead.

(5) The County Treasurer shall devise and take steps on the below objectives and report back to the Committee on Ways and Means by no later than December 1, 2011 on all further progress made in achieving each of these objectives: (The report needs to be formally submitted on elected official letterhead.)

(a) To avoid displacing tenants of tax delinquent properties by assuring that they receive notice of sale, and a preferred opportunity to purchase the tax title;

(b) Collaborate with the Register of Deeds to improve the accuracy of land records involved in tax collection;

(c) Explore the use of electronic fund transfer as a means to maximize revenue investment and to service customers.

(d) Develop a program to ensure that payments made are applied to arrearage debts before current obligations.

(6) The County Treasurer shall report on or about December 1, 2011 to the Committee on Ways and Means on the Auction proceeds. The report needs to be formally submitted on elected official letterhead.

(7) The County Clerk and the Circuit Court shall work closely to accommodate the needs of the court within available staff and resources and to avoid delays to and impediments in the provision of justice in the individual case.

(8) The County Clerk shall explore a pilot program offering an e-filing option for attorneys filing civil/family cases. The Clerk shall report to the Committee on Government Operations by no later than December 1, 2011 on the details of the pilot program. The report needs to be formally submitted on elected official letterhead.

(9) The Chief Executive Officer shall require at least one Wayne County Resident apprentice position in all Wayne County Construction Contracts, which provide jobs for 50 or more employees. The CEO shall not agree to negotiate building and trades construction contracts unless there is a building trades apprenticeship in place.

(10) The CEO may renew and extend contracts for governmental relations and lobbying services, but only if all of the following provisions are included in the renewal or extended contracts:

(a) The term of the contracts shall not exceed a period of one year;

(b) The contractor shall appear and make a quarterly report to the County Commission at least once each calendar quarter. The contractor shall also provide each commissioner with a monthly update report on matters of interest to the County;

(c) The contract shall contain a 90-day termination clause, which may be activated on behalf of the County by a notice from the CEO, or by a resolution of the County Commission;

(d) Contract renewals shall not be approved which fail to comply with these requirements.

(11) All department heads and elected officials shall continue to review the fees established for services provided by his or her department and make recommendations for any desired changes to the Committee on Ways and Means.

(12) The Register of Deeds shall provide a report on title search legal cases for FY 10-11. The report shall include the number of cases pending, the number of cases dismissed and the number of cases settled with settlement amount. The department shall report to the Committee on Government Operations no later than December 1, 2011. The report needs to be formally submitted on elected official letterhead.

(13) The Register of Deeds shall provide a report on the deeds filed for FY 10-11. The report shall include the different types of deeds (i.e. Quit Claim, Warranty, etc.). The department shall report to the Committee on Government Operations no later than December 1, 2011. The report needs to be formally submitted on elected official letterhead.

(14) The Department of Corporation Counsel shall provide a report on all outside legal counsel for FY 10-11. The report should include the name of the firm; the department/account number for whom the services were provided for and the total amount budgeted and paid. The department shall provide this report to the Committee on Government Operations no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(15) The Human Relations Division of the Department of Corporation Counsel shall continue an aggressive program to identify, recruit and pre-qualify small, disadvantaged, county-based businesses.

(16) The Human Relations Division of the Department of Corporation Counsel shall provide status reports on the activities and achievements of the Division, including the turnaround times on certifying contractor compliance, workload volume, outreach results, positive adjustments in enforcement priorities, and the percentage of contracts actually awarded to each category of contractor. The report should also include the number and percentage of contracts awarded quarterly, with a running total, to small, women-owned and minority businesses. The Division shall report to the Committee on Government Operations no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be formally submitted in a DAF format.

(17) The Human Relations Division of the Department of Corporation Counsel shall continue to explore with the City of Detroit the feasibility of implementing a reciprocal certification process for businesses which qualify for small business enterprise status, disadvantaged business enterprise status, and county-based credit status. The parties shall also explore the feasibility of instituting a fee to defray the cost of conducting the certification procedures.

(18) The Inspector General Division of the Department of Corporation Counsel shall provide a summary report on the activities of the office, including the number of operational inquiries made, and the results of those inquiries from a cost/benefit point of view. The Inspector General shall report to the Committee on Government Operations by no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be formally submitted in a DAF format.

(19) The Department of Management and Budget shall work closely with the Legislative Auditor General and with the external auditors to assure completion of the annual external audit by no later than 120 days following the end of each fiscal year, pursuant to the requirements of section 3.119(f) of the County Charter.
(20) The Department of Management & Budget shall provide to the Committee on Government Operations by no later than November 1, 2011 reports on progress being made and measures being employed. The report needs to be formally submitted in a DAF format.

(a) To reduce the incidence of late payments to vendors, and to County-based vendors in particular;

(b) To take sanctions against prime contractors who fail without good reason to make prompt payment to their sub-contractors, once they themselves have been paid by the County;

(c) To improve upon contracts set aside for award to county-based vendors, and to document the number, amount and kinds of contracts which are awarded to minority-owned and women-owned businesses, so as to lay the basis for a disparate analysis of these awards at a future date;

(d) To clarify what statistics are maintained and available regarding the procurement process.

(21) The Department of Management and Budget shall not complete a transaction in which the County "sells" a county asset to itself without express County Commission approval.

(22) The Department of Management & Budget shall provide status reports on the revenues collected from the Brush Street Parking Lot. The department shall report to the Committee on Ways and Means no later than January 15, 2012, April 15, 2012, July 15, 2012 and September 15, 2012. The report needs to be formally submitted in a DAF format.

(23) The Department of Management and Budget shall submit to the Committee on Ways and Means the following additional quarterly financial statements:

(a) Balance Sheet;

(b) Statement of Revenues, Expenditures and Changes in Fund Balance;

(c) Budget to Actual Reports; and

(d) Chargeback summary reports.

(24) The Department of Management and Budget shall provide full query access to the JD Edwards System (i.e., accounts payable, accounts receivable, purchase orders, full query access, etc.) to the members of the Wayne County Commission Fiscal Agency, subject to a pledge of confidentiality on all information, which the law specifically establishes as confidential and unavailable to the public.

(25) The Purchasing Division of the Department of Management and Budget shall provide a report on all contracts, which have been let under authority delegated to the CEO, to include date, vendor, amount, purpose, and department making the request. The department shall report to the Committee on Ways and Means no later than January 15, 2012, April 15, 2012, July 15, 2012 and September 15, 2012. The report needs to be formally submitted in a DAF format.

(26) The Department of Management & Budget shall provide a report on the status of all outstanding Wayne County bonds. The department shall report to the Committee on Ways and Means no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(27) The Department of Management & Budget shall provide a report on the County's position with 600 Randolph. The department shall report to the Committee on Ways and Means no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(28) The Department of Management & Budget shall provide a report on the revenue collected from the Guardian Building and the First Street Parking Garage. The department shall report to the Committee on Ways and Means no later than January 15, 2012, April 15, 2012, July 15, 2012 and September 15, 2012. The report needs to be formally submitted in a DAF format.

(29) The Department of Management & Budget shall provide a status report on the Guardian Building. The report shall include the status of the debt service, the status of renovations and the status of departments moving. The department shall report to the Committee on Ways and Means no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(30) The Department of Management and Budget shall inform the Committee on Ways and Means when appropriated funds will not be spent as they were intended.

(31) The Department of Management and Budget shall submit to the Wayne County Commission all Technical Adjustments to the FY 2012-2013 & FY 2013-2014 budget no later than August 10, 2012.

(32) The Department of Management and Budget shall submit monthly cash flow statements to the Committee on Ways and Means by the 15th day of the month following the month under review. The report needs to be formally submitted in a DAF format.

(33) The Department of Personnel/Human Resources shall provide full access to the PeopleSoft System to the members of the Wayne County Commission Fiscal Agency, subject to a pledge of confidentiality on all information, which the law specifically establishes as confidential and unavailable to the public.

(34) The Department of Personnel/Human Resources shall provide a report on all appointees that received a raise in FY 10-11. The department shall report to the Committee on Ways and Means no later than November 1, 2011.

(35) The Department of Personnel/Human Resources shall provide a status report on the union negotiations timelines. The department shall report to the Committee on Ways and Means no later than December 1, 2011.

(36) The Department of Personnel/Human Resources shall provide a report on all FY 10-11 medical cost throughout the County. The department shall report to the Committee on Ways and Means no later than December 1, 2011.

(37) The Prosecuting Attorney shall coordinate closely with the City of Detroit Health and Law Departments to identify and prosecute violators of environmental lead hazard laws.

PUBLIC SAFETY FUNCTIONS

Sheriff Expenditures			**$**	**26,384,924**
Appropriation Sources:				
Federal Grants and Contracts		185,000		
State Grants and Contracts		1,727,991		
Charges, Fees, and Fines		4,728,200		
Other Revenue		14,190,369		
General Fund/General Purpose		5,553,364		
Total Revenues	**$**	**26,384,924**		
County Jail Expenditures			**$**	**85,226,826**
Appropriation Sources:				
Federal Grants and Contracts		125,000		
State Grants and Contracts		68,500		
Charges, Fees, and Fines		10,167,400		
Other Revenue		289,000		
General Fund/General Purpose		74,576,926		
Total Revenues	**$**	**85,226,826**		
Homeland Security Expenditures			**$**	**2,479,176**
Appropriation Sources:				
Federal Grants and Contracts		1,725,633		
Charges, Fees, and Fines		72,500		
General Fund/General Purpose		681,043		
Total Revenues	**$**	**2,479,176**		
TOTAL PUBLIC SAFETY FUNCTIONS			**$**	**114,090,926**

(1) The Sheriff's Department should provide a report no later than November 1, 2011, March 1, 2012 and July 1, 2012 on the GPS Tether Monitoring Program to the Committee on Public Safety, Judiciary and Homeland Security. The report should include how many inmates the program has serviced; the average length of time an inmate is on the tether; how much revenue has been generated by the sale of beds and inmate contributions and any other revenue source; and how much cost has been expended to date for the program. The report needs to be formally submitted on elected official letterhead.

(2) The Sheriff's Department shall provide a report to the Committee on Public Safety, Judiciary and Homeland Security no later than November 1, 2011, March 1, 2012 and July 1, 2012. on the pay phone earnings for the jail commissary. The report needs to be formally submitted on elected official letterhead.

(3) The Sheriff's Department shall provide a report on the activity of the Reserve Officer Pool. The report should include the number of reserve officers that are in the pool, how many hours have been performed by the reserve officers and estimated amount of overtime saved. The Sheriff shall report no later than November 1, 2011, March 1, 2012 and July 1, 2012 to the Committee on Public Safety, Judiciary and Homeland Security. The report needs to be formally submitted on elected official letterhead.

(4) $100,000 is allocated for the position of Foreclosure Compliance Administrator (FCA) within the Department of Corporation Counsel. The purpose of the FCA is to conduct specific inquiry to mortgage and/or banking institutions and homeowners facing foreclosure, concerning compliance with local, state, and federal foreclosure laws before the commencement of any foreclosure sale. The results of all inquires shall be forwarded to the Wayne County Sheriff for final determination. The Sheriff's Office shall provide a quarterly status report to the Ways and Means Committee. The report needs to be formally submitted on elected official letterhead.

PUBLIC WORKS FUNCTIONS

DPS - Roads, Parks, Environment			**$**	**1,139,875**
Appropriation Sources:				
Charges, Fees, and Fines		562,500		
General Fund/General Purpose		577,375		
Total Revenues	**$**	**1,139,875**		
TOTAL PUBLIC WORKS FUNCTIONS			**$**	**1,139,875**

HEALTH AND WELFARE FUNCTIONS

Jail Medical Diagnostic Expenditures			**$**	**16,223,674**
Appropriation Sources:				
Taxes		232,308		
State Grants and Contracts		332,266		
Charges, Fees, and Fines		7,000,000		
General Fund/General Purpose		8,659,100		
Total Revenues	**$**	**16,223,674**		
Health/Environmental Programs Expenditures			**$**	**941,028**
Appropriation Sources:				
Federal Grants and Contracts		583,800		
State Grants and Contracts		125,690		
Local Grants and Contracts		35,785		
Other Revenue		12,000		
General Fund/General Purpose		183,753		
Total Revenues	**$**	**941,028**		
Indigent Health Care Expenditures			**$**	**38,616,721**
Appropriation Sources:				
Grants and Contracts		38,397,221		
Charges, Fees, and Fines		719,500		
General Fund/General Purpose		-500,000		
Total Revenues	**$**	**38,616,721**		
HCS / Jail Mental Health Expenditures			**$**	**4,838,530**
Appropriation Sources:				
Local Grants and Contracts		4,600,000		
General Fund/General Purpose		238,530		
Total Revenues	**$**	**4,838,530**		
Medical Examiner Expenditures			**$**	**5,739,256**
Appropriation Sources:				
Charges, Fees, and Fines		615,000		
General Fund/General Purpose		5,124,256		
Total Revenues	**$**	**5,739,256**		
Senior Citizens Services Expenditures			**$**	**127,518**
Appropriation Sources:				
General Fund/General Purpose		127,518		
Total Revenues	**$**	**127,518**		

Veterans Affairs Expenditures		**$**	**312,957**
Appropriation Sources:			
Charges, Fees, and Fines	94,149		
General Fund/General Purpose	218,808		
Total Revenues	**$ 312,957**		
Health & Human Services Expenditures		**$**	**8,640,453**
Appropriation Sources:			
Charges, Fees, and Fines	6,147,481		
General Fund/General Purpose	2,492,972		
Total Revenues	**$ 8,640,453**		
Cooperative Extension Service Expenditures		**$**	**303,000**
Appropriation Sources:			
General Fund/General Purpose	303,000		
Total Revenues	**$ 303,000**		
TOTAL HEALTH AND WELFARE FUNCTIONS		**$**	**75,743,137**

(1) The Cooperation Extension Division of the Department of Children and Family Services shall report on the activities of this division. The department shall report to the Committee on Government Operations no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be submitted in a DAF format.

(2) The Jail Health Services Division of the Department of Health and Human Services shall provide a report by jail division on the amount of medical insurance reimbursements collected for FY 09-10 & FY 10-11. The department shall report to the Committee on Health and Human Services no later than November 1, 2011. The report needs to be submitted in a DAF format.

(3) The Jail Health Services Division of the Department of Health and Human Services shall provide a report comparing jail medical cost incurred by Wayne County versus cost incurred by Oakland and Macomb Counties for FY 07-08, FY 08-09, FY 09-10 and FY 10-11. The department shall report to the Committee on Health and Human Services no later than December 1, 2011. The report needs to be submitted in a DAF format.

NON-DEPARTMENTAL FUNCTIONS

Non Departmental Expenditures		**$**	**42,520,489**
Appropriation Sources:			
General Fund/General Purpose	42,520,489		
Total Revenues	**$ 42,520,489**		
General Fund Transfers Expenditures		**$**	**99,339,347**
Appropriation Sources:			
General Fund/General Purpose	99,339,347		
Total Revenues	**$ 99,339,347**		
TOTAL NON-DEPARTMENTAL FUNCTIONS		**$**	**141,859,836**
Total Fund Revenues	**$ 542,057,970**		

SECTION 2. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the County Road Fund:

DPS - Roads, Parks, Environment		**$**	**106,162,500**
Appropriation Sources:			
Federal Grants and Contracts	16,250,000		
State Grants and Contracts	77,910,000		
Local Grants and Contracts	884,000		
Charges, Fees, and Fines	2,669,500		
Interest, Dividends, Rents	365,000		
Other Revenue	2,184,000		
Other Financing Sources	5,900,000		
Total Revenues	**$ 106,162,500**		

Total Fund Revenues **$ 106,162,500**

(1) The Engineering Division of the Department of Public Services shall publish in advance and on a quarterly basis its FY 2011-2012 maintenance and repair schedule for both primary and secondary roadways, listed by community. This notification shall be sent to the Clerk of each community, to each County Commissioner, and to the Committee on Public Services.

(2) The Engineering Division of the Department of Public Services shall provide to the Committee on Public Services no later than December 1, 2011 a copy of the current maps which display the condition of roadways as well as by commission district a list of repair and construction projects planned and underway, the timing and projected cost of those projects, the number of lane miles paved and reconstructed, the number of potholes filled, etc.

(3) The Engineering Division of the Department of Public Services shall present to the Committee on Public Services the proposed list of priority road repairs (prior to their confirmation by the Roads Council and prior to submission to SEMCOG.

(4) The Engineering Division of the Department of Public Services shall submit a report no later November 1, 2011, March 1, 2012 and July 1, 2012 to the Committee on Public Services on the completion status of roads in the CIP plan. The report needs to be formally submitted in a DAF format.

SECTION 3. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the County Park Fund:

DPS - Roads, Parks, Environment			**$ 16,303,723**
Appropriation Sources:			
Taxes		10,264,839	
Licenses and Permits		92,500	
Charges, Fees, and Fines		1,451,529	
Interest, Dividends, Rents		99,000	
Other Revenue		290,000	
Other Financing Sources		4,105,855	
Total Revenues	**$**	**16,303,723**	
Total Fund Revenues	**$**	**16,303,723**	

(1) The Parks Division of the Department of Public Services shall apply to the Michigan Department of Natural Resources, the land recreational trust, and other state agencies for grants in tandem with local governments, the federal government and the Huron Clinton Metropolitan Park Authority to secure grants for park development and improvements. No County funds shall be spent without further approval of the County Commission.

(2) The Parks Division of the Department of Public Services shall review with each municipal public safety department the need to maintain public safety access to park service roads, and shall include within the Parks Capital Improvements Plan those improvements, which are needed to assure access for essential emergency services.

(3) The Parks Division of the Department of Public Services shall submit a report no later than November 1, 2011, March 1, 2012 and July 1, 2012 to the Committee on Public Services on the completion status of parks in the CIP plan.

(4) The Parks Division of the Department of Public Services shall report to the Committee on Public Services by no later than December 1, 2011 on the development process for a new five year parks plan, and more specifically: (The report needs to be formally submitted in a DAF format.)

(a) How the Commission, and individual commissioners will be included in the early proposal development process.

(b) How an equitable set of distribution principles and formulae will be developed.

(c) How equitable local community input will be engaged in the development process.

(5) The Parks Division of the Department of Public Services shall provide a report on all funds collected and expended from various Wayne County events (i.e. Lightfest, Jazzfest, Aquatic Center, etc.). The department shall report to the Committee of Ways and Means no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be formally submitted in a DAF format.

SECTION 4. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the County Health Fund:

Health/Environmental Programs Expenditures			**$ 22,169,019**
Appropriation Sources:			
Federal Grants and Contracts		145,350	
State Grants and Contracts		7,546,617	
Local Grants and Contracts		179,600	
Charges, Fees, and Fines		13,824,742	
Other Financing Sources		472,710	
Total Revenues	**$**	**22,169,019**	
Other Health Programs Expenditures			**$ 2,276,129**
Appropriation Sources:			
State Grants and Contracts		1,432,708	
Charges, Fees, and Fines		823,001	
Other Financing Sources		20,420	
Total Revenues	**$**	**2,276,129**	
Total Fund Revenues	**$**	**24,445,148**	

(1) The Library Division of the Department of Health and Human Services shall issue a request to all libraries in Wayne County to forward donated or used children's books to a designated agency for distribution to Head Start and Juvenile Justice program providers.

SECTION 5. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Mental Health Fund:

Mental Health Expenditures			**$ 636,650,519**
Appropriation Sources:			
Federal Grants and Contracts		11,221,308	
State Grants and Contracts		606,622,741	
Interest, Dividends, Rents		359,768	
Other Financing Sources		18,446,702	
Total Revenues	**$**	**636,650,519**	
Total Fund Revenues	**$**	**636,650,519**	

(1) The Mental Health Division of the Department of Health and Services is requested to keep the Committee on Health and Human Services informed on any and all Mental Health legislative initiatives. The department shall report to the Committee on Health and Human Services no later than January 15, 2012, April 15, 2012, July 15, 2012 and September 15, 2012. The report needs to be formally submitted in a DAF format.

(2) The Mental Health Division of the Department of Health and Human Services shall report on the status of the reorganization of the MCPNs. The department shall report to the Committee on Health and Human Services no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(3) The Mental Health Division of the Department of Health and Human Services shall report on the status of the restructuring of the payment methodology (rate band recalculation) for the MCPNs. The department shall report to the Committee on Health and Human Services no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

SECTION 6. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the HHS - Nutrition Fund:

Health/Environmental Programs Expenditures			**$ 4,397,682**
Appropriation Sources:			
Federal Grants and Contracts		2,230,148	
State Grants and Contracts		788,500	
Charges, Fees, and Fines		1,229,034	
Other Revenue		30,000	
Other Financing Sources		120,000	
Total Revenues	**$**	**4,397,682**	

Health / Training Programs Expenditures			**$**	**176,000**
Appropriation Sources:				
Federal Grants and Contracts		176,000		
Total Revenues	**$**	**176,000**		
Total Fund Revenues	**$**	**4,573,682**		

SECTION 7. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Children & Family Services Fund:

Children and Family Services Expenditures			**$**	**24,345,646**
Appropriation Sources:				
Federal Grants and Contracts		24,345,646		
Total Revenues	**$**	**24,345,646**		
Total Fund Revenues	**$**	**24,345,646**		

SECTION 8. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Rouge Demonstration Grants Fund:

Health/Environmental Programs Expenditures			**$**	**2,219,311**
Appropriation Sources:				
Federal Grants and Contracts		336,423		
Charges, Fees, and Fines		1,882,888		
Total Revenues	**$**	**2,219,311**		
Rouge River Projects Expenditures			**$**	**6,523,700**
Appropriation Sources:				
Federal Grants and Contracts		3,588,035		
Local Grants and Contracts		2,935,665		
Total Revenues	**$**	**6,523,700**		
Total Fund Revenues	**$**	**8,743,011**		

SECTION 9. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Environmental Programs Fund:

Health/Environmental Programs Expenditures			**$**	**2,577,003**
Appropriation Sources:				
State Grants and Contracts		81,311		
Local Grants and Contracts		62,157		
Charges, Fees, and Fines		2,237,675		
Interest, Dividends, Rents		27,000		
Other Financing Sources		168,860		
Total Revenues	**$**	**2,577,003**		
Total Fund Revenues	**$**	**2,577,003**		

SECTION 10. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Stadium & Land Development Fund:

Tourist Tax Expenditures			**$**	**6,400,500**
Appropriation Sources:				
Taxes		6,400,000		
Interest, Dividends, Rents		500		
Total Revenues	**$**	**6,400,500**		
Total Fund Revenues	**$**	**6,400,500**		

SECTION 11. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Community & Economic Development:

Home Administration Expenditures			**$**	**403,096**
Appropriation Sources:				
Federal Grants and Contracts		310,835		
Interest, Dividends, Rents		50,000		
Other Financing Sources		42,261		
Total Revenues	**$**	**403,096**		
Home Program Expenditures			**$**	**3,000,000**
Appropriation Sources:				
Federal Grants and Contracts		3,000,000		
Total Revenues	**$**	**3,000,000**		
Economic & Neighborhood Devel. Expenditures			**$**	**2,798,150**
Appropriation Sources:				
Federal Grants and Contracts		250,000		
Local Grants and Contracts		50,000		
Other Financing Sources		2,498,150		
Total Revenues	**$**	**2,798,150**		
Total Fund Revenues	**$**	**6,201,246**		

(1) The Economic Development Growth Engine shall maintain a program to encourage a significant expansion of building trades apprenticeships within Wayne County public and private employment sponsors.

(2) The Economic Development Growth Engine shall continue the efforts of the housing rehabilitation program. The Department shall make maximum efforts to communicate information about this program directly with community development corporations and associated non-profit organizations, and shall provide a report towards the developments of the housing rehabilitation program. The department shall provide status reports to the Committee on Economic Development no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be formally submitted in a DAF format.

(3) The Greater Wayne Economic Development Corporation shall provide status reports no later than November 1, 2011, March 1, 2012 and July 1, 2012 to the Committee on Economic Development on all projects and initiatives proposed throughout Wayne County, including, but not limited to, Tourism and Urban Communities. The report needs to be formally submitted in a DAF format.

(4) The Economic Development Growth Engine is requested to conduct a survey and study to determine whether the Apprenticeship Outreach Program, as implemented in Oakland County, can be implemented in Wayne County. The department shall report to the Committee on Economic Development by no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(5) The Economic Development Growth Engine shall provide a report on the status of the operation and funding of the Wayne County Development Corporation (WCDC). The department shall report to the Committee on Economic Development by no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(6) The Economic Development Growth Engine shall provide a status report on Pinnacle. The department shall report to the Committee on Economic Development by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(7) The Economic Development Growth Engine shall provide a status report on Aerotropolis. The department shall report to the Committee on Economic Development by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(8) The Land Bank Corporation shall provide a report on the plan to become self-sufficient. The department shall report to the Committee on Economic Development by no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(9) The Land Bank Corporation shall provide a report on the number of parcels given to non-profit organizations. The department shall report to the Committee on Economic Development by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(10) The Land Bank Corporation shall provide a status report on the TURBO program for FY 08-09, FY 09-10 and FY 10-11. The report shall also include the number of tax rebates given. The department shall report to the Committee on Economic Development by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(11) The Land Bank Corporation shall provide a report on the number of properties in the Land Bank. The report should be divided by communities and Commission district. The department shall report to the Committee on Economic Development by no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(12) The Land Bank Corporation shall provide a status report on the foreclosure program FY 08-09, FY 09-10 and FY 10-11. The department shall report to the Committee on Economic Development by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

SECTION 12. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Drug Enforcement Program Fund:

Prosecuting Attorney Expenditures			**$**	**337,200**
Appropriation Sources:				
Charges, Fees, and Fines		337,200		
Total Revenues	**$**	**337,200**		
Sheriff Drug Enforcement Expenditures			**$**	**2,402,400**
Appropriation Sources:				
Charges, Fees, and Fines		2,402,400		
Total Revenues	**$**	**2,402,400**		
Total Fund Revenues	**$**	**2,739,600**		

SECTION 13. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Law Enforcement Fund:

Sheriff Field Services Expenditures			**$ 1,508,499**
Appropriation Sources:			
Charges, Fees, and Fines		1,508,499	
Total Revenues		**$ 1,508,499**	
Sheriff - Grants Expenditures			**$ 12,963,326**
Appropriation Sources:			
Federal Grants and Contracts		11,697,746	
State Grants and Contracts		290,580	
Charges, Fees, and Fines		875,000	
Other Financing Sources		100,000	
Total Revenues	**$**	**12,963,326**	
Sheriff Training Expenditures			**$ 282,300**
Appropriation Sources:			
State Grants and Contracts		259,000	
Charges, Fees, and Fines		23,300	
Total Revenues	**$**	**282,300**	
Total Fund Revenues	**$**	**14,754,125**	

SECTION 14. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the County Library Fund:

Library Services Expenditures			**$**	**3,694,602**
Appropriation Sources:				
State Grants and Contracts		86,895		
Charges, Fees, and Fines		685,952		
Interest, Dividends, Rents		2,609,234		
Other Financing Sources		312,521		
Total Revenues	**$**	**3,694,602**		
Total Fund Revenues	**$**	**3,694,602**		

SECTION 15. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Community Development Block Grant Fund:

CDBG Administration Expenditures			**$**	**1,321,559**
Appropriation Sources:				
Federal Grants and Contracts		1,272,175		
Other Financing Sources		49,384		
Total Revenues	**$**	**1,321,559**		
CDBG Projects Expenditures			**$**	**12,848,156**
Appropriation Sources:				
Federal Grants and Contracts		12,848,156		
Total Revenues	**$**	**12,848,156**		
CDBG - HUD Loans Expenditures			**$**	**6,678,578**
Appropriation Sources:				
Federal Grants and Contracts		6,678,578		
Total Revenues	**$**	**6,678,578**		
Total Fund Revenues	**$**	**20,848,293**		

SECTION 16. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Pinnacle Fund:

Economic & Neighborhood Development			**$**	**693,310**
Appropriation Sources:				
Other Financing Sources		693,310		
Total Revenues	**$**	**693,310**		
Total Fund Revenues	**$**	**693,310**		

SECTION 17. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Community Corrections Fund:

Community Corrections Expenditures			**$**	**2,792,534**
Appropriation Sources:				
State Grants and Contracts		2,342,301		
Local Grants and Contracts		131,250		
Other Financing Sources		318,983		
Total Revenues	**$**	**2,792,534**		
Alternative Work Force Expenditures			**$**	**1,889,660**
Appropriation Sources:				
State Grants and Contracts		571,077		
Charges, Fees, and Fines		1,318,583		
Total Revenues	**$**	**1,889,660**		
Total Fund Revenues	**$**	**4,682,194**		

(1) The Alternative Work Force Division of the Department of Children and Family Services shall compile an accurate measurement of the extent to which the Alternative Work Force is deployed to fulfill mandated county services vs. other community service needs. The group is also requested to determine the administrative and security support costs of providing each hour of labor. The department shall report back to the Committee on Public Safety, Judiciary & Homeland Security no later than November 1, 2011, March 1, 2012 and July 1, 2012. The report needs to be formally submitted in a DAF format.

(2) The Alternative Work Force Division of the Department of Children and Family Services shall strive to develop direct neighborhood deployment for at least 40% of alternative work force resources.

SECTION 18. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Victim Witness Program Fund:

Prosecuting Attorney Expenditures			**$**	**2,248,817**
Appropriation Sources:				
State Grants and Contracts		1,612,560		
Other Financing Sources		636,257		
Total Revenues	**$**	**2,248,817**		
Total Fund Revenues	**$**	**2,248,817**		

SECTION 19. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Juvenile Justice Abuse/Neglect Fund:

Circuit Court Expenditures			**$**	**1,088,490**
Appropriation Sources:				
State Grants and Contracts		544,245		
Local Grants and Contracts		544,245		
Total Revenues	**$**	**1,088,490**		
Prosecuting Attorney Expenditures			**$**	**6,598,457**
Appropriation Sources:				
State Grants and Contracts		2,089,677		
Local Grants and Contracts		4,508,780		
Total Revenues	**$**	**6,598,457**		
Community Corrections Expenditures			**$**	**1,102,386**
Appropriation Sources:				
Federal Grants and Contracts		440,000		
State Grants and Contracts		551,193		
Other Financing Sources		111,193		
Total Revenues	**$**	**1,102,386**		
Juvenile Justice Programs Expenditures			**$**	**141,605,055**
Appropriation Sources:				
Federal Grants and Contracts		3,104,911		
State Grants and Contracts		66,793,260		
Local Grants and Contracts		13,730,233		
Charges, Fees, and Fines		6,713,491		
Other Financing Sources		51,263,160		
Total Revenues	**$**	**141,605,055**		
Juvenile - State Wards Expenditures			**$**	**8,723,100**
Appropriation Sources:				
State Grants and Contracts		20,000		
Other Financing Sources		8,723,100		
Total Revenues	**$**	**8,723,100**		

Abuse & Neglect Program Expenditures			**$ 34,067,082**
Appropriation Sources:			
State Grants and Contracts		500,000	
State Grants and Contracts		16,758,541	
Charges, Fees, and Fines		50,000	
Other Financing Sources		16,758,541	
Total Revenues	**$**	**34,067,082**	
Total Fund Revenues	**$**	**193,184,570**	

(1) The Department of Children & Family Services shall report on the development contacts between CMOs and MCPNs regarding Medicaid Mental Health billings. The department shall report to the Committee on Health and Human Services no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(2) The Department of Children & Family Services shall provide status reports on the Expungement Program FY 08-09, FY 09-10 and FY 10-11. The report should include the number of records expunged and the number of records in the legal process. The department shall report to the Committee on Health and Human Services no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(3) The Department of Children & Family Services shall provide a report on how cuts to the CMOs were implemented, including what services were reduced or eliminated. The report should also detail the financial savings of the CMOs. The department shall report to the Committee on Health and Human Services no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

(4) The administration shall review the list of proposed PASS grant recipients compiled and forwarded by the Committee of Ways & Means, and such other proposed recipients and/or modifications as shall be timely received from individual Commissioners and the Department of Children and Family Services (CFS). As part of the evaluation process, deference shall be given to programs previously funded and proposed for renewal. The Department of Children and Family Services shall prepare a schedule of proposed PASS grants which shall be allocated with no less than $700,000 aggregate distributed to organizations located within the City of Detroit. A grant to any organization shall not exceed $50,000. CFS shall forward the list of PASS grant recipients to the Chairman of the Wayne County Commission no later than the start of the fiscal year for his/her approval prior to any awards. It is the intent of the Wayne County Commission that the schedule of approved PASS contract awardees shall be contracted pursuant to Section 120-39 entitled “Procurements necessary to serve a particular budget allocation.”

SECTION 20. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Soldiers Relief Fund:

Veterans Affairs Expenditures			**$ 1,503,974**
Appropriation Sources:			
Taxes		1,503,974	
Total Revenues	**$**	**1,503,974**	
Total Fund Revenues	**$**	**1,503,974**	

SECTION 21. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Veterans Trust Fund:

Veterans Affairs Expenditures			**$ 250,000**
Appropriation Sources:			
State Grants and Contracts		250,000	
Total Revenues	**$**	**250,000**	
Total Fund Revenues	**$**	**250,000**	

SECTION 22. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Youth Services Fund:

Youth Services Expenditures			**$ 4,929,742**
Appropriation Sources:			
Taxes		3,729,742	
Other Financing Sources		1,200,000	
Total Revenues	**$**	**4,929,742**	
Total Fund Revenues	**$**	**4,929,742**	

SECTION 23. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the General Debt Service Fund:

Debt Service Expenditures			**$**	**18,780,450**
Appropriation Sources:				
Interest, Dividends, Rents		83,266		
Other Financing Sources		18,697,184		
Total Revenues	**$**	**18,780,450**		
Total Fund Revenues	**$**	**18,780,450**		

SECTION 24. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Debt Service - County Roads Fund:

Debt Service Expenditures			**$**	**5,982,612**
Appropriation Sources:				
Other Financing Sources		5,982,612		
Total Revenues	**$**	**5,982,612**		
Total Fund Revenues	**$**	**5,982,612**		

SECTION 25. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Capital Projects Fund:

Capital Programs Expenditures			**$**	**2,875,000**
Appropriation Sources:				
Other Financing Sources		2,875,000		
Total Revenues	**$**	**2,875,000**		
Total Fund Revenues	**$**	**2,875,000**		

SECTION 26. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Circuit Court & Friend of the Court Funds:

Circuit Court Expenditures			**$**	**75,358,167**
Appropriation Sources:				
Federal Grants and Contracts		2,603,139		
State Grants and Contracts		3,936,167		
Local Grants and Contracts		64,715,067		
Charges, Fees, and Fines		4,203,794		
Interest, Dividends, Rents		-100,000		
Total Revenues	**$**	**75,358,167**		
Friend of the Court Expenditures			**$**	**23,624,279**
Appropriation Sources:				
Federal Grants and Contracts		16,408,643		
Local Grants and Contracts		4,902,905		
Charges, Fees, and Fines		2,446,000		
Interest, Dividends, Rents		-133,269		
Total Revenues	**$**	**23,624,279**		
Total Funds Revenue	**$**	**98,982,446**		

SECTION 27. There is appropriated for the fiscal year ending September 30, 2012, from the following revenue sources for the Probate Court:

Probate Court Expenditures		**$**	**8,980,092**
Appropriation Sources:			
State Grants and Contracts	1,186,700		
Local Grants and Contracts	6,593,008		
Charges, Fees, and Fines	784,500		
Other Financing Sources	415,884		
Total Revenues	**$ 8,980,092**		
Total Fund Revenues	**$ 8,980,092**		

SECTION 28. The following funds have been provided for by Enterprise, Internal Service, Fiduciary and Special Assessment Funding:

Delinq Tax Unpledged Reserve		3,917,800
Property Tax Forfeiture		4,678,664
Parking Lots Fund		129,599
Delinq Tax Revolv - 2007		40,000
Delinquent Tax Revolving-2008		7,620,000
Delinquent Tax Revolving-2009		8,100,000
Delinquent Tax Revolving-2010		2,900,000
Jail Commissary		2,615,900
Downriver Sewage System		36,551,928
CSO Basins		5,815,551
Rouge Valley Sewage System		52,439,194
N.E. Sewage Disposal System		21,520,055
Building & Ground Maintenance		14,816,212
Central Services		18,519,053
Department of Environment		5,398,326
Long Term Disability Fund		1,475,140
Health Fund		110,109,122
Self Insurance		4,591,938
General Liability		3,176,196
Retire Sys Fund Employee		7,502,000
Equipment Financing		515,742
Regular Drain Fund -Maint.		3,691,838
Third Circuit Court Capital		2,875,000
Probate Courts Capital Fund		50,400
Total Special Funds	**$**	**319,049,658**
Total 2011 Appropriations	**$**	**2,082,640,433**
Total 2011 Revenues	**$**	**2,082,640,433**

(1) The Department on Technology shall provide a detailed breakdown report on FY 10-11 technology contracts. The report should include the contractor and the amount. The department shall report to the Committee on Government Operations by no later than November 1, 2011. The report needs to be formally submitted in a DAF format.

(2) The Department of Technology shall provide a report on the status of the GIS System. The report should include who will develop the system, the cost to develop the system and an implementation timeline. The department shall report to the Committee on Government Operations by no later than December 1, 2011. The report needs to be formally submitted in a DAF format.

SECTION 29. Statement of Expenditures by Object
Attached hereto as Appendix I

SECTION 30. Statement of Estimated Revenue
Attached hereto as Appendix II

SECTION 31. Statement of Estimated Expenditures
Attached hereto as Appendix III

SECTION 32. Report of Special Funds
Attached hereto in Appendix II & III

SECTION 33. Five-Year Projection
Attached hereto as Appendix IV

SECTION 34. Debt Service Statement
Attached hereto as Appendix V

SECTION 35. Statement of Surplus or Deficit
Attached hereto as Appendix VI

SECTION 36. Capital Outlay Statement.
Attached hereto as Appendix VII

SECTION 37. Basis of Appropriation: General Budget Execution Instructions

(A) The Wayne County Commission finds that the appropriations contained in Sections 1-28, for fiscal year 2011-2012 are the most cost effective and reasonable means of achieving the objectives authorized by this ordinance as of the date of its adoption. The approved expenditure appropriation, plus the Allotment Plan, comprises the standard against which any proposed deviation is to be compared and justified.

(B) The appropriation fixes the absolute ceiling on authorized spending.

(C) The Chief Financial Officer of Wayne County is hereby authorized, but not required, at the close of each fiscal year, to transfer into the Budget Stabilization Fund 50% of any excess actual revenues over actual expenditures in that fiscal year. However, in no event shall the amount in the Budget Stabilization Fund exceed either 15% of the most recent adopted General Fund budget, or 15% of the average of the five most recent General Fund budgets, as amended, whichever is less. It is the intent of the County Commission that after satisfying the requirements of any existing deficit elimination plan, that the CFO make optimum efforts to deposit as much as is feasible into the Budget Stabilization Fund in Fiscal Year 2011-2012 to guard against unforeseen emergencies and to protect the County's credit ratings.

SECTION 38. Posting Standard and Reporting Requirements

(A) The Chief Financial Officer (CF0) shall assure that all revenue and expenditure accounts are maintained in conformity with the Uniform Budgeting and Accounting Act and that each expenditure or receipt made pursuant to the authority of this ordinance is posted to those accounts within 21 calendar days after the transaction occurs.

(B) The CFO shall provide to the Wayne County Commission within 45 calendar days after the end of each fiscal year quarter, a financial report of revenues received and expenditures made, which corresponds to the level of account detail as set forth in the Chief Executive Officer's Comprehensive Executive Budget for
FY 2011-2012.

(C) The CFO shall require the Departments of Public Services and Environment to develop a supplement to the five-year capital outlay plan which provides a ten-year forecast and financing strategy for maintaining the County's more enduring major infrastructure.

SECTION 39. Constraints on Authorized Spending

(A) The CEO shall have no general power to impound funds appropriated under this Ordinance.

(B) An authorized expenditure may be curtailed only by a formal certification of a reduction in revenue, as provided by Section 5.143 and 5.146 of the Wayne County Home Rule Charter, or by a certification of an overrun in expenditures, based upon the scheduled budget allocation. A certification of a reduction in revenue or a certification of an overrun in expenditures shall automatically take effect if the County Commission has not either approved the certification or has not approved an amendment in substitution for the proposed curb on spending. Expenditure shall not be frozen or curtailed, however, because of and while a certification of revenue increase is pending action.

(C) The CEO may reduce the personnel levels of a department after having provided him or her with a certification of a reduction in revenue or an overrun in expenditures, based upon the scheduled budget allocation, and after having requested from him or her a list of the reduction in personnel in his or her department needed to implement the reduction, if 30 calendar days pass without a complying response from the department head.

SECTION 40. Compliance Requirements

This Appropriations Ordinance states the comprehensive budget for the County. All expenditures and disbursements pursuant to this Appropriations Ordinance shall be made in conformity with the Wayne County Charter and the rules, regulations, resolutions, or ordinances adopted by the Commission in accordance with the Wayne County Charter and Public Acts 2 of 1968 and 621 of 1978, as amended, and other laws, rules, and regulations having controlling effect on the implementation of this Ordinance.

All County agencies, including but not limited to Departments headed by an appointed or elected official, shall exercise their powers and duties within authorized and allotted appropriations consistent with the approved Fiscal Year 2011-2012 budget.

SECTION 41. Tax Levy

This Appropriations Ordinance authorizes the levy of a total of 7.8220 mills, 2.1737 mills to be levied against the 2011 Taxable Value of all real and tangible personal property within Wayne County and 5.6483 mills against the total 2011 Wayne County Taxable value (subject to Article 9, Section 3 of the Michigan Constitution). The total anticipated ad valorem tax levy is projected to be $342.31 million. The adjusted property tax revenue estimate of $309.48 million consists of $294.07 million for the General Fund, $10.26 million for the Parks Fund, $3.64 million for the Youth Services Fund and $1.50 million for the Soldiers Relief Fund.

The adjusted General Fund property tax estimate when combined with $247.89 million projected to be received from sources other than general property taxes results in total anticipated revenue of $542.06 million for the County General Operating Fund.

SECTION 42. Executive Liability Established for Knowingly Exceeding Expenditure Limits.

(A) A County elected official, officer or employee shall not order nor authorize an expenditure, which shall exceed the amount appropriated, allotted and currently available for that specific purpose under this Appropriations Ordinance. An elected official, officer or employee who orders or authorizes an expenditure for an unauthorized purpose, or in excess of the amount authorized for that specific purpose by this Appropriations Ordinance, with a knowing disregard for the limits established herein, shall be personally liable to the County of Wayne for the public loss which ensues from that order or authorization.

(B) An elected official, officer or employee who is found in violation of this provision shall not be reimbursed for the costs of their legal defense from a claim arising from the duty established by this provision. A person having knowledge of a violation of this provision shall report that knowledge to the Wayne County Prosecuting Attorney, the Chief Financial Officer, the Legislative Auditor General, and the Michigan Attorney General. A person shall not report a violation to an individual that is suspected of committing or participating in the violation. The State of Michigan may be reimbursed for the costs of a Special Attorney General who is appointed pursuant to the provisions of the Uniform Budgeting and Accounting Act to investigate and prosecute a report of a violation of this provision, if the Wayne County Prosecuting Attorney has first declined to do so.

SECTION 43. Authority to Contract

The Prosecuting Attorney and the Corporation Counsel are authorized to execute contracts to employ Contractual Law Interns at a rate of up to $15.00 per hour if appropriated funding is available. These contracts are subject to approval of the Departments of Management and Budget, and Personnel/Human Resources and shall comply with County personnel policies.

SECTION 44. Policy Regarding Inter-Agency Agreements

All County agencies shall coordinate their programs with those of other allied units of government in order to achieve optimal effectiveness.

SECTION 45. Transfer Authority

(A) Transfers of any unencumbered balance, or any portion thereof, in any appropriation or reserve account to any other appropriation or reserve account may not be made without a recommendation and explanation by the County Executive and approval of the County Commission.

(B) The Commission Chairperson may, upon written request by the County Executive, approve transfers which, in his/her judgment, are emergent in nature and would avoid significant disruption of County services or avoid exposure of employees and/or citizens to dangerous conditions.

SECTION 46. Budget Language Instruction Policy

All County departments, including elected officials, are required to adhere by the instructions set forth in this document.

SECTION 47. Transparency

All public data needs to be made available as quickly as possible to preserve the value of the data. Data needs to be available to anyone, with no requirement of registration. Data is not subject to any copyright, patent, trademark or trade secret regulation.

Searchable

- Be able to use specific words or phrases to find what the user is seeking. The database needs a Search field, into which a user can type a phrase
- Be able to conduct basic or advanced searches for vendors and other recipients of county funds by name based on as much or as little information as available

Budget

- The budget for the current fiscal year and previous years need to be posted online. It needs to be easily accessible for people, and a prominent navigational feature enabling someone to locate the budget should be included on the homepage
- Graphic features that compare the current budget to past years' budgets incorporated to enable people to make sense of trends over time
- Narrative features incorporated into descriptions of the budget
    - Ex: If there is a 12% decrease in the current budget from the previous year's budget, provide a comparative explanation at the beginning of the summary of the budget

Checkbook Register

- The amount of each payment over $5, date, and check number, to whom the payment was made—including address and what it is for. There should be budgetary authority for the expenditure and a functional expenditure category. Sources of funds should be listed and links to the relevant contracts under which the payment was made.

Meetings & Agendas

- For all meetings, the time and place of the meeting and whether the meeting is open or closed needs to be posted, along with agendas. The minutes of the meetings need to be posted online.

Audits

- Copies of performance and financial audits should be posted on Wayne County's website, as well as routine financial audits and evaluations of the performance of any specific agencies or commissions.
- Contracts
- The rules the County abides by when it enters into contracts with outside vendors posted
- When the County enters into a bidding process for larger contracts, the request for bids should be posted online, and publicly available information about the bids the County received should be keyed to the request.
- Specific contracts the county enters into with outside vendors for any amount over $10,000 should be posted.

Lobbying

- If the county enters into a contract with a lobbyist or lobbying firm, full details of this arrangement must be posted on the county's website, including the name of the lobbyist or lobbying firm, the amount paid to the lobbyist or firm, and the legislation that the lobbyist is advocating for on the taxpayer's dime.
- If the county pays dues to belong to any lobbying associations, full details of these arrangements should be included on the county's website, including the name of the association, the amount paid in dues, and an identification of what positions that lobbying association is taking with the money it has received from the county's taxpayers with the dues paid to it by the county.
- If the county gives grants to non-profit organizations, these grants should be disclosed on the county's website with a reason for the grant and information about who in the non-profit organization is responsible for oversight and administration of the funds it has received from the county's taxpayers with a grant from the county.
- Local Taxes
- Explain how property taxes are set, how often property assessments are conducted and what other local taxes the County collects

Access to Government Records and Public Documents

- Show which employee handles the filing of an open records request with their contact information. This should be in a very easy-to-find location on the website. The procedure to follow for one who wants access to public records should be explained.
- The county website should include an annual rating of its FOIA compliance: How many requests did we receive in a given year, how many did we comply with, the average time required for compliance and reasons for denials. If the county is currently being sued for failure to provide public documents, this information should be included.
- If the county has been ordered by a judge or public records ombudsman to provide documents it refused to produce in response to a public records request, this information should be a permanent record posted on the county's website
- Expenditures
- Clearly show all expenditures over $5
- Elected Officials and Elections
- Names and contact information, including phone numbers and email addresses; their terms of office and date of next election, party affiliation, committee and appointments need to be shown

Administrative Officials

- Names, titles, contact information, including phone numbers and email addresses, should be posted

Public Employee Salary

- Users should be able to search for specific employee salary information by position title or employee name

This initiative was proposed by the Vice Chair Pro Tempore Commissioner Laura Cox and CEO Robert Ficano to make Wayne County more transparent to its residents.

This ordinance is effective immediately upon adoption.

ADOPTED BY THE WAYNE COUNTY COMMISSION AUGUST 25, 2011.

(2011-31-047)

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Adopted Budget FY 2011-2012
and Projected Budget FY 2012-2013

WAYNE COUNTY
POLICIES AND PROCEDURES

FINANCIAL POLICIES

1. Wayne County Charter – Article V
2. Enrolled Ordinance 210-515 – Deficit Elimination
3. Enrolled Ordinance 2011-136 – Multi-Year Budget
4. Policy No. 10001 – Debt Management
5. Policy No. 10008 – Unreserved Fund Balance
6. Policy No. 10011 – Required Review/Approvals/Routing for Contracts
7. Policy No. 10013 – Non-Reoccurring Revenues
8. Policy No. 10016 – Interest Rate Swap
9. Policy No. 10017 – Deficit Elimination Plans
10. Policy No. 10018 – Tax Exempt Bond Record Retention
11. Policy No. 10019 – Post Issuance Compliance for Debt Issues
12. Policy No. 10021 – Centralized Services Cost Allocations
13. Policy No. 10023 – Authorized Signers
14. Policy No. 10025 – Accounts Receivable Delinquency and Collection Procedures
15. Policy No. 10027 – Biennial Budget Process
16. Policy No. 12000 – Capital Assets
17. Policy No. 14000 – Cash Receipts
18. Policy No. 14001 – Accounts Receivable Billings and Accounting Procedures
19. Policy No. 16000 – Grant Application, Acceptance and Approval Process
20. Comprehensive Investment policy
21. User Fee Policy (Draft)

Sec. 5.111. Financial management principles.

Wayne County shall employ generally accepted principles of accounting, auditing, and reporting, appropriate to local government and as required by law, in the conduct of its financial affairs.

Compiler's comments--Ordinance 94-103 requires that the Chief Financial Officer establish and maintain a Fixed Assets Account Group, consistent with generally accepted principles of accounting.

Ordinance 93-610, places restrictions on the personal use of County vehicles, requires that certain use records be kept, and that certain justification and competitive purchasing procedures be used to acquire those vehicles.

Most of that which is "required by law" is found in the Uniform Budgeting and Accounting Act, being MCl 141.411 etseq., MSA5.3228(1).

Sec. 5.112. Fiscal year.

The fiscal year of the County is established by ordinance.

Compiler's comments--Ordinance 97-537 established a new fiscal year ending on September 30th. December 1, 1997, to September 30, 1998, was established as a ten-month transitional fiscal year.

Sec. 5.113. Independent audit (repealed effective November 30, 1997).

(a) An independent external auditor shall be engaged pursuant to contract by the CEO with the approval of a majority of the Commissioners serving. The auditor shall be a certified public accountant. The term of the contract shall be established by the Commission, but the first term shall be for not less than 3 years and the auditor may not serve more than 8 consecutive years. The contract may be terminated for cause by a majority of the Commissioners serving.

(b) The auditor shall audit annually all funds and property of the County and shall report the extent of compliance with Section 5.111. The audit and report shall be completed within 120 days after the fiscal year. Copies of the audit and report shall be transmitted to the Commissioners, the State Treasurer, and as required by ordinance and shall be available for public inspection.

Compiler's comments--This section is repealed effective November 30,1997, as a result of voter approval of a ballot proposal transferring this function to the legislative Auditor General. See Section 3.119.

Sec. 5.121. Budget preparation and submittal.

The CEO shall prepare and submit a comprehensive budget for the County.

Sec. 5.122. Policy statement.

At least 9 months before the next fiscal year, the CEO shall transmit the budget policy statement to all agencies to be included in the comprehensive budget. This statement shall estimate the revenues available for appropriation in the next fiscal year and include a budget policy statement.

Sec. 5.123. Budget request.

At least 6 months before the next fiscal year, all agencies included in the comprehensive budget shall submit to the CEO their budget requests and other information required by the CEO.

Sec. 5.124. Budget documents and transmittal.

The CEO shall transmit the comprehensive budget for the County's next fiscal year to the County Commissioners at least 120 days before the fiscal year. The comprehensive budget shall contain the budget message, budget document, the proposed appropriation ordinance, and other information required by law or ordinance.

Sec. 5.125. Budget message.

The budget message shall:

(1) Describe the proposed financial policy of the County;

(2) Indicate the important features of the budget, including major changes;

(3) Explain the budget in fiscal and program terms;

(4) Explain the estimates of revenues and proposed expenditures;

(5) Summarize the debt position;

(6) Summarize the fiscal data for the 2 prior fiscal years and the current year for each major category of revenue and expenditure; and

(7) Include estimates of revenue and expenditures for each major category for the next 5 fiscal years.

Sec. 5.126. Budget document.

The budget document shall contain information showing:

(1) Full costs of each agency by division;

(2) Full costs of conducting County functions and operations;

(3) Major program goals and objectives;

(4) Objects of expenditures, including personnel, fringe benefits, pensions, supplies, materials, rent, travel, and equipment by agency;

(5) A statement of estimated revenue (see (a) below);

(6) A report of special funds (see (b) below);

(7) A statement of expenditures (see (c) below);

(8) A debt service statement (see (d) below);

(9) A capital outlay statement (see (f) below);

(10) A statement on pensions and budget stabilization (see (e) below); and

(11) A statement of surplus or deficit (see (g) below).

(a) *Statement of estimated revenue.* The statement of estimated revenue shall include taxes, fees, tolls, special assessments, excises, charges, reimbursements, State grants and contract receipts, federal grants and contract receipts, investment income, all other receipts, and unencumbered balances available for reappropriation. The statement shall include a comparison of estimated revenue by type to revenue by type in the current fiscal year and the prior 2 fiscal years and an explanation of any significant increase or decrease.

(b) *Report of special funds.* The report of special funds shall separately state the revenues and expenditures for the current year and prior 2 fiscal years of funds which can be used only for limited purposes.

(c) *Statement of expenditures.* The statement of expenditures shall include:

(1) An explanation of proposed expenditures in sub-unit detail certified by the CEO and as required by law;

(2) A comparison of actual expenditures for each sub-unit detail in the current and prior 2 fiscal years;

(3) An estimate of projected expenditures for the current and next 3 fiscal years; and

(4) An indication of the amount and type of revenue available for each category of expenditure and expected increases or decreases in those revenues.

(d) *Debt service statement.* The debt service statement shall:

(1) Describe the current status of any indebtedness issued by the County or a County agency;

(2) Describe the present condition of any sinking or debt retirement fund;

(3) Describe interest requirements for the next fiscal year;

(4) Describe any authorization for debt which has not yet been issued;

(5) Contain an accounting of revenue pledged for the retirement of any revenue bonds, including an estimate of those revenues in the current fiscal year and the next 5 fiscal years; and

(6) Include certification by the CEO of the level of appropriations required to meet the debt service requirements of the County for the next fiscal year.

(e) *Pensions and budget stabilization.* The statement of pensions and budget stabilization fund shall contain the certification of the CEO with respect to the level of funding required for pensions under the State Constitution and the level of funding required for the budget stabilization fund.

(f) *Capital outlay.* The capital outlay statement shall:

(1) Provide an informational summary of projected revenues and expenditure for each special purpose capital outlay fund of the County;

(2) State the estimated cost of each project upon completion;

(3) State appropriations to date for the project;

(4) Indicate the estimated annual operating cost for the project and the program utilizing the project, if any;

(5) Indicate the source of operating funding for the project and any program utilizing the project for the current year and the next 3 fiscal years; and

(6) Contain a 5-year forecast of capital outlay needs.

Compiler’s comments--Ordinance 96-760 sets forth the requirements of a ten-year capitai improvement plan.

(g) Surplus or deficit. The statement of surplus or deficit shall contain an estimate of the surplus or deficit for the current fiscal year in each fund.

Sec. 5.127. Appropriation ordinance.

The proposed appropriation ordinance shall:

(1) Incorporate the comprehensive budget in detail consistent with the chart of accounts and budget document;

(2) Include appropriate budget execution instructions and establish the transfer and impoundment authority of the CEO; and

(3) Include a statement of revenue by type and fund related to each proposed expenditure. The proposed ordinance may not recommend expenditures, including any accumulated deficit, that exceed revenues, including any surplus.

Sec. 5.131. Appropriation ordinance introduced.

At least 105 days before the next fiscal year, the County Commission shall introduce the proposed appropriation ordinance.

Sec. 5.132. Hearings.

At least 80 days before the next fiscal year, the County Commission shall complete hearings on the budget. The Commission shall afford an opportunity for persons authorized by law to testify. The Commission may direct the CEO to submit additional information concerning the comprehensive budget.

Sec. 5.133. Public hearings.

At least 75 days before the next fiscal year, the County Commission shall hold at least 2 public hearings to receive citizen testimony. Notice of these hearings shall be published as required by law.

Sec. 5.134. Appropriation ordinance.

(a) At least 30 days before the next fiscal year, the County Commission shall adopt an appropriation ordinance. The total of appropriations shall not exceed the revenue estimates certified by the CEO and any increase in revenue raising authority finally adopted. Whenever proposed total expenditures equal total available estimated revenues, a Commissioner proposing an amendment which increases appropriations on final adoption must propose a balancing increase in revenue raising authority or a reduction in other proposed expenditures. The appropriation ordinance shall contain the. mandatory appropriation for debt service, pensions, and the budget stabilization fund certified by the CEO, shall contain budget execution instructions, and shall establish the transfer and impoundment authority of the CEO. The format of the appropriation ordinance shall be consistent with the format of the CEO's proposed appropriation ordinance.

(b) An appropriation contained in the appropriation ordinance constitutes a determination by the County Commission that the appropriation is a serviceable level of funding.

Sec. 5.141. Budget execution.

Expenditures may be made only if authorized. An appropriation is not a mandate to spend.

Compiler's comments--As noted in Corporation Counsel opinion 81-103, under the Uniform Accounting and Budgeting Act, being MCl 141.411 et seq., an administrative officer may be sued to recover the costs of an unauthorized expenditure. Responsible elected officers are deemed to be "administrative officers" under the Act. Either the Michigan Attorney General or the Prosecuting Attorney is authorized to bring the action. Also see Charter Section 4.272 which affirms this liability.

Sec. 5.142. Allotments.

On or before the first day of the fiscal year, the CEO shall establish a schedule of periodic allotments for the fiscal year. The CEO may revise the allotments from time to time. The allotments are binding on agencies included in the comprehensive budget and shall not be exceeded.

Sec. 5.143. Disbursement procedure.

An expenditure may be made and a contractual obligation incurred only if an unencumbered and allotted appropriation is available. An expenditure made or obligation incurred in violation of this section is void. The Chief Financial Officer shall maintain an appropriations and allotments ledger, including a record of encumbrances. The CEO, in accordance with this Charter and as provided by law, shall establish a system of accounts and specify uniform accounting procedures and procedures for the expenditures of funds. Payments shall be made by the Treasurer only if authorized by the Chief Financial Officer and only if funds are available for the expenditure.

Compiler's comments--Section 11 of the Purchasing Ordinance (94-457 as amended by 96-261) further provides:

"(a) No obligations shall be incurred against, and no payment shall be made from any allotment or appropriation except in accordance with appropriations duly made and unless the Chief Financial Officer certifies that there is a sufficient unencumbered balance in the allotment or appropriation and that sufficient funds will be or are available to meet the obligation.

"(b) Whenever the County is party to any contract, deed, lease or other instrument, the Chief Financial Officer shall attach a certification to the deed, contract, lease or other instrument stating that proper and fair consideration has been received by the County."

Sub-section 9(D) of the Contracting Ordinance (84-143, as amended by 92-117, 93-698, 94-387, 94•504,94-757, and 96-27) provides further:

“The Chief Financial Officer shall develop and institute a document approval procedure which shall reasonably assure that all departmental clearances and approvals have been obtained, including County Commission approval where applicable. The same or a similar checklist shall be attached to each order which is authorized and forwarded to the Wayne County Treasurer for payment of a contract. This checklist shall clearly indicate whether or not County Commission approval is required, and if so, then the date and means (emergency authorization by the chairperson, or by resolution of the Commission) by which it was granted. The Treasurer shall not make payment on an order which lacks this information.”

Sec. 5.144. Reports to the County Commission.

The CEO shall file a written report with the Commission on the financial condition of the County at least quarterly. The report shall include:

(1) Expenditures and encumbrances since the prior report and year-to-date for each appropriation;

(2) Any revision of allotments made by the CEO;

(3) Actual revenue receipts by type, indicating variances from the revenue estimates contained in the comprehensive budget;

(4) Unencumbered balances in appropriations and the current allotment schedule;

(5) Statement of actions taken to comply with recommendations in audit reports; and

(6) Additional information required by ordinance.

Sec. 5.145. Appropriation ordinance amendments.

The Commission may amend the appropriation ordinance. An amendment to increase appropriations may be made only if sufficient unappropriated revenue is available.

Sec. 5.146. Budget reductions.

If the CEO certifies to the Commission a reduction in estimated revenue of any type that would cause an expenditure of an approved appropriation to exceed the available revenue and submits a proposed appropriation reduction, the Commission must reduce appropriations to avoid the deficit. If the Commission fails to amend the appropriation ordinance within 30 days after the certification of the reduced revenue, the requested appropriation reduction submitted by the CEO takes effect.

Compiler’s comments--Provision has been made in the annual appropriations ordinances from 1990 to 1997 for delegation to the CEO the power to initiate a similar certification process when expenditures exceed appropriated levels. These processes basically act as a forced amendment of the appropriations ordinance, which of course can be subsequently amended.

Sec. 5.147. Transfers and impoundments.

Transfers among appropriations and impoundments of appropriations may only be made in accordance with the appropriation ordinance as adopted or amended.

Sec. 5.148. Program review.

The Commission, upon recommendation of the CEO, shall establish a schedule requiring every County operation or function to have a program review at least every 4 years. The CEO shall conduct the program review and submit a report of each program review to the Commissioners. The program review shall analyze the necessity and cost effectiveness of the operation or function and include recommended changes, including expansion, elimination, or alterations of the operation or function.

Sec. 5.151. Comprehensive annual report.

Within 120 days after each fiscal year, the final comprehensive annual financial report, adhering to the accounting and reporting standards required by law or this Charter, and certified by the independent auditor, shall be transmitted to the Commission and the State Treasurer.

Sec. 5.161. Budget stabilization fund.

A separate budget stabilization fund is created. Except as otherwise provided by law or this Charter, appropriations to the fund may be made for any fiscal year. Appropriations from the fund may be made as provided by law. If the growth in general-purpose, general-fund revenues exceeds growth in the price index specified by ordinance, the CEO may recommend to the Commission appropriations to the budget stabilization fund not to exceed 50% of that excess growth.

Compiler's comments--The first budget to include an appropriation for a budget stabilization fund was that for the 1996-97 Fiscal Year.

Sec. 5.171. Budget deficits.

If expenditures exceed revenues in any fiscal year, the CEO shall submit a specific 5-year plan for short-term financial recovery and long-term financial stability to the Governor and the Legislature prior to the adoption of the next annual budget. The 5-year plan shall include those items required by law, the Governor, or the Legislature.

Sec. 5.172. Debt limit and borrowing authority.

The debt limit of the County shall be as provided by law. The County may borrow in accordance with law.

Compiler's comments: Three ordinances have been adopted to govern the imposition of drainage taxes and special assessments:

Ordinance 84-176 adopted May 31, 1984, which provides that assessments be spread for a minimum of seven years, but that early payment not be barred.

Ordinance 86-35 adopted February 6, 1986, which amends 84-176 by making the term of an assessment an option for the community affected, and which provides further procedural requirements in cases in which the full faith and credit of the County is to be pledged for the prompt payment of any bonds, drain notes or other evidences of indebtedness of a Chapter 8 drainage district.

Ordinance 86-322 adopted August 21, 1986, which prescribes the information and procedure to be followed by the Drain Commissioner in submitting special assessment rolls to the County Commission for the levy of Chapter 8 drain taxes.

Sec. 5.181. Taxing authority.

(a) The County may by ordinance levy and collect any tax, fee, rent, toll, or excise authorized by law. The County may levy an ad valorem property tax not in excess of 1% of the State equalized valuation of the taxable property within the County.

(b) The County is authorized to levy an ad valorem property tax not to exceed 6.07 mills. As provided by law, the 6.07 mills is a transfer of the millage allocated to the County from the 15 mill limitation authorized by Article IX, Section 6 of the Constitution. This section does not authorize an increase in rate of taxation as defined by Article IX, Section 31 of the Constitution.

(c) An increase in the authorization may be approved by the voters of the County for a period of not more than 20 years provided the increase does not produce a total authorization of more than 10 mills.

(d) The County may impose taxes without limitation as to rate or amount for the payment of principal and interest on bonds or evidences of indebtedness approved by the voters.

Compiler's comments--Pursuant to Section 5.181 (a), and state authorization, the fees for services provided by the Register of Deeds were fixed by an ordinance (85-545) adopted on December 19, 1985.

Pursuant to Section 5.181 (a), and state authorization, the fee for services provided in processing and issuing a concealed weapons permit was fixed by Ordinance 86-538, adopted on December 18, 1986.

Fee ordinances have been consolidated into a standard format known as the Comprehensive Fee Ordinance which has been amended frequently: 87-224, 87-308, 87-484, 88-66, 88-129, 88-396, 89-153, 89-631, 89-766, 89-769, 90-777, 90-830, 91-271, 91-285, 91-399, 92-165, 92-396, 92-539, 93-117,93-156,93-342,93-558,94-111,94-597,95-200, 95-456, 95-876, 96-165 and 97-209.

Ordinance 96-471 was adopted by a vote of the public on November 5, 1996. It authorizes a levy of a 1% hotel room tax and a 2% car rental tax, the proceeds of which go to subsidize construction of a sports stadium.

Sec. 5.182. Net limitation tax rate.

As provided by law, the net limitation tax rate to be allocated to other taxing units in the county is 8.93 mills. The net limitation tax rate is from the 15 mill limitation authorized by Article IX, Section 6 of the Constitution. The County Tax Allocation Board shall meet annually, as required by law, to allocate the net limitation tax rate. As provided by Article IX, Section 31 of the Constitution, the net limitation tax rate shall not be increased without a vote of the people.

Sec. 5.191. General provision.

Failure to meet the deadlines prescribed by this article does not invalidate a duly enacted appropriation ordinance.

September 30, 2010

ENROLLED ORDINANCE

No. 2010-515

INTRODUCED BY COMMISSIONER(S): Killeen and McNamara

AN ORDINANCE TO ADDRESS DEFICIT SPENDING IN ALL DEPARTMENTS AND OFFICES WITHIN WAYNE COUNTY; TO REQUIRE DEFICIT ELIMINATION PLANS; TO ESTABLISH A PROCESS TO IMPLEMENT DEFICIT ELIMINATION PLANS; AND TO PROVIDE FOR ADDITIONAL FINANCIAL ACCOUNTABILITY.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CHARTER COUNTY OF WAYNE:

SECTION 1. CITATION

This ordinance may be cited as the Deficit Elimination Plan Ordinance.

SECTION 2. NOTICE; SUBMISSION; APPROVAL; AND IMPLEMENTATION OF DEFICIT ELIMINATION PLANS

"Deficit Elimination Plan" means an internal county plan that sets forth measures that will correct or prevent projected expenditures from exceeding projected revenues for the current fiscal period, which may include, by way of illustration and not elimination: limiting or eliminating the use of over time; cancelling requisitions, contracts or other requests for payment; reduction in personnel or other expenditures.

Section 3. Notice; Submission; Approval; and Implementation of Deficit Elimination Plans

Upon issuance of a certified financial report from the Department of Management and Budget ("M&B") that any department or office has a projected deficit, in the current fiscal year, a department or office with a projected deficit shall develop and submit a deficit elimination plan, in line-item form, to the Commission and the Chief Executive Officer ("CEO") within seven (7) business days of receipt of written notice from M&B.

The Commission shall call a meeting of the Committee on Ways and Means ("Committee") to review the department or office's budget, and deficit elimination plan, including current and anticipated expenditures, within fourteen (14) days of receipt of a deficit elimination plan.

The Commission Clerk shall notify the CEO of all such Committee meetings.

The Committee shall review and may amend the deficit elimination plan submitted by the department or office. The Committee shall consult with the department or office and M&B. M&B shall provide detailed financial information regarding the department or office's budget to the Committee within five (5) days of a request from the Committee. Within thirty (30) days of submittal of a deficit elimination plan, the Committee shall forward a recommended deficit elimination plan to the Commission for consideration. The Commission shall approve, by majority vote, a deficit elimination plan for the department or office within twenty-one (21) days of introduction at full board.

If a department or office fails to submit a deficit elimination plan within the specified time, then the Committee shall develop, in consultation with M&B, and submit to the Commission for consideration a deficit elimination plan that addresses the department or office's deficit within thirty (30) days of the expiration of the seven (7) day period specified above.

The CEO may submit recommendations for the deficit elimination plan to the Committee, which if submitted in a timely manner, shall be considered by the Committee.

A deficit elimination plan approved by the Commission may include recommended allocation and/or reallocation of funds, or the development and implementation of a deficit elimination plan for or that affects other departments or offices.

Approved deficit elimination plans shall be implemented by the department or office and County Executive. The Commission shall take actions necessary to effectuate approved deficit elimination plans, including all necessary budget adjustments, in a timely manner. If a Deficit Elimination Plan is not approved by the Commission within the time allotted, then the County Executive shall develop and implement with the department or office a Deficit Elimination Plan for the current fiscal year, and timely notify the Commission of the Plan. For purposes of this section, the Commission will not be deemed to have failed to approve a Deficit Elimination Plan if a Plan has been approved by the Commission, then vetoed by the County Executive and sustained.

A department or office may only have one deficit elimination plan in effect at any given time during a fiscal year. The most recently approved deficit elimination plan takes precedence over all other deficit elimination plans for a department or office.

SECTION 4: SEVERABILITY

The provisions of this Ordinance shall be severable. If a court of competent jurisdiction declares any provision of this Ordinance unconstitutional or otherwise invalid the remaining provisions of this Ordinance shall remain valid and enforceable.

SECTION 5: Effective Date

This Ordinance is effective thirty (30) days after adoption by the Wayne County Commission.

ADOPTED BY THE WAYNE COUNTY COMMISSION SEPTEMBER 30, 2010.

(2010-68-006)

April 7, 2011

ENROLLED ORDINANCE

No. 2011-136

INTRODUCED BY COMMISSIONER(S): Commissioner Cox and Co-sponsored by Commissioner Varga

AN ORDINANCE TO AUTHORIZE THE PREPARATION, SUBMITTAL AND ADOPTION OF A COMPREHENSIVE MULTI-YEAR BUDGET FOR THE COUNTY OF WAYNE; TO ESTABLISH BUDGET PROCEDURES AND POLICIES; AND TO REQUIRE COMPLIANCE WITH MCL 45.514(1)(Q) AND ARTICLE V OF THE WAYNE COUNTY CHARTER.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CHARTER COUNTY OF WAYNE:

SECTION 1: CITATION

This Ordinance may be cited as the Multi-Year Budget Ordinance.

SECTION 2: DEFINITIONS

For purposes of this Ordinance words, terms and phrases shall have the following meanings:

(A) 'Appropriation/Appropriated' means the authorization granted by an Ordinance adopted by the Wayne County Commission to incur obligations and expend funds.

(B) 'Budget' means a spending document consisting of proposed appropriations, estimates of all expenditures and anticipated revenues for one fiscal year, for which no expenditures are authorized.

(C) 'Multi-Year' means enduring or lasting for more than one fiscal year.

(D) 'Projected Budget' means a spending document consisting of a forecast of proposed appropriations, estimates of all expenditures and anticipated revenues for any fiscal year subsequent to the fiscal year of the budget to which it refers and it is dependent upon, and for which no expenditures are authorized.

(E) 'Rolling Multi-Year Budget' means a budget and one or more projected budgets enduring or lasting for more than one consecutive fiscal year, where each budget year appropriations are adopted separately.

SECTION 3: PURPOSES / COMMISSION FINDINGS

The Wayne County Commission finds as follows:

(A) A rolling multi-year budget will improve long-term financial planning and priority setting.

(B) A rolling multi-year budget will provide costs savings due to greater efficiency in budget development as redundant processes are eliminated.

(C) A rolling multi-year budget proactively anticipates deficits allowing for an equitable allocation over a longer period of time, thereby lessening harsh negative financial impacts in any single year.

SECTION 4: BUDGET PREPARATION

(A) The Wayne County Chief Executive Officer shall annually prepare and submit, in accordance with Public Act 293 of 1966 and Article V of The Wayne County Charter, to the Wayne County Commission a comprehensive budget that advances the fiscal responsibility and accountability of the County of Wayne.

(B) The comprehensive budget may be an annual budget or a rolling multi-year budget, as determined by the County Executive.

(C) A rolling multi-year budget shall consist of one budget, and one or more projected budgets, for consecutive fiscal years. A rolling multi-year budget adopted by the Wayne County Commission shall only authorize appropriations for the first fiscal year budget and all subsequent fiscal year projected budgets shall be attached to and adopted as an exhibit to the annual appropriations ordinance.

(D) Projected budgets are not binding, may be amended and shall be subject to annual appropriation through the comprehensive budget adoption process set forth by law and the Wayne County Charter.

(E) Expenditures are authorized only against the appropriations adopted in the annual appropriation ordinance, but not any projected budget exhibits attached thereto.

(F) A rolling multi-year budget shall only be prepared, submitted and approved in a manner where the budget is approved in an odd number calendar year.

SECTION 5: BUDGET PROCESS

(A) The Wayne County Chief Executive Officer shall provide written notification to the Wayne County Commission that a rolling multi-year budget will be prepared and submitted for the ensuing fiscal year at least 210 days before the start of the fiscal year.

(B) Before each fiscal year, with a minimum of at least:

I. 9 Months prior, the County Executive shall transmit the budget policy statement to all departments, division and agencies to be included in the comprehensive budget.

II. 6 Months prior, all departments, divisions, and agencies included in the comprehensive budget shall submit to the County Executive their budget requests.

III. 120 Days prior, the County Executive shall transmit the comprehensive budget to the County Commission.

IV. 105 Days prior, the County Commission shall introduce the proposed appropriation ordinance.

V. 80 Days prior, the County Commission shall complete hearings on the budget.

VI. 75 Days prior, the County Commission shall hold at least 2 public hearings to receive citizen testimony.

VII. 30 Days, the County Commission shall adopt an appropriation ordinance.

(C) Failure to meet the deadlines prescribed by this section does not invalidate a duly enacted appropriation ordinance.

SECTION 7: COMPLIANCE WITH LAWS

(A) Notwithstanding the provisions herein, the Wayne County Commission shall annually adopt an appropriations ordinance as provided by law and the Wayne County Charter.

(B) Notwithstanding the provisions herein, all provisions of Article V of the Wayne County Charter shall be complied with annually.

SECTION 8: POLICIES AND PROCEDURES

The Department of Management and Budget shall issue polices and directives necessary for the proper preparation and implementation of a rolling multi-year budget.

SECTION 9: EFFECTIVE DATE

This Ordinance is effective thirty (30) days after adoption by the Wayne County Commission.

ADOPTED BY THE WAYNE COUNTY COMMISSION

(2010-68-005)

Policy/Procedure Statement

- POLICY NO. 10001
- ORIGINAL ISSUE DATE September 4, 1996
- REVISED ISSUE DATE May 26, 2006
- ORIGINATOR Office of the Chief Financial Officer

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: DEBT MANAGEMENT POLICY

Purpose and Goals

The purpose of this policy is to provide a functional tool for debt management and capital planning. In following this policy, the County shall pursue the following goals:

1. Attain the highest possible credit rating for each debt issue;

2. Improve the reception for County debt obligations by the national credit markets in order to reduce the County's relative transaction costs and interest expense for its borrowings;

3. Avoid any financial decision that will negatively impact credit ratings on existing or future debt issues or which could adversely affect the rights of holders of outstanding County debt;

4. Consider all possible financial alternatives to issuing debt to take full advantage of innovative, new, and appropriate financial approaches;

5. Avoid any action which would adversely affect the status of any tax-exempt debt; and

6. Enhance the financial capability of the County to facilitate improvement of the overall well-being of the citizens, and to maintain or improve essential County services.

Type of Debt Issued

It is the policy of the County to maintain cash balances at a sufficient level for general operating costs (those items normally funded in the County's annual operating budget). Short-term securities may be issued only in cases where the County's normal cash flow has been impaired by either: (1) the effects of a severe natural disaster; or (2) the unexpected and significant delay of receipt of revenue from the State or other inter-governmental funds.

The County may issue long-term debt, which may include, but is not limited to, general obligation bonds and revenue bonds. The County may also enter into long-term leases for public facilities, property, and equipment, provided, however, that such long-term leases may or may not be characterized as "debt," depending on whether the leases are "true" leases or financing leases. In order to effectuate the lowest cost of financing, the County may utilize, to the extent allowable, certificates of participation (ACOPs) and other acceptable market instruments.

Debt may be issued on a fixed-rate or variable-rate basis, to the extent permitted by law, so as to best enable the County to establish maximum debt management flexibility and relatively lower borrowing costs.

Authority for the Issuance of Debt

The primary source of authority for the issuance of debt by the County, the limitations on such authority, and the procedures required to issue such debt, is found in State law. The County has no inherent power to borrow money and issue debt obligations. The power to borrow money and issue obligations must be found in an express authorization in law. No debt shall be issued, however, until an authorizing resolution or ordinance has been adopted by the Wayne County Commission (the Commission).

Types of County Debt

Debt may be issued which pledges for repayment generally one of three sources: (1) the County's faith and credit and taxing power within the County's existing tax rate limits (limited tax obligations); (2) the County's faith and credit and taxing power beyond its existing tax rate limits if approved by the voters (unlimited tax obligations); or (3) revenues derived from the facility financed by the issuance of the debt.

Limited tax obligations and revenue obligations do not require voter approval, although State statutes sometimes require prior publication of a notice of the County's intent to issue the obligations and allow taxpayers and electors to call a referendum on the issuance of the obligations. Unlimited tax obligations may not be issued without prior voter approval as required by Michigan Constitution Article IX, Section 31.

The County may provide credit support as a secondary pledge for development projects physically located within Wayne County, provided that the amount of the debt associated with the pledge is included in the County's total debt calculation.

Relationship with Rating Agencies

The County will endeavor to maintain effective relations with the rating agencies. The Chief Financial Officer, with the County's financial advisors, will meet with, make presentations to, or otherwise communicate with the rating agencies on a consistent and regular basis in order to keep the agencies informed concerning the County's capital plans, debt issuance program, and other appropriate financial information.

Assessed Value Debt Limits

The State Constitution provides that the County may not incur any indebtedness, which shall increase its total debt beyond 10 percent of its assessed valuation. For purposes of this limitation, "indebtedness" means generally any indebtedness pledging the faith and credit of the County for its repayment. Indebtedness supported solely by specific revenues pledged for such purpose (as in the case of revenue bonds) is not included for purposes of this limitation.

Five-Year Capital Plan

A Five-Year Capital Plan shall be prepared annually by the Department of Management and Budget, based on requests submitted by County departments. Each department's request shall be reviewed by the Chief Executive Officer, and his recommendation shall be transmitted and discussed as part of the budget process with the Commission. Funding for the first year of the adopted five-year plan shall be reflected in that fiscal year's budget. The approved five-year plan shall be used as a basis for determining the need for capital debt issuance.

Annual Debt Service Requirements

The debt service statement of the County's annual budget document shall include certification by the Chief Executive Officer of the level of appropriations required to meet all debt service requirements of the County for the next fiscal year. The level of appropriations shall be approved by the County Commission at least thirty days before the next fiscal year, as part of their adoption of an appropriation ordinance. Annual debt and related debt service shall be limited as follows:

1. Full faith and credit - where the General Fund is the primary obligor, debt service shall be limited to 10 percent of General Fund revenues and other proceeds.

2. Limited tax general obligation debt – where the General Fund is indirectly liable, debt service shall be limited to 15 percent of General Fund revenues and other proceeds.

3. Internal financing and other debt (e.g. delinquent tax notes) – debt service shall be limited to 25 percent of General Fund revenues and other proceeds.

Structure of Debt Issues

State law and Federal tax law generally prohibit the issuance of debt for a term exceeding the economic life of the improvement or asset being financed with the debt. The County shall design the financing schedule and repayment of debt so as to take advantage of market conditions and, as practical, to recapture debt capacity for future use. The County shall repay its long-term general obligation debt within these time frames: 25% within 5 years and 50% within 10 years. Periodically, the Chief Financial Officer may analyze each outstanding variable-rate issue to determine if the issue should be converted to a fixed rate.

Method of Sale: Competitive vs. Negotiated Sale

The County shall establish competitive elements, as appropriate, in its bond sales. These features may, as authorized by law and as appropriate, include debt issues sold competitively into the state and local government debt market, the use of requests for proposals, solicitations for services, and related approaches. The determination of the appropriate and legally permissible approach to be employed resides with the County's Chief Financial Officer.

All competitively sold issues shall be awarded based upon the lowest offered True Interest Cost ("TIC"). Methodology used to calculate TIC shall be reviewed and approved by the Chief Financial Officer periodically. The Chief Financial Officer shall contact prospective bidders and take other actions to maximize interest in the debt issues and participation by the investor community.

The County may determine to offer obligations on a negotiated basis, to the extent permitted by law, if a negotiated sale appears to be the most advantageous to the County. When a negotiated method of sale is employed, the County should adhere to the following practices before entering into the negotiated sale and throughout the negotiated sale process:

1. Utilize a competitive underwriter selection process through a Request for Proposals, a Request For Qualifications, or another form of solicitation that ensures that multiple proposals are considered;

2. Remain actively involved in each step of the negotiation and sale processes to uphold the public trust;

3. Request a professional other than the issue underwriter, such as an independent financial advisor, who is familiar with and abreast of the condition of the municipal market, to assist in structuring the issue, pricing, and monitoring sales activities;

4. Provide sufficient disclosure and other means to avoid conflicts of interest by underwriters and other professional participants;

5. Request that financial professionals disclose the name or names of any person or firm, including attorneys, lobbyists and public relations professionals, compensated to promote the selection of the particular financial entities;

6. Prohibit joint proposals or joint accounts or any fee-splitting arrangements in connection with a bond issue and fully disclose to the Chief Financial Officer any plan or arrangements to share tasks, responsibilities, and fees earned between firms and/or financing professionals with whom the sharing is proposed, the method used to calculate the fees to be earned, and any changes thereto; and

7. Review the Agreement Among Underwriters and insure that it is filed with the Chief Financial Officer and that it governs all transactions during the underwriting period.

Market for County Obligations

The County shall take, for each of its sales, such actions as are necessary to make certain that its securities are sold to Michigan and local investors. The purchase of County debt obligations by these investors is cost-effective to the County and provides more public participation in the County's capital financing and debt management affairs.

Credit Enhancements

The County may enter into agreements with commercial banks or other financial entities for the purpose of acquiring letters of credit, municipal bond insurance, or other credit enhancements that will provide the County with access to credit and lines under terms and conditions as specified in such agreements when their use provide lower cost of capital and other advantages to the County and is adjudged prudent and advantageous, to the extent authorized by law.

Official Statement

The County's official statement is the principal information source for investors and the financial community about Wayne County. This County document will be prepared in a manner that achieves full and complete disclosure about all matters bearing on the County's repayment and related capabilities. The document will be prepared in the most professional and effective manner so that the County's credibility in the marketplace will be assured.

Credit Implications

The Department of Management and Budget will compute and monitor key financial indicators and year-to-year trends of important financial ratios. In issuing new debt, the County shall neither cause a major deterioration in these key financial trends nor exceed credit industry benchmarks where applicable. The Department of Management and Budget will periodically review the criteria for credit implications, and will revise such criteria as deemed appropriate, based on County financial needs and the perspectives of the rating agencies and other market participants. In general, the following factors will be considered in developing debt issuance plans:

1. Ratio of Overall Net Debt to Estimated Actual Value

   The formula for this computation is: Overall net debt (which is the total outstanding tax supported debt), divided by the estimated actual value of all County taxable property.

2. Overall Net Debt Per Capita

   The formula for this computation is: Overall net debt divided by the population of the County, as determined by the last census.

3. Ratio of Debt Per Capita to Per Capita Personal Income

   The formula for this computation is: Debt per capita, as described above, divided by per capita personal income as reported by the U.S. Department of Commerce.

4. Coverage Ratios

   The County is required by law to maintain adequate debt service coverage ratios for its revenue bonds in each fiscal year. Applicable coverage ratios are found in bond authorizing ordinances and resolutions and in Official Statements and other disclosure materials pertaining to the bonds issues. Maintenance of the coverage ratios consistent with the relevant requirements is imperative to assure the credit quality of each respective issue, to preserve, if not enhance, the County's credit ratings, and to protect the County from potential liability to bondholders. On-going cost of service studies to determine compliance with these requirements shall be conducted at least annually.

Review of Financing Proposals

All capital financing proposals involving a pledge or other extension of the County's credit through the sale of securities, execution of loans or lease agreements, or otherwise involving directly the lending or pledging of the County's credit shall be referred to the Chief Financial Officer, who shall determine the financial feasibility and appropriations of the proposal.

Administration of the County's Debt Management Activities

The Chief Financial Officer shall administer and coordinate the County's debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Chief Financial Officer, along with the County's financial advisors, shall meet, as appropriate, with the Chief Executive Officer and the Commission regarding the status of the current year's and succeeding years' borrowing and debt management program and to make specific recommendations with respect to the implementation of the program.

Relationship with the Financial Community

The County should maintain a positive relationship with the investment community. The Chief Financial Officer and the County's financial advisors shall, as necessary, prepare reports, make presentations to, and other forms of communications for the financial community regarding the County's indebtedness and other County credit matters, as well as its future financing plans. This policy includes information presented to the press and other media.

Refunding Policy

The County may consider refunding outstanding debt when financially advantageous, legally permissible and prudent. Refunding obligations may not be issued without the prior approval of the Michigan Department of Treasury. As a general rule, the refunding should generate a minimum of a 3% present-value savings to the County, unless there are other structural and operational benefits to the County from a refunding, in which case the percentage of present-value savings shall not apply.

Financial Disclosures

The County is required to satisfy the continuing disclosure requirements of SEC Rule 15c2-12 (the A Rule) for all issues of $1,000,000 or more issued after July 3, 1995.

In accordance with the requirements of the Rule, the County will agree, as part of the issuance of each series of obligations that are subject to the Rule, to provide the following:

1. To each nationally recognized municipal securities information repository ("NRMSIR") and to the Municipal Advisory Council of Michigan as state information depository ("SID") for the State of Michigan, in each case as designated by the SEC in accordance with the Rule: certain annual information, in a form generally consistent with the information contained in the Official Statement on or prior to the 180th day following the end of each fiscal year, commencing with the fiscal year ending November 30, 1996 including (a) the audited financial statements of the County for each fiscal year commencing with the fiscal year ending November 30, 1996, unless such audited financial statements shall not then be available in which case the unaudited financial statements shall be provided and an audited financial statement shall be delivered to each NRMSIR and to the SID within 30 days after it becomes available and in no event later than 360 days after the end of each fiscal year.

2. To each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB") and to the SID, notice of the occurrence of any of the following events with respect to the obligations if material, will be made within ninety (90 days) of such occurrence:

   a. Principal and interest payment delinquencies;
   b. Non-payment related defaults;
   c. Unscheduled draws on debt service reserves reflecting financial difficulties;
   d. Unscheduled draws on credit enhancements reflecting financial difficulties;
   e. Substitution of credit or liquidity providers, or their failure to perform;
   f. Adverse tax opinions or events affecting the tax-exempt status of the security;
   g. Modifications to rights of security holders;
   h. Bond calls;
   i. Defeasances;
   j. Release, substitution, or sale of property securing repayment of the securities; or
   k. Rating changes.

   The County may provide notice of occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material, but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

3. To each NRMSIR or the MSRB and to the SID, notice of a failure of the County to provide the required annual financial information on or before the date specified in its written continuing disclosure undertaking, will be made within ninety (90) days of such occurrence.

The County shall not undertake to give notice of the occurrence of any event other than described in (1), (2) and (3) above.

Federal Arbitrage Rebate Requirement

The County shall take all steps necessary to preserve the tax-exempt status of obligations issued on a tax-exempt basis. Such steps shall include, but not be limited to, maintaining appropriate systems to monitor disbursements and to calculate and account for investment earnings on construction funds, debt service retirement funds, funds deemed to be "sinking funds" for federal tax purposes, and any other funds which are deemed subject to the requirements of the Internal Revenue Code of 1986, as amended, and the regulations propounded thereunder (the "Code"). Such systems shall be designed to enable compliance with Code requirements, including in particular the arbitrage and rebate requirements applicable to tax-exempt obligations.

Pay-As-You-Go Financing

In order to minimize debt issuance, the County shall endeavor to allocate a minimum of $5 million in General Fund revenues each year for the financing of capital improvements.

Distribution: Elected Officials
Department Heads and Deputies
Management & Budget Staff

Policy/Procedure Statement

- **POLICY NO.:** ***10008***
- **EFFECTIVE DATE:** ***Immediately***
- **ORIGINAL ISSUE DATE:** ***December 22, 2004***
- **AMENDED:** ***May, 31, 2009***
- **ORIGINATOR:** ***Chief Financial Officer***

DEPARTMENT OF MANAGEMENT AND BUDGET

POLICY NAME: UNRESERVED FUND BALANCE

I. PURPOSE

The purpose of this policy is to establish criteria for determining (1) an appropriate level of unreserved fund balance in the County's General Fund and in other County funds; (2) how financial resources will be set-aside; and (3) how unreserved fund balance will be utilized.

II. APPLICABILITY

The Wayne County Department of Management and Budget (M&B), Office of the Chief Financial Officer (CFO), will be responsible for the development, communication, monitoring, and maintenance of this policy. This policy is applicable to all financial representatives of the Department of Management and Budget. It should be referenced and followed by all departments and elected officials as authoritative guidance on the nature and use of unreserved fund balance. This policy will be useful in financial statement presentation, budget preparation, audit compliance, risk assessment, and long-term financial planning.

III. OBJECTIVES

M&B seeks to achieve the following objectives:

- Achieve and maintain an appropriate level of unreserved fund balance in the General Fund.
- Achieve and maintain an appropriate level of unreserved fund balance in the Budget Stabilization Fund.
- Achieve and maintain an appropriate level of unreserved fund balance in other County funds.
- Define the criteria for which financial resources are set aside.
- Define the criteria for replenishing fund balance.
- Define approved methods of utilizing unreserved fund balance.

IV. DEFINITION OF FUND BALNCE

Fund balance is the excess of total assets over total liabilities and serves as a measure of the current available financial resources in a governmental fund. Fund balance is divided into reserved and unreserved components.

Reserved fund balance is not currently available for spending or appropriation. Parties outside of the County, such as creditors, grantors, contributors, and various laws and regulations, impose restrictions, which necessitate the reservation of fund balance. Typical reservations of fund balance in governmental funds include reservations for debt service, capital projects, inventories, prepayments, and long-term loans and advances. Reservations of fund balance can exceed total fund balance, which would represent commitments of current financial resources in excess of amounts available.

Unreserved fund balance is the amount of fund balance available for subsequent appropriation and expenditure. Unreserved fund balance is available for appropriation and is not subject to restrictions imposed by external parties (such as for debt service), contingencies (such as enabling legislation) or internal designations (such as "pay-as-you-go" capital projects). Unreserved fund balance is further divided into **designated** and **undesignated** categories. Designations represent the County's self-imposed demands or limitations on the use of otherwise available current financial resources and will reflect actual plans approved by County officials. Designations of fund balance should not exceed total unreserved fund balance.

V. APPROPRIATE LEVEL OF FUND BALANCE

During economic downturns, unreserved fund balance provides assurance against negative economic impacts on County service levels, such as revenue shortfalls, unanticipated expenditures, mandated programs for which a source of revenue has not been identified, effects of legislation, and other contingencies. In addition, a stable fund balance trend helps the County maintain a good credit rating. Such stability will allow the County the flexibility to respond to unfavorable economic events, without eroding planned levels of service delivery to its residents. Using both operational guidelines and quantitative standards, the County has determined the appropriate level of fund balance below.

A. GENERAL FUND

An appropriate level of unreserved fund balance in the General Fund differs from government to government. In determining an adequate level, the County considered such factors as the predictability of its revenues; the volatility of its expenditures; the availability, or lack of resources in other funds; and liquidity.

The County will maintain an unreserved fund balance in its General Fund of no less than one to two months of total annual General Fund expenditures. The determination of the amount of unreserved fund balance in the General Fund will be calculated at the end of every fiscal year for the upcoming fiscal year.

B. BUDGET STABILIZATION FUND

The County will maintain an unreserved fund balance in its Budget Stabilization Fund, also referred to as the County's "Rainy Day Fund, of an amount not to exceed 15% of the County's General Fund budget, as originally adopted, or 15% of the average of the County's five most recent General Fund budgets, as amended, whichever is less. During the annual budget process, a determination will be made of the amount of the desired increase to the unreserved fund balance of the Budget Stabilization Fund. The actual amount by which the fund balance will be increased will be based on the results of the prior year's audited financial statements.

C. OTHER COUNTY FUNDS

The County is self-insured for worker's compensation and certain health benefits and records such activity in its internal service funds. The unrestricted net assets (similar in concept to unreserved fund balance) in the County's long-term disability, general health, worker's compensation, and general liability funds must be sufficient to cover expected expenditures, including any catastrophic losses. The amount of claims liability in the Worker's Compensation Fund is based on an actuarial analysis by outside consultants and includes an estimate for incurred claims that have not yet been reported. Any amounts in excess of the actuarially determined projected losses, is considered unrestricted and available for use.

The County will maintain an unrestricted net asset balance in the Worker's Compensation and General Liability funds of approximately one year's expenditures. The County will maintain an unrestricted net asset balance in the General Health Fund of no less than two months of total expenditures; and no less than three months of total expenditures in the Long-term Disability funds.

VI. CRITERIA FOR SETTING ASIDE FINANCIAL RESOURCES FOR UNRESERVED FUND BALANCE

A. GENERAL FUND AND OTHER COUNTY FUNDS

The CFO shall determine the appropriate level of fund balance, considering the factors described in Section V, A. At the beginning of each fiscal year, the CFO shall certify whether there is sufficient unreserved fund balance and recommend an appropriate allotment to the Wayne County Commission to meet any obligations.

B. BUDGET STABILIZATION FUND

The Wayne County Commission may appropriate, by a two-thirds (2/3) vote, all or part of a surplus in the General Fund to the Budget Stabilization Fund.

VII. METHODS OF UTILIZING UNRESERVED FUND BALANCE

A. GENERAL FUND

The CFO may use the unreserved fund balance for the following reasons, subject to approval by the Wayne County Commission:

1. To cover a deficit in any special revenue fund, debt service, or capital projects fund
2. To fund special programs or projects
3. To fund a capital improvement program
4. For the early retirement of general obligation debt
5. For any other general governmental expenditure, deemed appropriate by the CFO and approved by the Wayne County Commission. Such expenditures must be for the long-term benefit of the County and its residents.

B. OTHER COUNTY FUNDS

Any unreserved fund balance in excess of actuarially determined projected losses for which that fund was established shall be maintained in that fund. In the event historical analyses (two to three years) substantiate a downward trend in liabilities, any excess unreserved fund balance (the amount in excess of the appropriate levels identified in Section IV, B above) may be credited back to the payor funds.

C. BUDGET STABILIZATION FUND

The County's Budget Stabilization Fund was established in 1996 pursuant to the provisions of the Budget Stabilization Fund Act, Public Act No. 30 of 1978. The Wayne County Commission, by a two-thirds (2/3) vote, may utilized the fund for the following purposes **only**:

1. To cover a General Fund deficit
2. To prevent a reduction in the level of public services or in the number of employees at any time in the fiscal year when budgeted revenue is not collected in an amount sufficient to cover budgeted expenses
3. To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year, estimated revenue does not appear sufficient to cover estimated expenses.
4. To cover expenses relating to a natural disaster, net of federal assistance

The fund cannot be used for "acquisition, construction, or alteration of a facility as part of a general capital improvement campaign".

VIII. DISCLOSURE OF FUND BALANCE CATEGORIES

The County shall follow generally accepted accounting principles in its disclosure of fund balances. At a minimum, fund balances of governmental funds should be displayed in three categories:

- Reserved
- Unreserved – designated
- Unreserved and undesignated

Reservations and designations of fund balance should be disclosed in sufficient detail to enable a reader to clearly discern the purpose of the designation or reservation. If the designation or reservation is not typical for the type of fund for which fund balance is being reported (for example, reservations of fund balance for debt service in a debt service fund), sufficient detail should be provided for the reader to clearly discern the distinguishing characteristics of the reservation.

Significant reservations and designations displayed in an aggregated fashion shall be disclosed in greater detail in the notes to the financial statements. Reservations resulting from enabling legislation should be clearly distinguished from other reservations imposed by external parties.

Policy/Procedure Statement

- Policy No. 10011
- Original Issue Date: March 28, 2005
- Revision Date: October 25, 2011
  (*Effective Immediately)*
- Originator: Office of the Chief Financial Officer

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: REQUIRED REVIEW/APPROVALS/ROUTING FOR CONTRACTS

Background and Scope

The Chief Financial Officer (CFO) has developed and instituted a document approval process which will reasonably assure that all departmental clearances and approvals, including the Wayne County Commission (Commission), have been obtained prior to any delivery of goods or services. These approvals shall be incorporated into a computer automated contract management system. The Procurement Contract Compliance Certificate (PC3) is the County's current online system for obtaining such approvals. There is another manual system, the Document Approval Form (DAF) process that is appropriate for documents that need certain approvals but do not relate to the procurement of goods and services. Refer to page three of this statement for a description of those items. The purpose of this Policy/Procedure Statement (PPS) is to provide the normal routing sequence for all contracts requiring Commission approval. The revision to this PPS outlines a change in the process of approval of compensation packages. This PPS also replaces PPS #10010 - Purchasing Contract Compliance Certification (PC3) and the Document Approval Form (DAF). This policy applies to all chartered referenced positions under the Chief Executive Officer's (CEO) authority as outlined in Article IV of the Charter. Please note that any amendments or modifications to an existing contract must go through the same procedures.

PC3 Routing

The PC3 should be used for the procurement of goods or services. All departmental clearances and approvals must be sought, including the CEO and the County Commission if applicable, in order for a resolution to be obtained. This resolution authorizes the Purchasing Division in the Department of Management and Budget to issue a purchase order (PO). The PO enables proper payment to be made on a contract.

The Department of Management and Budget is primarily the department responsible for contract approvals. That means assisting the originating department to ensure that policy and procedures are complied with through contract execution and routing the contract through the various approvals. The originating department on the other hand, assumes primary responsibility for the contract, from inception to completion. The originating department is responsible for monitoring and assuring performance in accordance with provisions of the contract and for reporting non-compliance. The originating department is also responsible for processing contractor payments in a timely manner, according to the contract terms in place. At the time of the contract execution, the contract administrator, the individual primarily responsible for a contract in the originating department, will be required to sign a Contract Monitoring Acknowledgment Form acknowledging those responsibilities.

This policy requires the review and approval of contracts of the following departmental administrators:

A. Purchasing Director
B. Budget Director
C. Corporation Counsel
D. Grants Compliance and Contracts Management, if the contract involves grant funds
E. Accounts Receivable
F. Risk Management
G. The Director of the Department of Personnel/Human Resources (Personnel), if the contract involves direct retention of personal services or the outsourcing of work protected by an existing labor contract.
H. The Director of the Department of Technology, as to compliance with County technical and compatibility standards, if the contract involves the purchase or lease of computer hardware or software, or of computer programming consulting services.
I. Treasurer
J. The CFO or his/her designee.

Please note that the CFO, though not required by the Ordinance, will also review contracts for appropriateness as in Article V, Section 5.143 of the Wayne County Charter.

Approvals of items A and B are linear approvals. Once approval is obtained from the Treasurer, the contract is routed to administrators listed in items C-H at the same time for approvals. The CFO is the last administrator to approve a contract before it is submitted to the CEO or his delegated designee for submission to the Commission. Delegated Signatory Authority Policy/Procedure Statement No. 10012 will explain the policy and procedure of CEO approval of contracts.

The Department of Management and Budget, Grants Compliance and Contracts Management Division, is the repository for original contract documents which have been approved by the Commission. All contracts are retained in accordance with the current approved records retention schedule.

DAFs

As discussed earlier, there are other documents that may require Commission approval but are non-procurement type items. Such items include:

A. Budget adjustments
B. Revenue contracts
C. Legal Settlements
D. Collective Bargaining Agreements
E. Appointments of board members and certain executive staff, including disclosure of compensation packages
F. Personal Services Contracts
G. Audited financial statements or other published financial reports
H. Intergovernmental agreements and memorandums of understanding
I. Leases
J. Grant applications and grant acceptance (where appropriate – refer to Grant Application, Acceptance and Approval Process PPS #16000 for guidance on Commission approval)
K. Ordinances
L. Other types of information that require formal transmittal to the Commission

The Charter requires that certain CEO appointments initiated by the County Executive are subject to approval by the Commission. Before it is sent to the Commission, the compensation package for the individuals submitted for such appointments, including renewal appointments as well as any substantive change in compensation (other than annual salary increases) for those individuals, must be approved by Personnel, Corporation Counsel, Chief Financial Officer and the County Executive. The entire compensation package includes base salary and additional compensation if any. No verbal or written commitment (i.e. verbal promise, letter of offer, appointment letter or renewal letter) may be issued to any candidate or employee before final approval has been received from Personnel, Corporation Counsel, Chief Financial Officer and the County Executive.

The DAF is initiated by the originating department. Because the required approvals vary depending on the document being submitted, the originating department should select all approval boxes on the DAF. If an administrator does not need to review the document, then it will move to the next approver. As with the PC3, the CFO is the last signature required before submittal to the CEO or his/her designee. DAFs that have been approved by the Commission will return to the CEO or his/her designee for execution. All DAFs are retained in the Grants Compliance and Contracts Management Division in accordance with the current approved records retention schedule.

Any questions concerning this statement should be addressed to the Office of the Chief Financial Officer.

Attachment: Flow Chart of the PC3 Process
Document Approval Form and Instructions
Distribution: Department Directors, Assistant Directors and Financial Representatives
(including those headed by elected officials)
Department of Management and Budget Staff

Policy/Procedure Statement

- **POLICY NO.** ***10013***
- **EFFECTIVE DATE** ***Immediately***
- **ISSUE DATE** ***July 15, 2005***
- **ORIGINATOR** ***Chief Financial Officer***

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: NON-RECURRING REVENUES

I. PURPOSE

This purpose of this policy is to define non-recurring revenues and their appropriate use.

II. POLICY APPLICABILITY AND ENFORCEMENT

The Wayne County Department of Management and Budget (M&B), Office of the Chief Financial Officer (CFO), will be responsible for the communication, revision, and enforcement of this policy. This policy is applicable to all departments and elected officials and will be referenced as authoritative guidance on the nature and use of non-recurring revenues. The CFO is responsible for the resolution of all policy interpretation issues.

III. POLICY PROVISIONS

A. Recurring County Revenues

The County's primary source of revenues include property tax collections, state sales taxes, Airport parking taxes, investment earnings, charges for services, operating grants and contributions, capital grants and contributions, and various charges, fees, and fines. Although the County's revenue sources are unpredictable to some degree, that is, the amount of revenue may vary from year to year, the receipt of this type of revenue is assured and the amounts are fairly predictable. These revenues are included in the County's annual budget as the funding source for the County's core services and programs.

B. Non-Recurring Revenues

Examples of non-recurring revenues (also referred to as "one-time revenues") tend to be infrequent in nature such as sales of governmental assets, bond refund savings, revenues from development, certain special purpose grants and litigation settlements. These revenues may be available for more than one year, as in the example of a special grant, but are expected to be non-recurring. Non-recurring revenues typically do not include savings generated through efficient day-to-day operations.

C. Use of Non-recurring Revenues

One-time revenues cannot be relied upon in future budget years to fund on-going expenditures. Accordingly, all revenue forecasts will be conservative and only consider established and recurring revenues.

The CFO shall determine the appropriate use of non-recurring revenues and provide recommendation to the Chief Executive Officer on the certification of such revenue.

Examples of the appropriate use of non-recurring revenue include, but are not limited to:

- Replenishment of the Budget Stabilization ("Rainy Day") Fund
- Capital improvement projects
- Early retirement of debt
- Start-up costs
- Reduction of fund deficits

IV. DISTRIBUTION

Elected Officials
Department Heads
Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Policy/Procedure Statement

- Policy No.: 10016
- Effective Date: Immediately
- Issue Date: January 14, 2010
- Originator: Office of the Chief Financial Officer

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Interest Rate Swap Policy

INTRODUCTION

The Interest Rate Swap Policy is intended to provide general guidelines regarding the use, procurement and execution of interest rate swaps. It is the County's expectation to utilize interest rate swaps. Other financial hedges, such as options, caps, collars and related financial transactions, although permitted, are less likely to be employed. Therefore, we are limiting the provisions of this Swap Policy to the use of interest rate swaps, although provisions herein could be applicable to such other financial hedges.

This policy confirms the commitment of the Chief Executive Officer (CEO), the County Commission (Commission), the Chief Financial Officer (CFO) and other decision makers to adhere to sound financial and risk management practices, including the lowest possible cost of capital within prudent risk parameters. This policy is prepared in accordance with the recommended practices of the Government Finance Officers Association regarding the contents of a derivatives policy published in 2003.

Barron's Financial Guidelines defines an interest rate swap as "an arrangement whereby two parties (called counterparties) enter into an agreement to exchange periodic interest payments." The payments are based on a fixed principal amount called the "notional" amount because no principal is actually exchanged; rather, only interest is exchanged (typically on a net basis). In a standard interest rate swap, one party pays interest calculated on the notional amount at a variable or floating rate, which fluctuates periodically (e.g. weekly or monthly) according to a predetermined, published index. The other party normally pays interest at a rate that is fixed for the term of the swap. The swap fixed rate is determined at the time of trade execution by either competitive bidding or negotiation with an interest rate swap dealer(s). The dealers (or "providers"), generally known as "counterparties", who make markets in swaps, are large commercial or investment banks or other financial institutions. Swaps contracts are traded "over the counter" (as opposed to an exchange) and the terms can be customized to incorporate a variety of features and maturities from three months to thirty years or longer. Swaps may include an exchange of a fixed rate and a floating rate, the exchange of two floating rates or the exchange of two fixed rates.

POLICY SCOPE AND AUTHORITY

This policy shall govern the use and management of all interest rate swaps. While adherence to this policy is required in applicable circumstances, a recognition that changes in the capital markets, County programs and other unforeseen circumstances may from time to time produce situations that are not covered by this policy and will require modifications or exceptions to achieve policy goals. In these cases, the CFO shall have flexibility as appropriate.

This policy applies to any interest rate swap or related transaction, undertaken by the County. It is hereby determined to be the policy of the County that interest rate swaps, or for that matter, any financial hedge may only be entered into in compliance with the terms set forth below unless the Commission affirmatively votes otherwise. This policy is intended to govern the use by the County of the contractual exchange of different fixed and variable rate payment streams through interest rate swap agreements. No interest rate swap, or any financial hedge, may be executed by the County without the approval of the Commission. The CFO may make exceptions to any provisions of this policy (but failure to comply in any manner with this policy shall not result in any liability on the part of the County to any party). The Commission may hereby delegate the authority to approve the specific procedures supporting this policy to the CFO. In addition to the express terms of this policy, the CFO shall adhere to applicable governmental accounting treatment of interest rate swaps.

In conjunction with Policy/Procedure Statement Number 10001, *Debt Management Policy*, the Interest Rate Swap Policy shall be reviewed and updated periodically. The CFO shall have the day-to-day responsibility and authority for structuring, implementing and managing interest rate swaps.

AUTHORIZATION AND APPROVALS

Prior to the CFO entering into any interest rate swap, approval must be obtained from the Commission for the maximum notional amount and the maximum duration of such interest rate swap. Such approval may be accomplished through a specific Commission vote or as part of a bond resolution. The County's Corporation Counsel (Corporation Counsel) and Bond Counsel (if applicable) shall determine whether a proposed interest rate swap complies with all applicable provisions of state and federal law and the County's bond resolutions and agreements with respect to the County's outstanding debt.

APPROACH AND OBJECTIVES

Interest rate swaps can be appropriate interest rate management tools that can help meet the County's financial objectives. Properly used, such instruments can increase financial flexibility, provide opportunities for interest rate savings, and help manage the balance sheet through better matching of assets and liabilities. Interest rate swaps should be integrated into the County's overall debt management program and may not be used for speculation. Interest rate swaps are appropriate when they achieve a specific financial objective consistent with the County's overall debt management program. The County may execute an interest rate swap only if the transaction can be reasonably expected to achieve one or more of the following objectives:

- result in a lower cost of borrowing with respect to the County's debt;
- reduce exposure to changes in interest rates or improve asset-liability matching of assets with liabilities; or
- manage credit exposure

In structuring an interest rate swap, the CFO will also ensure that both of the following conditions are met:

- The sizing of any particular interest rate swap will be tied to the then current view of the rating agencies as to the appropriate parameters for entities in the rating category of the County's general obligation bonds; and
- The advice of the County's Financial Advisor will be sought with respect to the terms of the interest rate swap with the goal of maintaining or improving the County's ratings.
- The County shall measure, monitor and limit its market risk on interest rate swaps. In addition, the County shall calculate the effect of a 1% unfavorable change in interest rates on its swap program at least quarterly.

CONDITIONS FOR THE USE OF INTEREST RATE SWAPS

A. General Usage

The County may use interest rate swaps to lock-in a fixed rate or, alternatively, to create additional variable rate exposure. In connection with the use of any interest rate swap or other financial hedge, the CFO shall make a finding that the authorized interest rate swap or other financial hedge will be used to alter interest rate risk and/or alter the cost of borrowing in a beneficial manner, and when used in combination with new or outstanding bonds, will enhance the relationship between risk and return, or achieve other policy objectives of the County. The County may not use interest rate exchange financial products that create extraordinary leverage or financial risk, lack adequate liquidity to terminate at market or provide insufficient price transparency to allow reasonable valuation. Swap terms may not exceed the term of the debt obligation associated with the swap (interest rate exchange) agreement. The total maximum notional amount of the swap agreement must not exceed the total par amount of the debt obligation associated with the swap agreement.

B. Maximum Notional Amount

The CFO will limit the total notional amount of outstanding interest rate swaps and other financial hedges based on criteria set forth in this Interest Rate Swap Policy regarding the proper management of risks and calculation of termination exposure.

C. Liquidity Considerations

The CFO shall consider the impact of any variable rate bonds issued in combination with an interest rate swap on the availability and cost of liquidity support for other County variable rate programs. The CFO recognizes that there is a limited supply of letter of credit or liquidity facility support for County variable rate bonds, and the usage of liquidity support in connection with an interest rate swap may result in higher overall costs. It is recognized that auction rate bonds do not require liquidity support.

D. Call Option Value Considerations

When considering the relative advantage of an interest rate swap to fixed rate bonds, the CFO will consider the value of the call option on fixed rate bonds. Typically, the County sells bonds that are callable after 10 years and could be refunded at that time in exchange for paying a higher interest rate to investors. Similarly, interest rate swaps may also have a call provision.

PERMITTED INSTRUMENTS

The CFO may utilize any or all of the following financial hedge products consistent with this Interest Rate Swap Policy: interest rate swaps, forward delivery agreements, basis swaps, rate locks, interest rate caps, floors or collars or any other similar or related transaction and futures or contracts providing for payments based on levels of or changes in interest rates, contracts and exchange of cash flows on a series of payments or contracts, including, without limitation, options, puts or calls to hedge payments, rate, spread or similar exposure. Should new financial hedging products become available in the future, not presently contemplated, or if a specific circumstance arises, the CFO may authorize a particular transaction not contemplated hereby when such transaction is consistent with the needs of the County and is permitted under State law. It may be necessary to develop separate policies in conjunction with the use of such new products.

SWAP RISK ANALYSIS

The County must evaluate all derivative financial products with respect to the unique risks with which they are associated. A specific determination must be made that the expected benefits exceed the identified risks by an adequate margin over those available in the traditional cash market, if any.

The County shall evaluate the potential risk involved for each transaction by examining all of the factors listed below. Such evaluation shall also include an analysis of the impact of the risk to the proposed swap transaction on the County's overall financial assets and liabilities. The County shall examine market or interest rate risk and whether the transaction either hedges or create interest rate volatility. The amount of the interest rate volatility if applicable must be quantified.

Tax Risk must be evaluated to determine if the transaction is subject to a future change in federal income tax law or policy. *Termination Risk* also should be evaluated to determine under what circumstances a transaction might be terminated. For example, what is the probable range of values and how would a possible termination payment be funded?

Risk of Uncommitted Funding (Put Risk) - Will the proposed transaction entail the risk of future refinancing needs?

Counterparty Risk - What is the creditworthiness of the counterparty?

Rating Risk - Is the proposed transaction consistent with current ratings of the County's financial obligations and acceptable to the rating agencies?

Basis Risk – The anticipated payments the County receives should match the payments it makes. If not, will the basis of risk be justified by the expected benefits?

Finally, S*ubsequent Business Conditions* should be evaluated to determine if the transaction or its benefits depend upon the continuation or realization of specific industry business conditions.

INTEREST RATE SWAP FEATURES

A. Interest Rate Swap Agreement

   The CFO will use terms and conditions as set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement. The swap agreement between the County and each counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions, provisions and safeguards as the County, in consultation with Corporation Counsel, Bond Counsel (if applicable) and the Financial Advisor, deems necessary or desirable.

Subject to the provisions contained herein, the terms of any interest rate swap agreement shall use the following guidelines:

i. Downgrade provisions triggering termination shall in no event be worse than those affecting the counterparty.
ii. Governing state law for interest rate swaps and other financial hedges will be Michigan to the extent provided by law; however, the choice of law may be bifurcated for the County and the counterparty.
iii. The specified indebtedness related to credit events in any swap agreement should be narrowly defined and refer only to indebtedness of the County that could have a materially adverse effect on the County's ability to perform its obligations under the swap and have an appropriate lien that considers the lien of the swap obligation.
iv. Collateral thresholds for the swap provider should be set on a sliding scale reflective of credit ratings.
v. Eligible collateral should generally be limited to treasuries and obligations of Federal Agencies where the principal and interest are guaranteed by the United States and should be valued no less often than weekly. At the discretion of the CFO, if authorized by State law with the concurrence of the Financial Advisor, other high-quality obligations of Federal agencies, not secured by the full faith and credit of the U.S. government, may be used as collateral.
vi. The interest rate swap agreement should contain the right for the County to optionally terminate a swap agreement at "market" at any time over the term of the agreement.
vii. Termination value should be set by a "market quotation" methodology, unless the CFO, with the concurrence of the Financial Advisor, deems an alternate appropriate.

B. Qualified Interest Rate Swap Counterparties

1. Credit Criteria

The County shall enter into interest rate swaps and other financial hedges only with qualified financial hedge counterparties whose: (1) long-term, unsecured and unsubordinated obligations shall be rated not lower than A2 or A by Moody's Investors' Service ("Moody's"), and Standard and Poor's Ratings ("S&P"), respectively, or (2) obligations under the agreement and any credit support annex are unconditionally guaranteed by a bank or non-bank financial institution the long-term, unsecured and unsubordinated obligations of which are rated as described in (1) above at the time of execution of the agreement. In addition, the counterparty must have a demonstrated record of successfully executing interest rate swaps and, if applicable, other types of financial hedges.

The County shall structure interest rate swap agreements to protect itself from credit deterioration of counterparties, including the use of credit support annexes or other forms of credit enhancement to secure counterparty performance. Such protection shall include any terms and conditions, which, in the County's sole discretion, are necessary or appropriate or in the County's best interest. The CFO will seek credit enhancement in the form of:

i. Contingent credit support or enhancement;
ii. Collateral consistent with the policies contained herein;
iii. Ratings downgrade triggers;
iv. Guaranty of parent, if any.

In addition, qualified swap counterparties must have a demonstrated record of successfully executing interest rate swap transactions, and, if applicable, other types of financial hedges.

2. Counterparty Termination Exposure

In order to diversify the County's counterparty credit risk and to limit the County's credit exposure to any one counterparty, the County will compute the "Maximum Net Termination Exposure" prior to executing a swap.

"Maximum Net Termination Exposure" is the aggregate termination payment for all existing and projected interest rate swap transactions that would be paid by an individual counterparty. For purposes of this calculation, the aggregate termination payment is equal to: (i) the termination payment based on the market value of all existing swaps as of the first day of the month prior to the execution of any proposed transaction, plus (ii) the expected worst-case termination payment of the proposed transaction. The expected worst-case termination payment shall be calculated assuming interest rates, as measured by the Bond Buyer Revenue Bond Index, increase (or decrease) by two standard deviations from the sample mean over the last 10 years.

The following chart provides the Maximum Net Termination Exposure to a swap counterparty given the lowest credit rating.

Credit Rating Collateralized Exposure	Maximum Uncollateralized Exposure	Maximum Termination Exposure	Maximum Total
AAA	Not applicable	$300 million	Not applicable
AA	Not applicable	$200 million	Not applicable
Below AA	Limited/TBD	None	Limited/TBD

C. Term and Notional Amount

The term of the swap agreement shall not extend beyond the final maturity date of the related bonds. The total "net notional amount" of all swaps related to a bond issue should not exceed the amount of outstanding bonds. For purposes of calculating the net notional amount, credit shall be given to any fixed versus variable rate swaps, variable versus variable rate swaps or other strategies that offset for a specific bond transaction.

D. Collateral Requirements

Additional collateral for decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the collateral support agreement to each counterparty with the CFO. Threshold collateral amounts shall be determined on a case-by-case basis. The CFO will determine the reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter. Collateral shall be deposited as mutually agreed upon between the CFO and the counterparty. A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty. The market value of the collateral shall be determined on a weekly basis. Collateralization of interest rate swaps by the County is not expected to be necessary under conventional terms in the near future.

E. Security and Source of Repayment

To the extent allowed by State law, the County will generally use the same security and source of repayment for interest rate swaps as is used for the bonds that are hedged or carried by the swap, if any, but shall consider the economic costs and benefits of subordinating the County's payments under the swap and/or termination payment.

PROHIBITED USE OF INTEREST RATE SWAPS

There are financial risks involved in the use of interest rate swaps and other types of financial hedges. Interest rate swaps shall only be entered into by the County in accordance with this Interest Rate Swap Policy. When used improperly, interest rate swaps or other financial hedges could expose the County to undue or insufficiently compensated risk. The use of interest rate swaps and other types of financial hedges shall be prohibited:

- When the use of interest rate swaps or other types of financial hedges is for *speculative* purposes, such as potential trading gains, rather than for hedging interest rate risk in connection with the County's debt program;
- Where the County does not have sufficient liquidity to terminate an existing interest rate swap or other type of financial hedge at current market values (i.e., excessive leveraging that could impact adversely on the County's cash flow); and
- Where there is insufficient price "transparency" to permit the County or its Financial Advisor to reasonably value the interest rate swap or other type of financial hedge; for example, as a result of unusual embedded structures or terms.

BENEFIT EXPECTATION

The CFO shall consider the array of benefits available from each proposed interest rate swap transaction, including portfolio composition, debt management, mitigation of interest rate risk, lowering the cost of debt service, or expected changes in interest rates, and include an analysis of such benefits in the evaluation of the proposed interest rate swap that is presented to the Commission.

IDENTIFICATION AND EVALUATION OF FINANCIAL AND OTHER RISKS

Prior to seeking the Commission's authorization to implement any proposed interest rate swap or other type of financial hedge, the CFO, with the assistance of the Financial Advisor, shall undertake an identification and evaluation of the financial benefits and risks involved in the interest rate swap or other transaction and summarize them clearly and concisely for the Commission along with any measures that will be taken to mitigate those risks, recognizing that the significance of the various risks may vary from transaction to transaction. As part of this evaluation, the CFO shall compute the Maximum Net Termination Exposure to the proposed swap counterparty. The summary should include an evaluation of the following risks:

- Market or Interest Rate Risk: The County's exposure to interest rate fluctuations under the proposed interest rate swap or other type of financial hedge.
- Tax Risk: The County's exposure under the proposed interest rate swap or other type of financial hedge to higher interest expense, lower investment earnings, extraordinary payments, termination or other adverse consequences as a result of an actual or anticipated future change in Federal income tax law or policy. As part of the evaluation process, the County will review the tax events in proposed swap agreements and will evaluate the impact of potential changes in tax law on indexed swaps.
- Termination Payment Risk: The County's exposure under the proposed interest rate swap or other type of financial hedge to an involuntary termination, including the magnitude of any potential termination payment and the impact of such a payment on the County's liquidity. A computation will be made of termination exposure to the County for all existing and proposed swaps and hedges at market value and under worst case scenarios.
- Financing or Market Access Risk: The proposed interest rate swap's or other type of financial hedge's dependence on the successful completion of a future bond issuance.

- Legal Authority: Legal authorization of each party to enter into the proposed interest rate swap or financial hedge.
- Counterparty Credit Risk: The creditworthiness of the transaction's counterparty(s) and any provisions in the interest rate swap or financial hedge contract that mitigate potential credit risk (e.g., collateral requirements, assignment provisions). The evaluation will include a monitoring of exposure levels, rating thresholds and collateralization requirements.
- Credit Ratings Risk: The estimated potential impact of the proposed interest rate swap or financial hedge on the County's current or future ratings by the nationally recognized credit rating agencies. Continual monitoring of counterparty and/or insurer ratings will be made.
- Basis Risk: Quantification of any potential mismatch between the rate on the underlying bonds or investments and the rate on the proposed interest rate swap or financial hedge. As part of the evaluation process, the County will review the historical trading differentials applicable to the proposed interest rate swap.
- Variable Rate Exposure: The proposed interest rate swap's or financial hedge's potential for increasing the County's level of variable rate debt beyond the thresholds either adopted by the Commission or recommended by the CFO, and, in either case, also sanctioned by the nationally recognized rating agencies which rate the County's general obligation bonds, either through unhedged debt or through forward debt instruments.
- Tax-Exemption Risk: Determination of any impact of the proposed interest rate swap or financial hedge on the tax-exempt status of the County's outstanding bonds.
- Accounting Risk: Impact of the proposed interest rate swap or financial hedge on the County's financial statements and on the required accounting treatment for the proposed interest rate swap or financial hedge transaction.
- Administrative Risk: Operational requirements and estimated incremental additional costs for the County to adequately administer and monitor the proposed interest rate swap or financial hedge.
- Assumptions Risk: Any assumptions that the proposed interest rate swap or financial hedge depends on to generate its expected benefits.
- Rollover Risk: The mismatch of the maturity of the hedge and the maturity of the underlying bonds. An evaluation will be made as to the capacity to issue bonds that may be outstanding after the maturity of the hedge.
- Liquidity Risk: The inability to continue or renew a liquidity facility. An evaluation of the availability of liquidity support for hedged and unhedged variable rate debt will be made.
- Early Termination Risk: The net present value of the aggregate cash flows that comprise an interest rate swap will be zero. As time passes, however, this will cease to be the case, because the shape of the yield curves used to price the swap initially will change over time. If, for example, shortly after an interest rate swap has been completed there is an increase in forward interest rates and the forward yield curve increases, the benefit will accrue to the fixed-payor under the swap and will represent a cost to the floating rate payor (from a fixed-payor's perspective, the swap will be "in the money"). In the event that it elects to terminate the swap at that point, the fixed-payor will receive a cash payment equal to the present value of the increase in value. Alternatively, if the floating rate payer wishes to cancel the swap by entering into a reverse swap with a new counterparty for the remaining term of the original swap, the net present value figure represents the payment that the floating rate payer will have to make to the new counterparty in order for him to enter into a swap which precisely mirrors the terms and conditions of the original swap. As a general rule the decision to terminate a swap early is a voluntary one. There may, however, be instances when it is imposed upon the borrower. In rare instances an organization may be required to redeem the proceeds of a bond issue for reasons such as the change of use or ownership of a facility financed with tax-exempt bonds or the inability to renew or replace the Letter of Credit.

COUNTERPARTY EXPOSURE LIMITS

The County may not enter into an uncollateralized interest rate swap or other type of financial hedge with any counterparty unless the current exposure, as well as the potential exposure provided by the proposed hedge, as marked-to-market with the counterparty, as of the commitment date of the proposed hedge, does not exceed prudent limits as are acceptable to the rating agencies, as determined from time to time by the CFO in consultation with the Financial Advisor in conjunction with discussions with the rating agencies. In evaluating counterparty exposure, the CFO will take into account not only current and proposed interest rate swap or other type of financial hedge, but also any relevant investment agreements and other contractual relations. These limits will be reviewed periodically by the CFO. If it is determined that the exposure limit for a specific counterparty exceeds, or with the addition of an additional hedge will exceed, a prudent level, the County, in consultation with Corporation Counsel, Bond Counsel (if applicable) and its Financial Advisor, shall explore strategies to mitigate this exposure.

PROCUREMENT OF INTEREST RATE SWAPS AND RELATED TRANSACTIONS

While the CFO has a strong preference for bidding interest rate swaps and other types of financial hedges, the CFO may directly negotiate the procurement of such instruments with one or more counterparties. The benefits of competitively bidding versus direct negotiation will be assessed on a case by case basis. Factors to be considered are whether the proposed hedge is non-proprietary or generally available in the marketplace or if it has customized or specific attributes designed on the County's behalf that would make it difficult or impracticable to competitively bid. For both competitively and negotiated procurements, the execution of any hedge should require an independent review and written analysis by the County's Financial Advisor that concludes that the terms and conditions reflect a fair market value of such financial hedge as of the date and time of its execution.

TERMINATION PROVISIONS

In general, a decision to terminate an interest rate swap or other type of financial hedge should produce a benefit to the County, either through the receipt of a payment from termination or, if the termination payment is made by the County, in conjunction with a conversion to a more beneficial debt position by the County, as determined by the CFO in consultation with the Financial Advisor. Any payment due from the County to a counterparty to terminate an interest rate swap or financial hedge shall be made from available County monies, subject to State law, subordinate to the debt service payments due on any outstanding County general obligation bonds, and reported to the Commission in a timely manner. Potential termination payments for all interest rate swaps and other financial hedges may be subordinated to debt service payments on the County's outstanding general obligation bonds.

ACTIVE MANAGEMENT

The County will seek to maximize the benefits it accrues and minimize the risks it bears by actively managing its swap program. This will include continuous monitoring of market conditions (such as current interest rates, credit ratings, or the parties to a transaction, etc.), in conjunction with the swap counterparty and the County's financial advisors, for emergent opportunities and risks. Active management means modifications or existing transactions including early termination of an agreement, shortening or lengthening the term of an agreement, sale or purchase of options and application of basis swaps. Each proposed modification must be consistent with this policy and the County's risk tolerance and should be expected to further the goals of the swap program as stated in this Interest Rate Swap Policy and with Debt Management Policy/Procedure Statement No. 10001. As discussed earlier, the CFO shall have delegated authority sufficient to provide flexibility to actively manage existing transactions without prior Commission approval. Such delegated authority should include, but not be limited to, the authority to execute modifications to documents or to exercise actions permitted under the documents related to a transaction.

REPORTING

The CFO together with the Financial Advisor will provide a written report to the Commission regarding the status of all interest rate swaps and other types of financial hedges at least on a yearly basis and shall include the following information:

- Highlights of all material changes to interest rate swaps or financial hedges entered into by the County since the last report.
- The estimated mark-to-market value of each of the County's outstanding interest rate swaps or other types of financial hedges.
- For each hedge counterparty, the County shall provide the total notional amount and the remaining term of each hedge. The County will include its non-financial hedge exposure to each counterparty, including investment agreements and any other contractual relations.
- The long-term unsecured and unsubordinated credit rating of each counterparty, guarantor and credit enhancer insuring hedge payments, if any.
- Actual collateral posted by each hedge counterparty, if any, under each agreement and in total by that hedge counterparty.
- Information concerning any default by a counterparty under an interest rate swap or hedge agreement with the County, and the results of the default, including but not limited to the financial impact on the County, if any.
- A summary of any interest rate swaps or other types of financial hedges that were terminated.
- Evaluation or each transaction's performance relative to benchmarks or goals set forth for the transaction or the County's general financial benchmarks or goals
- All material changes to swap agreements or any new swap agreement entered into by the County since the last report.
- The CFO shall monitor and require compliance with this policy as well as current accounting practices and federal, state and local regulations and requirements.
- Any other information relating to any interest rate swap or other type of financial hedge prepared for disclosure per the advice of Corporation Counsel and Bond Counsel (if applicable).

ACCOUNTING TREATMENT

With respect to each interest rate swap or other type of financial hedge, the CFO shall adhere to applicable Governmental Accounting Standards Board (GASB) guidelines for the accounting treatment of interest rate swaps and financial hedges.

Any questions concerning this policy should be directed to the Office of the Chief Financial Officer at (313) 224-0420.

DISTRIBUTION

Department Directors, including those headed by Elected Officials
Division Directors and Assistant Directors
Management and Budget Staff

Policy/Procedure Statement

- **POLICY NO.:** ***10017***
- **ISSUE DATE:** ***September 28, 2007***
- **ORIGINATOR:** ***Chief Financial Officer***

DEPARTMENT OF MANAGEMENT AND BUDGET

DEFICIT ELIMINATION PLANS

I. BACKGROUND AND SCOPE

Wayne County (the County) is responsible for complying with the provisions of federal, state, and local laws, rules, regulations and contracts. Such compliance is demonstrated through the annual audit and budgetary processes, disclosed in the County's annual audited financial statements, and opined upon by the County's external auditors. In addition, other regulatory bodies, such as grantors and bond rating agencies, monitor the County's continued compliance with all pertinent rules and regulations.

State law requires that local units of government operate annually under a balanced budget.

When deficits occur, the local unit of government is required to prepare and submit a deficit elimination plan to the Michigan Department of Treasury (the Treasury), regulatory body, describing the local unit of government's strategies to eliminate the deficit(s).

The purpose of this policy/procedure statement is to establish (1) the criteria to be used in the preparation of an acceptable deficit elimination plan and; (2) the required approvals by the Department of Management and Budget (M&B), the Wayne County Commission (Commission) and the Treasury.

II. APPLICABILITY AND ENFORCEMENT

The Office of the Chief Financial Officer (CFO) is responsible for the development, communication, revision, and enforcement of this policy. M&B Satellite Finance Offices will assist in the interpretation and monitoring of adherence to this policy for their operating departments. The CFO or designee shall be the official County spokesperson for all media inquiries on deficit elimination plans.

The provisions contained in this policy/procedure statement are applicable to the operations and activities of all elected officials, departments, and component units, such as the Chapter 8, 20, and 21 Drainage Districts, Third Circuit Court and Probate Court (user departments). The County's fiduciary funds, such as the Wayne County Employees Retirement System, account for resources held for the benefit of other parties and therefore such funds are not available to support the County's programs. Accordingly, those operations and activities are not subject to the provisions of this policy.

This policy shall be referenced as authoritative guidance on the preparation of deficit elimination plans, also referred to herein as "the plan". The County Executive and the CFO may invoke any other powers as conferred by Section V of the Home Rule Charter relating to County agencies operating within budgeted allotments and approval of the disbursement of funds.

III. DEFINITIONS

A **fund** is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attainting certain objectives in accordance with specific regulations, restrictions, or limitations.

An **operating deficit** is the excess of expenditures (and other financing uses) over revenues (and other financing sources) in any individual fund in ***any given fiscal year***. Operating deficits decrease fund balance.

An **operating surplus** is the excess of revenues (and other financing sources) over expenditures (and other financing uses) in any individual fund in ***any given fiscal year***. Operating surpluses increase fund balance.

Fund balance is the excess of total assets over total liabilities and serves as a measure of the current available financial resources in a governmental fund. Fund balance is the year-to-year accumulation of operating surplus and deficits. If accumulated operating deficits exceed accumulated operating surpluses, a **fund deficit** results. Also refer to the regulatory guidance below for fund deficit definitions.

Refer to Policy/Procedure Statement #10008, "Unreserved Fund Balance", for a description of the components of fund balance and the appropriate levels of fund balance.

IV. REGULATORY GUIDANCE

The guidance governing the fiscal operations of units of government, the filing of annual financial reports, and the applicability of sanctions can be found in the authoritative Public Acts enacted by the State of Michigan below. Certain key provisions of the Acts are noted in italics:

- Uniform Budgeting and Accounting Act (Public Act 2 of 1968), as amended. This Act was created to provide for the enactment of the uniform chart of accounts and reports in local units of government; to define local units of government; to provide for the examination of the books and accounts of government; and to provide for annual financial reports from local units of government. This Act also provides penalties for violation of certain requirements of this Act and prohibits deficit spending by a local unit government.

- ***Paragraph 141.422b (4)*** *– A **deficit** is defined as "an excess of liabilities and reserves of a fund over its assets".*

- ***Paragraph 141.435 Section 15 (1)(e)*** *– "The recommended budget shall include at least the following…the amount of surplus or deficit that has accumulated from prior fiscal years, together with an estimate of the amount of surplus or deficit expected in the current year."*

- ***Paragraph 141.435 Section 15 (2) -*** *"The total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues…"*

- <u>Glenn Steil State Revenue Sharing Act (Public Act 140 of 1971) –</u> This Act provides for the distribution of certain state revenues to cities, villages, townships, and counties and imposes certain duties and powers in that regard. Deficit conditions, and the required plans, are described.

  - ***Paragraph 141.921 Section 21 (2) –*** *"For a fiscal year of a unit of local government ending on or after October 1, 1980 or any year thereafter, if a local unit of government ends its fiscal year in a deficit condition, the local unit of government shall formulate and file a financial plan within 90 days after the beginning of the fiscal year to correct this condition…The local unit of government shall file the financial plan with the department of treasury for evaluation and certification that the plan ensures that the deficit condition is corrected. Upon certification by the department of treasury, the local unit of government shall institute the plan. An amount equal to 25% of each payment to a local unit of government entitled to payments under this act may be withheld until requirements of this subsection are met."*

  - ***Paragraph 141.921 Section 21 (4) –*** *"As used in this section, "deficit condition" means a situation where, at the end of a fiscal year, total expenditures, including an accrued deficit, exceeded total revenues for that fiscal year, including any surplus carried forward."*

- <u>Public Act 275 of 1980, as amended</u> – The critical provisions of this Act are described above under paragraph 141.921 above.

  - *Sec. 21 (1)* - *"If a city, village, township or county fails to provide an annual financial report or audit which conforms with the minimum procedures and standards prescribed by the state treasurer and is required under Act No. 2 of the Public Acts of 1968, as amended, being sections 141.421 to 141.440a of the Michigan Compiled Laws, or Act No. 71 of the Public Acts of 1919, being sections 21.41 to 21.53 of the Michigan Compiled Laws, the payments required under this act may be withheld until the financial report or audit is submitted as required by law."* Sections 2 - 4 are the same as in Public Act 140 of 1971.

- Revised Municipal Finance Act (Public Act 34 of 2001) – Although the provisions of this Act relate to the borrowing of money and the issuance of certain debt and securities, the problem of deficit spending is addressed.

  - ***Paragraph 141.2103 Section 103 (e)** - A **deficit** is defined as "a situation for any fund of a municipality in which, at the end of a fiscal year, total expenditures, including an accrued deficit, exceeded total revenues for the fiscal year, including any surplus carried forward".*

  - ***Paragraph 141.2303 Section 303 (3) (m)** – "The municipality did not end the immediately preceding fiscal year with a deficit in any fund, unless the municipality has filed a financial plan to correct that deficit condition that is acceptable to the Department."*

The Wayne County Home Rule Charter, Section 5.171, states *"if expenditures exceed revenues in any fiscal year, the CEO shall submit a specific 5 year plan for short-term financial recovery and long-term financial stability to the Governor and Legislature prior to the adoption of the next annual budget. The 5-year plan shall include those items required by law, the Governor, or the Legislature".* Section 5.146 of the Charter also addresses any amendments to the appropriation ordinance, which may be necessary to avoid deficit spending.

The Local Audit and Finance Division of the Treasury issue bulletins on various accounting, policy, and compliance matters for local units of government. As noted above, the County is required to submit its deficit elimination plan to the Treasury for approval. The Treasury has also issued a bulletin on Deficit Elimination Plans and clarifying guidance on the definition of a deficit, particularly for internal service and enterprise funds.

IV. POLICY PROVISIONS

If, at the end of any fiscal year, the CFO determines, based on available data, that it is likely that a fund will incur a deficit, a deficit elimination plan must be prepared and submitted to the Treasury. The plan shall provide for the elimination of the accumulated year-end deficit by annual appropriation, or by other measures, over no more than five (5) years, in equal or diminishing amounts. The plan shall indicate the necessary governmental approvals and procedures required, and where deemed necessary, shall include a legal opinion by Corporation Counsel that the proposed deficit elimination strategy is permissible under federal, state, and local law.

A. DEFICIT ELIMINATION PLAN CRITERIA

M&B's *Managing for Results* Strategic Business Plan includes performance measures for achieving balanced operations in all County funds and for the elimination of fund deficits.

User departments are expected to closely monitor their operations and determine if their activities will result in a fund deficit for the year. User departments shall consult with the M&B Budget Division throughout the year and make adjustments, whenever possible, to avoid operating deficits.

If a fund deficit is anticipated by the end of the second quarter, the user department shall prepare a deficit elimination plan in conjunction with their quarterly projections. The plan shall be submitted to the CFO or designee within thirty (30) days of the end of the quarter. A plan shall be submitted at the end of each subsequent quarter (including at year-end) for which a deficit is projected. Early implementation of corrective measures and continual revision of deficit elimination strategies can mitigate or prevent a year-end deficit.

If the user department's operations are recorded in an enterprise fund or in an internal service fund, the amount of the "deficit" shall be determined in accordance with Treasury guidelines.

An acceptable plan shall be in a format prescribed by the CFO or designee, and must include, at a minimum:

1. A <u>spreadsheet analysis</u> including the amount of the fund deficit and the amount (and type) of the annual decreases to that deficit for each year for a period of five years. At the end of the five-year period, the deficit shall be eliminated.

2. A <u>narrative description</u> of the strategies the user department will employ to eliminate the deficit. It is critical to show the details of all revenue enhancements and expenditure reductions. The plan must be substantive, quantifiable, and realistic.

3. <u>Supporting documentation</u> for amounts and strategies in the plan, such as:

    a) Copies of Board or Commission resolutions (describing funds and amounts) approving additional appropriations or increases in other revenue sources, where appropriate.

    b) Copies of executed grant agreements and contracts.

    c) Copies of any other revenue agreements and contracts.

    d) Copies of any executed agreements specifically addressing deficit spending and remedial actions.

4. Acceptable user department strategies, such as:

    a) Use of projected operating surpluses.

    b) Increased operating revenues (such as increased charges for services, fees, or fines).

    c) New grant funds.

    d) Increase in recurring grant funds.

e) Expenditure reductions, as may be obtained through improved efficiencies, and reorganization and elimination of certain functions.

f) Use of available fund balance in that fund.

g) A combination of any of the above strategies.

Certain strategies **are not acceptable** for use in eliminating fund deficits, such as incurrence of debt; short-term modification of vendor or supplier contracts, elimination of mandated functions, and unauthorized increases in the General Fund appropriation. Only the Office of the CFO is authorized to recommend an increase in a ***General Fund*** appropriation. Refer to Policy/Procedure Statement #10008, "Unreserved Fund Balance", for further discussion on the utilization of fund balance and the required level of fund balance to be maintained in the General Fund.

B. DEFICIT ELIMINATION PLAN APPROVAL

User departments shall submit their deficit elimination plans to the CFO or designee for approval within thirty days of the second, the third, and the fourth (year-end) quarters. User departments shall immediately respond to all M&B requests for additional information or for consultation on their deficit elimination plans.

The CFO shall submit the County's deficit elimination plan (for all County funds in deficit, as defined) to the Commission for approval within thirty (30) days of the issuance of the County's audited financial statements. The CFO shall concurrently submit all required budget adjustments.

The CFO shall submit the deficit elimination plan for the County to the Treasurer within ninety (90) days of the end of the fiscal year. If the final Commission approved plan cannot be submitted within the deadline, the CFO shall request an extension from the Treasurer within thirty (30) days of the deadline. In the interim, the CFO shall submit a draft deficit elimination plan to the Treasurer. The final deficit elimination plan will be forwarded within two weeks of Commission approval.

A properly submitted plan to the Treasurer must include a copy of the Commission resolution approving the plan and acceptable plan documentation, such as:

- Current trial balances or interim financial statements showing the deficit eliminated.

- Certified copies of Commission/Board resolutions approving operating transfers and a copy of the transfer being made.

- A projected budget approved by the Commission, itemizing yearly revenues (by source), expenditures/expenses (by activity), and changes in the fund balance deficit until eliminated (usually a five year limit).

- Evidence, where applicable, that long-term receivables, regardless of type, are for a period longer than five years. The resolution or other legal document (e.g., assessment contract) that created the receivable would be appropriate evidence.

The Treasurer shall determine whether the plan reasonably ensures elimination of the accumulated deficit in accordance with the law and in a fiscally responsible manner.

Once the deficit elimination plan is approved, the Treasurer will issue a signed certification letter to the County.

Any questions or comments on this policy/procedure statement shall be directed to the CFO.

V. DISTRIBUTION

Elected Officials
Department Heads
Department Division Directors
Management & Budget Staff

Policy/Procedure Statement

Policy No.: **10018**

Issue Date: **June 24, 2009**

Originator: **Office of the Chief Financial Officer**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Tax Exempt Bond Record Retention

Background

A bond issued by a government whose interest payments are not subject to federal income tax and sometimes state and local taxes are called tax exempt. The tax exempt status remains throughout the life of the bonds provided that all applicable federal tax laws are satisfied.

Section 6001 of the Internal Revenue Code (the Code) provides the general rule for the proper retention of records for federal tax purposes. Under this provision, every person liable for any tax imposed by the Code, or for the collection thereof, must keep such records, render such statements, make such returns and comply with such rules and regulations as the Secretary of the Treasury may from time to time prescribe. Section 1.6001-1(a) of the Income Tax Regulations amplifies this general rule by providing that any person subject to income tax, or any person required to file a return of information with respect to income, must keep such books and records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits or other matters required to be shown by that person in any return of such tax information.

The Internal Revenue Service (IRS) regularly advises taxpayers to maintain adequate records to support their tax deductions, credits and exclusions. In the case of a tax exempt bond transaction, the primary taxpayers are the beneficial holders of the bonds. However, in most cases, the beneficial holders of tax exempt bonds will not have any records to support their exclusion of the interest paid on those bonds. Instead, these records will generally be found in the bond transcript and the books and records of the issuer, the conduit borrower and other participants to the transaction. Therefore, in order to ensure the continued exclusion of interest to the beneficial holders, it is important that the issuer, the conduit borrower and other participants retain sufficient records to support the continued exclusion being taken by the beneficial holders of the bonds. [1] The IRS agent conducting an examination of tax exempt bond transactions will look to these parties to provide books, records and other information supporting the bonds continued compliance with federal tax requirements. In the case of many private activity bonds, the conduit borrowers are also primary taxpayers. For example, the conduit borrower will generally deduct the interest indirectly paid on the bond issue through the loan documents. Conduit borrowers are also often entitled to claim depreciation deductions for bond-financed property. Consequently, conduit borrowers should maintain sufficient records to support their interest deductions, depreciation deductions or other tax deductions, exclusions or credits related to the tax exempt bond issue. Additionally, issuers and conduit borrowers should retain sufficient records to show that all tax exempt bonds-related returns submitted to the IRS are correct. Such returns include, for example, IRS 8038-G, 8038GC, 8038-T and 8038-R.

In addition to the general rules under section 6001, issuers and conduit borrowers are subject to specific requirements imposed by various other Code sections and regulations. For example, section 1.148-5(d)(6)(iii)(E) of the arbitrage regulations requires that an issuer retain certain records necessary to qualify for the safe harbor for establishing fair market value for guaranteed investment contracts and investments purchased for a yield restricted defeasance escrow.

Who Must Maintain the Records?

There are many parties to a bond transaction: issuers, as the party responsible for servicing the debt; conduit borrowers for deductions taken for payment of interest on outstanding bonds or for depreciation of bond-financed facilities; and, bondholders, lenders and lessors as recipients of income exempt from the interest paid on the bonds. Since many of the same records may be examined, it is advisable that the bond documents specify which party will bear the responsibility for maintaining the basic records relating to a bond transaction. Additional parties may also be responsible for maintaining records under contract with any of the parties named above.

What are the Basic Records that Should Be Maintained?

Although the required records to be maintained depend on the transaction and the requirements imposed by the Code and the regulations, records common to most tax exempt bond transactions include:

[1] Qualified private activity bonds are tax exempt bonds issued by a state or local government, the proceeds of which are used for a defined qualified purposed by an entity other than the government issuing the bonds (the conduit borrower). For a private activity bond to be tax exempt, 95% or more of the net bond proceeds must be used for one of the following qualified purposes: airports, dock and wharves, mass commuting facilities, facilities for the furnishing of water, sewerage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the furnishing of local electric energy or gas, local district heating or cooling facilities, qualified hazardous waste facilities, high speed intercity rail facilities, environmental enhancements of hydro-electric generating facilities and qualified public education facilities.

- Basic records relating to the bond transaction (including the trust indenture, loan agreements, and bond counsel opinion)

- Documentation evidencing expenditure of bond proceeds

- Documentation evidencing use of bond-financed property by public and private sources (i.e., copies of management contracts and research agreements)

- Documentation evidencing all sources of payment or security for the bonds and

- Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts and rebate calculations)

The list above is very general and only highlights the basic records that are typically material to many types of tax exempt bond financings. Each transaction is unique and may have other records that are material to the requirements applicable to that financing. The decision as to whether any particular record is material must be made on a case-by-case basis and could take into account a number of factors, including the various expenditures exceptions. Moreover, certain records may be necessary to support information related to certain requirements applicable to specific types of qualified private activity bonds.

In What Format Must the Records Be Kept?

All records must be kept in a manner that ensures their complete access to the IRS for as long as they are material. While this is typically accomplished through the maintenance of hard copies, taxpayers may keep their records in an electronic format if certain requirements are satisfied. Rev.Proc.97-22, 1997-1 C.B. 652 provides guidance to taxpayers that maintain books and records by using an electronic storage system that either images their hardcopy (paper) books and records, or transfers their computerized books and record to an electronic storage media. Such a system may also include reasonable data compression or formatting technologies so long as the requirements of the revenues procedure are satisfied. The general requirements for an electronic storage system of taxpayer records are summarized below:

1. The system must ensure an accurate and complete transfer of the hardcopy books and records to the electronic storage system and contain a retrieval system that indexes, stores, preserves, retrieves and reproduces all transferred information.

2. The system must include reasonable controls and quality assurance programs that (a) ensure the integrity, accuracy and reliability of the system (b) prevent and detect the unauthorized creation of, addition to, alteration of, deletion of, or deterioration of electronically stored books and record (c) institute regular

inspections and evaluations and (d) reproduce hardcopies of electronically stored books and records that exhibit a high degree of legibility and readability.

3. The information maintained in the system must be cross-referenced with the taxpayer's books and records in a manner that provides an audit trail to the source document(s).

4. The taxpayer must maintain and provide to the IRS upon request, a complete description of the electronic storage system including all procedures relating to its use and the indexing system.

5. During an examination, the taxpayer must retrieve and reproduce hardcopies of all electronically stored books and records requested by the IRS and provide the IRS with the resources necessary to locate, retrieve, read and reproduce any electronically stored books and records.

6. The system must not be subject in whole or in part to any agreement that would limit the Service's access to and use of the system.

7. The taxpayer must retain electronically stored books and records so long as their contents may become material in the administration of federal tax law.

How Long Should Records Be Kept?

Section 1.6001-1(e) of the regulations provides that records should be retained for so long as the contents are material in the administration of any internal revenue law. With respect to a tax exempt bond transaction, the information contained in certain records support the exclusion from gross income taken at the bondholder level for both past and future tax years. Therefore, as long as the bondholders are excluding from gross income the interest received on account of their ownership of the tax exempt bonds, certain bond records will be material. Similarly, in a conduit financing, the information contained in the bond records is necessary to support the interest deduction taken by the conduit borrower for both past and future tax years for its payment of interest on the bonds.

To support these tax positions, material records should generally be kept for as long as the bonds are outstanding plus three years after the final redemption date of the bonds.

How Does This General Rule Apply to Refundings?

For certain federal tax purposes, a refunding bond issue is treated as replacing the original new money issue. To this end, the tax exempt status of a refunding issue is dependent upon the tax-exempt status of the refunded bonds. Thus, certain material records relating to the original new money issue and all material records relating to the refunding issue should be maintained until three years after the final redemption of both bond issues.

Comments

Any comments on this policy/procedure statement or questions concerning its implementation should be directed to the Office of the Chief Financial Officer at (313) 224-0420.

Distribution: Elected Officials
Department Heads
Division Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Policy/Procedure Statement

Policy No.:	**10019**
Issue Date:	**May 19, 2010**
Originator:	**Office of the Chief Financial Officer**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Post Issuance Compliance for Debt Issues

The purpose of this Policy/Procedure Statement (PPS) is to identify matters requiring action after the completion of a financing and to provide a checklist to assist in complying with post-issuance requirements.

DISCLOSURE REQUIREMENTS

Background

The U.S. Securities and Exchange Commission's (SEC) mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. The Securities Exchange Act of 1934 sets forth certain obligations of (1) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities; (2) underwriters to obtain continuing disclosure agreements from issuers and other obligated persons to provide material event disclosures and annual financial information on a continuing basis and; (3) broker dealers to have access to such continuing disclosure in order to make recommendations of municipal securities in the secondary market. Although the SEC can not regulate municipalities, it effectively does so indirectly by SEC Rule15c2-12, the rules imposed on broker-dealers. With certain exceptions, described below, the rule requires bond issuers to prepare and disseminate to the Municipal Securities Rulemaking Board (MSRB) "Annual Financial Information" and notices of material events. Wayne County (the County) as an issuer of municipal securities is bound by this rule.

Who is Obligated to File?

Issuers with aggregate debt of $10 million and over must abide by all sections of SEC Rule 15c2-12 as amended, material event notices and annual reporting with the MSRB. The term Annual Financial Information means financial information or operating data. Annual Financial Information is to "mirror" the type of quantitative financial information and operating data contained in the final official statement. Annual financial information may be presented through any disclosure document or set of disclosure documents. The SEC encourages market participants to continue to refer to voluntary guidelines (such as the guidelines prepared by the Government Finance Officers Association) and the SEC's Interpretive Release in preparing official statements. If audited financial statements are prepared, then such audited financial statements must also be submitted to the MSRB.

What Should Be Filed?

At the time bonds are offered, the County must outline the type of Annual Financial Information it will provide annually and the terms of its continuing disclosure agreement. The Continuing Disclosure Certificate or Undertaking and the official statement must describe (i) the type of information to be provided as part of the Annual Financial Information, (ii) the accounting principles used to prepare the financial statements and the timing of such statements, (iii) the date in each year by which the Annual Financial Information will be provided and to whom, and (iv) who will be providing the information - the issuer, an "obligated person," an indenture trustee or a designated agent. The official statement must also indicate any instances in the previous five years in which there has been a failure to provide the continuing disclosure for which the issuer is contractually bound.

The County is required to provide to the MSRB a notice, in a timely manner, upon the occurrence of any of the following twelve material events with respect to its municipal securities. The twelve events are as follows:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities;
11. Rating changes and;
12. Failure to provide Annual Financial Information as required.

Issuers with less than an aggregate of $10 million in outstanding securities (i.e., “small issuers”) are exempt from the Annual Financial Information requirement if they make a "limited undertaking" specifying the type of financial information and operating data they will make available, on a request basis at least annually. Financial information and operating data that are customarily prepared and publicly available satisfy this limited undertaking. Small issuers must also provide material events disclosure as described. The $10,000,000 exemption takes into account all types of the issuers' outstanding tax-exempt debt. General obligation bonds, revenue bonds, lease obligations and notes are all aggregated in the $10,000,000 limit.

Primary issues that are exempt from rule 15c2-12 are also exempt for purposes of secondary market disclosure. In addition, issues which are outstanding 18 months or shorter are exempt from secondary market disclosure. Failure to comply with the undertaking would be a breach of contract. The rule however, does not specify the consequences of an issuer's breach of its undertakings to provide secondary market disclosure.

How Must the Information Be Filed?

Information must be filed electronically through the Electronic Municipal Market Access System (EMMA) portal service of the MSRB. In order to submit documents to EMMA, all submitters must register in MSRB Gateway, the secure access point for EMMA. Continuing disclosure documents must be submitted to the EMMA website as portable document format (PDF) files that permit the document to be saved, viewed, word-searched, printed and retransmitted by electronic means.

Filing with Michigan's State Information Depository and Rating Agencies

Issuers are no longer required to send continuing disclosures under SEC Rule 15c2-12 to state information depositories (SIDs). Michigan's SID is the Municipal Advisory Council of Michigan ("MAC"). MAC requests that municipal bond issuers in Michigan continue to provide continuing disclosure information to the MAC on a voluntary basis for the purpose of promoting transparency. Although it has no legal obligation to do so, the County will continue to file such information with MAC at the following address:

Municipal Advisory Council of Michigan
Buhl Building – 535 Griswold, Suite 1850
Detroit, MI 48226-3699
Email: mac@macmi.com

In addition, the County is required to provide the current Comprehensive Annual Financial Report (CAFR) to the following entities:

Moody's Investors Service
100 N. Riverside Plaza, Suite 2220
Chicago, IL 60606

Fitch Ratings
70 West Madison Street
Chicago, IL 60602

Standard & Poor's
One Prudential Plaza
130 East Randolph Street, Suite 2900
Chicago, IL 60601

Checklist

The attached checklist describes continuing disclosure requirements that must be conducted annually as well as those which must be conducted on an as-needed basis.

NON-ARBITRAGE AND TAX COMPLIANCE

Pursuant to its Debt Management Policy (PPS No. 10001), the County shall take all steps necessary to preserve the tax-exempt status of obligations issued on a tax-exempt basis and shall take all steps necessary to preserve the status of tax credit bonds (e.g., Build America bonds, recovery zone economic development bonds, energy conservation bonds, etc.). Such steps shall include, but not be limited to, maintaining appropriate systems to monitor disbursements and to calculate and account for investment earnings on construction funds, debt service retirement funds, funds deemed to be "sinking funds" for federal tax purposes, and any other funds which are deemed subject to the requirements of the Internal Revenue Code of 1986, as amended, and the regulations propounded there under (the "Code"). Such systems shall be designed to enable compliance with Code requirements, including in particular the arbitrage and rebate requirements applicable to tax-exempt obligations.

Checklist

The attached checklist describes non-arbitrage and tax compliance actions that should be conducted upon completion of a financing and on an annual basis.

RECORD RETENTION

The requirements under PPS No. 10018 “Tax-Exempt Bond Record Retention” shall be followed.

FILINGS AND OTHER REQUIREMENTS

The County shall take any and all other required actions, such as making filings with the IRS and the Michigan Department of Treasury, and monitoring compliance with bond covenants.

Checklist

The attached checklist describes filings and other actions that should be conducted upon completion of a financing and on an annual basis.

COMMENTS

Any comments on this PPS or questions concerning its implementation should be directed to the Office of the Chief Financial Officer at (313) 224-0420.

Distribution: Department Directors, including those headed by Elected Officials
Deputy Department Directors
Division Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Post Issuance Checklist

Post Issuance Compliance Checklist		
Completed	**Task**	**Responsibility**
	DISCLOSURE REQUIREMENTS	
	Continuing Disclosure **(To Be Conducted Subsequent to Fiscal Year End, No Later Than March 31)**	
☐	Determine if any new debt issues were executed during the fiscal year. If so, determine associated disclosure requirements by obtaining a copy of Continuing Disclosure Undertaking from the debt transcripts, including the date by which information must be submitted to the Municipal Securities Rulemaking Board (MSRB).	Debt Administration
☐	Update annual financial information to be provided to the MSRB. Note that updated information may be available in recent Official Statements or statistical tables within the Comprehensive Annual Financial Report (CAFR).	Debt Administration
☐	Provide updated information and CAFR to the MSRB by electronic submission via Electronic Municipal Market Access System (EMMA). Also provide to Michigan State Information Depository (i.e., Municipal Advisory Council of Michigan).	Debt Administration
☐	Submit CAFR to rating agencies and any other required entities (e.g., bond insurer, credit enhancer, etc.).	Debt Administration/ Financial Reporting
☐	Maintain, or cause to be maintained, for at least six (6) years, a record of the continuing disclosure filing.	Debt Administration

<table>
<tr><th colspan="3">Post Issuance Compliance Checklist</th></tr>
<tr><th>Completed</th><th>Task</th><th>Responsibility</th></tr>
<tr><td></td><td>Material Event Disclosure
(To Be Conducted on an As-Needed Basis)</td><td></td></tr>
<tr><td>☐</td><td>Notify the MSRB, in a timely manner, by electronic submission via EMMA, of any of the following events with respect to the bonds, if the event is material within the meaning of the federal securities laws:
• Principal and interest payment delinquencies;
• Non-payment related defaults;
• Unscheduled draws on debt service reserves reflecting financial difficulties;
• Unscheduled draws on credit enhancements reflecting financial difficulties;
• Substitution of credit or liquidity providers or their failure to perform;
• Adverse tax opinion or events affecting the tax-exempt status of the bonds;
• Modification to rights of holders of the bonds;
• Bond calls;
• Defeasances;
• Release, substitution or sale of property securing repayment of the bonds;
• Rating changes; and
• Failure to timely file financial information (including the financial statements) and operating data as required.</td><td>Debt Administration</td></tr>
<tr><td>☐</td><td>Maintain, or cause to be maintained, for at least six (6) years, a record of the material event filing.</td><td>Debt Administration</td></tr>
</table>

Post Issuance Compliance Checklist		
Completed	**Task**	**Responsibility**
	NON-ARBITRAGE AND TAX COMPLIANCE (To Be Conducted Upon Completion of Financing)	
☐	Identify division responsible for post-issuance tax compliance monitoring and subsequently provide Non-Arbitrage and Tax Certificate, Form 8038, final cash flows, and any other required information.	Debt Administration
☐	Choose accounting method with respect to bond proceeds and interest earnings, investment and expenditures. (Reasonable accounting methods for allocating funds from different sources to expenditures include the following methods: specific tracing method, gross proceeds spent first method, and ratable allocation method.)	Financial Reporting/M&B Finance Satellite Office
☐	Recalculate "yield" of bonds, and compare to Form 8038, 8038-G, 8038-GC, or 8038-CP as applicable. Ensure proper account is set up for cash and investment revenues.	Financial Reporting/M&B Finance Satellite Office
☐	Calculate allocation of bond proceeds and interest earnings to expenditures based on expected plan of use and reimbursement of pre-issuance expenditures under applicable reimbursement rules to ensure that bond proceeds are used for eligible costs.	Debt Administration/ Financial Reporting/M&B Finance Satellite Office
	NON-ARBITRAGE AND TAX COMPLIANCE MONITORING (To Be Conducted Semi-Annually)	
☐	Monitor expenditure of bond proceeds for eligible costs and for timeliness. Considerations include: • Governmental bonds may be used for a broad range of capital projects and for working capital, subject to arbitrage constraints. • Charitable 501(c)(3) organizations can borrow from governmental issuers of bonds for a	Debt Administration/ Financial Reporting

Post Issuance Compliance Checklist		
Completed	**Task**	**Responsibility**
	similarly broad range of uses. However, borrowers must ensure that 501(c)(3) status is maintained and that bond proceeds are not used in connection with an "unrelated trade or business." • Exempt facility and other special use bonds have particular rules as to what are qualifying costs. In some cases, such as housing bonds, there are continuing reporting requirements to the IRS. • An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project is placed in service. In any event, this allocation must be made by the date 60 days after the fifth anniversary of the issue date or 60 days after the retirement of the issue, if earlier. (Applies to bonds issued on or after May 16, 1997.)	
☐	Monitor private use of bond-financed facilities (in the case of qualified 501(c)(3) bonds, monitor non-501(c)(3) private use) to ensure compliance with applicable percentage limitations. • Establish procedure for review of amount of existing private use on periodic basis. • Establish procedure for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, or other arrangement involving private use of bond-financed facilities. Promptly consult with bond counsel as to any possible private use of bond-financed facilities. "Remedial action" for such "change of use" may require redemption or defeasance of bonds or expenditures for other qualified purposes within specified time periods.	Debt Administration/ Financial Reporting

Post Issuance Compliance Checklist		
Completed	**Task**	**Responsibility**
☐	Monitor compliance with IRC Paragraph 148(f). Rebate as necessary in consideration of the following: • First installment of arbitrage rebate due on fifth anniversary of bond issuance plus 60 days. • Succeeding installments every five years. • Final installment 60 days after retirement of last bonds of issue. • Monitor expenditures generally against date of issuance expectations for three or five year temporary periods or five-year hedge bond rules. • For advance refunding escrows, confirm that any scheduled purchases of 0% Securities of State and Local Government Series are made on scheduled date.	Financial Reporting/M&B Finance Satellite Office
	RECORD RETENTION	
☐	Follow requirements of Policy No. 10018 under "Tax-Exempt Bond Record Retention"	Debt Administration/ Financial Reporting
	FILINGS AND OTHER REQUIREMENTS (To Be Conducted Upon Completion of Financing)	
☐	Obtain and store bond transcripts, a.k.a. "closing bible," of crucial documents prepared by bond counsel.	Debt Administration
☐	Confirm filing of Form 8038, Form 8038-G, Form 8038-GC, or Form 8038-CP with IRS, usually overseen by bond counsel at or soon after closing.	Debt Administration
☐	Confirm filing of security report with Michigan Department of Treasury, if applicable.	Debt Administration

Post Issuance Compliance Checklist		
Completed	**Task**	**Responsibility**
	FILINGS AND OTHER REQUIREMENTS (To Be Conducted Annually)	
☐	Monitor compliance with permitted investments.	Debt Administration/ Financial Reporting
☐	Monitor compliance with debt covenants.	Debt Administration

Policy Statement

- Policy No.: 10021
- Effective Date: Immediately
- Issue Date: September 1, 2009
- Originator: Office of the Chief Financial Officer

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: CENTRALIZED SERVICE COST ALLOCATION (CHARGEBACKS)

A chargeback occurs when one Wayne County unit provides a good or service to another Wayne County (the County) unit and seeks to recover the cost of the good or service. Examples of these services are information technology, building rent and maintenance, personnel, legal and financial services. In addition, the costs of providing insurance for County employees, such as health care and long-term disability, are accumulated centrally. The cost of these services and insurance directly and/or indirectly benefit each department and/or the employees of each department within the County.

This document describes the Department of Management and Budget's (M&B) policies and procedures for establishing chargeback billing rates at the County. Its primary objective is to provide a general policy for chargebacks and to establish an allocation and reporting process that ensures users pay only their appropriate share of actual chargeback costs and that proper records are available to support the chargeback rates.

<u>Definitions</u>

Billing Rate: The amount charged to a user for a unit of service. Billing rates are usually computed by dividing the total annual costs of the chargeback operation by the total annual number of billing units provided to users of the service.

Billing Unit: The unit of service provided by a chargeback operation. Examples of billing units are number of personnel, number of paychecks issued, and occupied square footage.

Chargeback: Financial transaction to allocate costs for an internally provided good or service.

Chargeback Unit: An organizational unit that provides a good or service to County departments and charges the benefiting department for the good or service received.

Deficit: The amount by which costs of providing a good or service exceed the revenue generated during a fiscal year.

Direct Operating Costs: Costs that can be specifically identified with a good or service provided by a chargeback operation. These costs include the salaries, wages and fringe benefits of County staff directly involved in providing the good or service.

Fiscal Year: The twelve month period used for accounting and reporting purposes (October 1 to September 30).

Fringe Benefits: An assessment for costs associated with most personnel and temporary service positions, including costs such as health insurance, workers' compensation and disability insurance.

Surplus: The amount by which revenue generated exceeds the cost of providing the good or service during a fiscal year.

General Policies

- Chargebacks are designed to recover the direct operating costs of providing centralized goods and/or services. Only costs incurred to provide the good or service may be included in the billing rates charged to County departments.

- Billing rates are based on the actual cost of providing the good or service and the applicable number of billing units.

- Annual billing rates may differ slightly from the total cost of providing the services during any one fiscal year. In order to ensure consistency with the long-term plan to operate on a break even basis, the rates will be adjusted in the following fiscal year for any deficit or surplus in the chargeback unit at fiscal year end. Surpluses in chargeback units will not exceed amounts allowable per the Fund Balance Policy, No. 10008.

- M&B will record chargebacks in the general ledger on a monthly basis in accordance with the Monthly Closing Procedures and Interim Financial Statements Policy, No. 12002.

- M&B will make quarterly statements of chargebacks available on the County's intranet at http://countynet.wc/mgtBudget/. These statements will enable each department to view the dollar amount of their chargebacks by type and the statistic used to determine the chargeback. The quarterly statements will include chargebacks related only to centralized services, not insurance costs, which are addressed below. The statements will also include a description of the services being provided by the centralized units and an overview of the methodology used to allocate the costs. These statements will be available no later than forty-five (45) days after quarter-end.

- Insurance costs are allocated throughout the year using a percentage developed by M&B's Budget Division based on projected costs and budgeted number of positions. This percentage is adjusted at year-end based on actual costs and actual number of positions.

- Other allocated costs, such as the allowable cost of the Offices of the County Executive, Treasurer, Clerk and the Wayne County Commission are allocated based on an indirect cost allocation plan, prepared in accordance with the Federal Office of Management and Budget (OMB) Circular A-87. Costs under this plan will be charged back on a two-year lag (e.g. the plan based on fiscal year 2007 expenditures will be charged in fiscal year 2009).

- It is not appropriate to transfer chargeback operation revenues to other accounts to support unrelated activities. If funds have accumulated in a chargeback unit of prior year “surpluses”, an adjustment to future rates is necessary.

- Auditable financial, statistical and other records related to chargeback operations are the responsibility of the chargeback unit and must be retained for three years from the end of the fiscal year to which the records relate. Records are subject to audit by the federal government and other sponsors as well as internal and external auditors.

Cost Allocation

Certain employees, such as Corporation Counsel staff, provide services at the request of County departments. Where practicable, these employees will keep detailed time records and the associated salaries and fringes will be charged directly to the benefiting department.

The other costs incurred by a chargeback unit: (a) salaries and fringes of staff who provide the good or service (other than those billed directly as indicated above), (b) supplies and materials associated with the good or service and (c) depreciation associated with equipment used in the process will be included in the billing rates.

Any external revenues (e.g. interest income) received by the chargeback unit will be used as an offset to total costs and will reduce the billing rates.

<u>Comments</u>

Any questions concerning appropriate cost allocation procedures should be directed to the Financial Reporting Division of M&B.

Distribution

Elected Officials
Department Heads
Division Directors
Department of Management and Budget Staff
Department Financial Representations

Policy/Procedure Statement

- **POLICY NO: 10023**
- **EFFECTIVE DATE:** ***Immediately***
- **ISSUANCE DATE: October 1, 2009**
- **ORIGINATOR: Office of the Chief Financial Officer**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: AUTHORIZED SIGNERS

Purpose

The policy/procedure statement provides instructions to Department Heads for identifying an employee of their staff as an authorized signer for their departments. Authorized signers are responsible for ensuring compliance with this policy as they are more familiar with expenses incurred on behalf of their department. The names, titles, employee IDs, and signatures of all personnel to whom the Department Head's signature authority has been delegated to approve documents, including certain expenditures of Wayne County (the "County"), should be on record with the Office of the Chief Financial Officer.

Policy

It is the policy of the County to ensure that all obligating and payment documents are properly signed by authorized officials and that the signatures are verified before those documents are processed. Accordingly, the Department of Management and Budget (M&B) is responsible for verifying that the signatures on all of the County's obligating and payment documents are signed by the appropriate authorizing officials before they are processed, including Document Approval Forms (DAF) and PC3's.

Authority

Under the Charter, Part III, Section 4.332, dated November 15, 2001, the Chief Financial Officer is, among other things, responsible for implementing administrative procedures and practices required by the Chief Executive Officer (CEO). The Office of the Chief Financial Officer (OCFO) is responsible for performing financial functions including the assurance of adequate financial internal controls. The use of Authorized Signature forms (the form) to verify authorized signatures is a standard financial internal control procedure. Several of the County's administrative policies currently provide specific delegations of authority by management levels in the Department for obligations and payments made for specific accounting activities like travel, vouchers, procurement, and other obligations.

What is expected of an authorized signer?

An authorized signer:

- Thoroughly reviews the document to be processed and is familiar with the applicable M&B policies pertaining to the use of the document.
- Authorizes M&B to process a transaction on the signature of the signer.
- Understands that the Authorized Signature Form (see attached) must be completed at the beginning of each fiscal year (October 1st) to ensure that its importance is reinforced and renewed each time an authorized signer:
  - transfers to another department/division
  - terminates employment with the County or
  - the dollar threshold changes
- Cannot approve their own request for authorization.
- Must be an employee of the County.

Instructions for completing the form

The ***Authorization Signature Form*** is the official record and the appropriate means to document the delegation of signature authority for the entire County. Department Heads desiring to delegate signatory privileges to staff should complete the attached form. This form is available on the intranet at http://countynet.wc/mgtBudget/forms.asp#administration.

The form must be current and correct and the names and titles must match identically on the form. (Spelling example: Mich**ae**l and Mich**ea**l will not be accepted.) *Only after* the **fully-completed** application/renewal and **original** identification documents have been approved by M&B will the authorized signers be recognized.

FAILURE of any of the above results in:

1. Forms will be returned and signer privileges will not be acknowledged.

2. Signer privileges will be *revoked.*

3. Upon three violations, the signer's authorized signer privileges will be *permanently revoked*.

This policy is effective immediately. Any comments on this policy/procedure statement or questions concerning its implementation should be directed to the Office of the Chief Financial Officer.

<u>Distribution</u>:
Department Directors, including those headed by Elected Officials
Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Attachment

Policy/Procedure Statement

POLICY NO. 10025

ISSUE DATE: September 12, 2011

ORIGINATOR: Office of the Chief Financial Officer

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Accounts Receivable Delinquency and Collection Procedures

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Purpose

The purpose of this Policy/Procedure Statement (PPS) is to specifically address the collection procedures for delinquent accounts. Such procedures will be in accordance with applicable federal and state laws concerning the collection of debts. This PPS complements PPS #14001, "Accounts Receivable Billings and Accounting Procedures" (revised September 12, 2011) and should be read in conjunction with it.

Delinquency Defined:

Accounts receivable will be considered delinquent ninety (90) days after the invoice date.

Department Responsibilities

Departments having accounts receivable are required to make efforts to collect the money to which they are entitled. For this purpose, departments should establish and document collection procedures which, at a minimum, incorporate the procedures described below and those set forth in PPS 14001, "Accounts Receivable Billings and Accounting Procedures". Also, departments are required to maintain records on the following:

<u>Debt</u> – Evidence must be maintained to support the existence of each debt. Copies of contracts, sales receipts, and property damage reports are some examples.

<u>Debtor</u> – The department must make efforts to maintain and update a physical address for each debtor. A post office box may be used in addition to, but not in place of, a physical address. The notice provisions of contracts and agreements shall be consulted to ensure such notices are properly made.

<u>Collection Efforts</u> – The department must keep detailed histories of collection efforts made for each individual debt. These records would include documentation of telephone calls and copies of demand letters, invoices, and other correspondence. The Department of Management and Budget, with the assistance of Corporation Counsel, will ensure that employees involved in collection efforts receive materials describing the applicable federal and state laws concerning the collection of debts.

Department of Management and Budget Central Accounts Receivable Responsibilities

Between 31 and 60 days after the initial invoice date, a second copy of the invoice will be mailed to the debtor. This copy should be stamped, “PAST DUE”.

Between 61 and 90 days after the initial invoice date, a telephone call should be made to the debtor. The date, time, and substance of this call must be documented by the caller.

When the item becomes delinquent at 90 days, a registered demand letter will be promptly (within 30 days) mailed to the debtor with the following information included:

1. “The invoice or notification requiring payment for your debt occurred over 90 days ago and **is now considered delinquent** according to County policy.”
2. “To avoid further collection procedures, please remit payment to the County of Wayne immediately.”
3. Contact information for the County department that is owed.
4. A mailing address for payment (Payments and Collections).
5. Detail of the debt.

A second registered demand letter should be sent no sooner than 30 days, but no later than 60 days after the first demand letter. This letter should contain the same information as required in the first letter. In addition; the following notice of referral to Corporation Counsel may be necessary:

> “If payment is not received within 30 days, this account may be referred to the Corporation Counsel for legal action.”

These letters will be generated by M&B and printed on M&B letterhead. Envelopes used for all notices must indicate “address correction requested”. If the postal service provides an address correction, the notice should be promptly re-sent to the correct address.

Referral to an Outside Collection Agency:

The procedures described above will be slightly different if the Chief Financial Officer intends to use a collection agency. First, the initial demand letter must state that the account may be sent to a collection agency if payment is not made within 30 days. Then, if payment is not received within 30 days, the account should be promptly sent to the agency. The second demand letter (including notice of referral to Corporation Counsel, if applicable) would be issued only if the account is returned unpaid from the collection agency.

Referral to Corporation Counsel:

If payment is not received within 30 days of the second demand letter, debtors may be referred to Corporation Counsel for further collection procedures, based on criteria determined by the Chief Financial Officer. This referral should be made no later than 30 days after the department determines that its efforts to collect the debt have failed. Prior to referral, the debt must be withdrawn from any collection agency.

Referral to Corporation Counsel requires a completed referral sheet be transmitted with a copy of documents supporting the debt, a copy of all correspondence and collection comments, and the debtor’s last known address. A fee will be charged to the department for accounts sent to Corporation Counsel. Please contact the CFO for referral sheets.

Comments

Any comments on this PPS or questions concerning its implementation should be directed to the Office of the Chief Financial Officer at (313) 224-0420.

Distribution

Department Directors, including those headed by Elected Officials
Deputy Department Directors
Division Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Policy/Procedure Statement

- **POLICY NO: 10027**
- **EFFECTIVE DATE:** ***Immediately***
- **ISSUANCE DATE:** ***August 22, 2011***
- **ORIGINATOR: Office of the Chief Financial Officer**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: BIENNIAL BUDGET PROCESS

The biennial budget process will be divided into four phases, Development of Budget Policy Statement and Revenue Forecast, Submission of Department Budget Requests, Development of the County's Executive Recommended Budget and County Commission Review and Adoption.

Phase I – Development of the Budget Policy Statement and Revenue Forecast (December – January)

Phase I begins with development of the biennial revenue forecast by the Department of Management and Budget, Budgeting and Planning Division (Budget) working with the departments to develop the preliminary two-year revenue estimates for the County's General Fund and special revenue funds. In accordance with Article V of the Wayne County Charter, the Chief Executive Officer (CEO) will issue a Budget Policy Statement and publish the Revenue Forecast for the next biennial period. This process will be completed during the month of January. Upon completion of this task, the Budget Division will distribute budget instructions for developing departmental budget requests for the next biennial period. The instructions will include the budget parameters such as the available funding, staff salaries and fringe benefit costs, turnover rate, a listing of all internal service fund and pension rates and other required budget preparation forms.

The last step in this phase is the budget orientation. There will be two budget orientation sessions; one for the elected officials and one for the department heads. These sessions are directed by the Departments of Management and Budget (M&B) and Personnel/Human Resources (HR). The purpose of these sessions is to review the budget parameters, the budget calendar and instructions and provide departments with information useful in developing their budgets.

Phase II Submission of Budget Requests (February - March)

During this phase, departments will develop their budget request as described above, including goals and objectives. If a new program is being proposed, the department must provide a funding source (other than the General Fund). During a time of revenue declines and rising expenditures, each department will be assigned a "budget target" as a guideline to reduce expenditures in order to balance the budget for the next two fiscal years. This target will be based upon the percentage of the General Fund/General Purpose budget for the previous fiscal year, as well as any carry forward "credit" and remaining structural budget issues from the previous years. Each department head, including those headed by elected officials will be required to develop a plan to balance their budget by either producing new revenue or making reductions in expenditures. It is at the discretion of the departments headed by elected officials as to how the reduction will be distributed over the activities (divisions) he/she oversees. Budget requests will be submitted to M&B no later than March 30.

Phase III – Development of the County Executive's Recommended Budget (April –May)

During the month of April, each department will be invited to a budget discussion with the Deputy County Executive (DCEO), Chief of Staff (COS), Chief Financial Officer (CFO), members from the Budgeting and Planning Division, and HR. The purpose of this meeting is to clarify any budget requests and to discuss any possible service impact based on budget reductions, if needed. Once this task has been completed, the Budget staff will begin developing the County Executive's Recommended Budget. The recommended Budget must be balanced (revenues must equal expenditures) and submitted to the Wayne County Commission (the Commission) by June 3, 120 days before the beginning of the first biennial year and 485 days before the beginning of the second biennial year.

Phase IV – County Commission Review and Adoption (June – September)

Upon receipt of the County Executive's Recommended Budget, the Commission (Committee on Ways & Means) is required to introduce the proposed Appropriations Ordinance (June 18). Hearings on the budget are to be completed by July 13, 80 days prior to the beginning of the next biannual period, October 1. These hearings allow the departments the opportunity to justify their budget requests as formulated in the CEO's Recommended Budget. The County Executive hearings will be conducted by M&B and HR. For departments headed by elected officials, support staff from M&B and HR will be present to clarify budget recommendations.

During the budget hearing process, a number of amendments/technical adjustments to the CEO Recommended Budget may be introduced. These amendments may be initiated by the CEO or by the Commission. The recommended amendments/technical adjustments will not be addressed by the Commission until the last budget hearing in August. During this meeting, all budget recommendations will be finalized. State law requires the County's recommended budget be "balanced" with revenues equaling expenditures. The budget is then moved from Ways and Means to the Committee of the Whole for approval and finally to the Full Board for adoption no later than 30 days before the beginning of the next biennial period or September 1.

Calendar for Preparation of the Biennial Budget Document

Date	Activity	Responsibility
December	Begin work on the biennial revenue estimates for all funds	Budget
January	Submit revenue estimates to County Executive County Executive completes the Budget Policy Statement	CFO/Budget CEO
February	Issue Budget instructions	CFO/Budget
February	Orientation sessions with Elected Officials and Department Heads	CEO/DCEO COS/CFO Budget/HR
February 15	Submit 1st Quarter Projection	CFO/Budget
March 30	Departments submit budget requests to Budget	Departments
April	Submit Equalization Report	A&E
May	Finalize CEO Recommended Budget	DCEO/COS CFO/Budget/ HR
May	Send CEO Budget for printing	M&B
May 15	Submit 2nd Quarter Projection	CFO/Budget
June 3	Submit CEO Recommended Budget to the Commission	Budget
June 18	Proposed Appropriations Ordinance	Commission
July	Budget Hearings	Commission
July 13	Budget Hearings completed	Commission
July	Hold Public Hearings	Commission
August	Adopt budget	Commission

August 15	Submit 3rd Quarter Projection	CFO/Budget
October 1	Establish schedule of periodic allotments	CEO
November	Submit Adopted Budget for Printing	M&B
November 15	Submit 4th Quarter Projection	CFO/Budget
December	Submit Budget Book to GFOA	M&B

Distribution:

Department Directors, including those headed by Elected Officials
Directors and Assistant Directors
Management and Budget Staff
Department Financial Representatives

Policy/Procedure Statement

- **POLICY NO.:** ***12000***
- **EFFECTIVE DATE:** ***October 7, 2002***
- **ISSUE DATE:** ***May 6, 2005***
- **ORIGINATOR:** ***Finance & Accounting Division***

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Capital Assets

I. PURPOSE

This policy/procedure statement will establish capital assets accounting concepts and provide policies and procedures to be used by the Charter County of Wayne ("the County") in maintaining its capital assets. This statement will address the acquisition, use, reporting and disposal of County owned assets.

A capital asset is defined as a financial resource that meets all the following criteria:

- It is tangible (or intangible in the case of purchased software)
- It has a useful life extending beyond a single reporting period
- Its unit cost, including freight and installation, meets or exceeds the capitalization threshold (Section III)

A capital asset is also one that:

- Must be tracked for state or regulatory purposes regardless of its cost (e.g. Roads Fund equipment)
- Does not lose its identity through fabrication or incorporation into a different or more complex unit

II. POLICY APPLICABILITY AND ENFORCEMENT

The County's Department of Management and Budget's (M&B) Finance & Accounting Division (the Accounting Division) is responsible for the development, communication, and revision of this policy.

The provisions contained in this policy/procedure statement are specifically addressed to departments and elected officials (user departments) as customers in an instructive manner. It is designed to both educate and support the ongoing efficient processing of capital asset transactions and should be referenced and followed by all user departments and elected officials as authoritative guidance. The Director of Accounting is responsible for the resolution of policy interpretation issues.

All user departments must follow these policy provisions in the recording of all capital asset transactions, and where notification to the Accounting Division is requested throughout this policy, such notification must be made in writing to the Director of Accounting. The Accounting Division will verify compliance to policy provisions through transaction review, audits and physical inventory verifications. Failure to comply with the requirements of this policy/procedure statement could result in loss of physical control over capital assets, thereby increasing the risks of fraud and theft.

This policy is useful to the Accounting Division in:

- Financial statement preparation
- Audit compliance

This policy is useful to the Risk Management Division in:

- Fire and casualty insurance valuation

This policy is useful to all County departments in:

- Internal control accountability
- Planning future replacements

III. CAPITALIZATION THRESHOLD

Expenditures will be capitalized when the following criteria are met:

- The asset is tangible or intangible in nature, complete in itself, and is not a component of another capitalized item.
- It does not lose its identity through fabrication or incorporation into a different or more complex unit (for example, a computer installed in a sheriff's vehicle).
- The asset is used in the operation of the County's activities.
- The asset has a useful life of one (1) year or more and provides a benefit throughout that period.
- The individual cost of the item is $5,000 or more.

For certain Roads Fund equipment, the capitalization threshold was lowered to $500.00 to meet statutory accounting and reporting requirements. The capitalization threshold is established to encompass at least 80% of the value of all non-infrastructure assets. The threshold is applied to individual capital assets rather than to groups of capital assets (e.g., desks, tables, chairs, etc.)

Specific assets costing less than $5,000 may be tagged and controlled but will not be capitalized for financial reporting purposes. These items, referred to as "controlled assets", include assets costing less than $5,000 and include certain audio and video devices such as computers, printers, scanners, videocassette recorders, televisions, projectors, camcorders, and digital cameras. Each user department may wish to maintain a current log of these assets for internal control purposes. These controlled assets, which are not capitalized, should be charged to the proper non-capital object codes in J. D. Edwards (981000 to 986000 only). Please refer to Section VIII, Physical Inventories, for additional discussion on controlled assets.

The Department of Technology is responsible for maintaining an accurate inventory of the County's computer equipment and will adhere to the provisions of this policy.

Capital assets acquired by the County are recorded at cost. Cost is equal to either the amount paid for the asset or the fair market value of the asset, if it has been donated. Fair market value is defined as the most probable price, which a property should bring in a competitive and open market under conditions requisite to a fair sale; the buyer and seller are each acting prudently and knowledgeably, and the price is not affected by undue influence.

In addition, ancillary costs associated with preparing the asset for its intended use are capitalized. Some ancillary costs that may be incurred by the County are described in the following sections. Certain other costs, however, are excluded from capitalization.

In general, costs relating to the removal or demolition of buildings, structures, equipment or other facilities are not capitalized.

Examples of items not capitalized are:

- Costs incurred on assets that are not purchased, e.g., surveying, title searches, legal fees and other expert services on land not purchased
- Extraordinary costs incidental to the construction of capital assets such as those due to strike, flood, fire or other casualties
- Costs of abandoned construction

Examples of items that are capitalized are:

- Costs to remove or demolish a building or other structure existing at the time of acquisition of land when the intention of the removal or demolition is to accommodate the land's intended use (such cost needs to be considered part of the land)
- Costs to remove or demolish a building or other structure with the intention of replacing the old asset (such costs needs to be considered a part of the cost of the new building)

IV. CAPITAL ASSET CATEGORIES

Capital assets include the following major classes: Land and land improvements, buildings and building improvements, infrastructure, machinery and equipment, cars and trucks, furniture and office equipment, systems, construction work-in-progress, and work of art/historical treasurers. Each of these classes are defined and discussed below.

A. Land and Land Improvements

Land purchased or otherwise acquired by the County is reported at cost, or, if donated, at fair market value at the time of donation. The asset class of land includes site preparation costs required for its intended use.

Land improvements are improvements to a County site that permit the intended use of the site. Examples include assets such as paving, fencing, playground, tennis courts, concrete walks and steps, outside lighting, outside plumbing, irrigation systems, signs, flagpoles, miscellaneous sheds, ball diamonds, swimming pools, walls, and fountains. The amount capitalized is the actual cost of installation and/or acquisition of these assets at the acquisition date, including any labor and installation fees. A site may have these improvements even if there is no building, such as a soccer field in a park.

Land costs to be capitalized include (not all-inclusive):

- Original contract cost and related expenses such as broker's commission and legal fees for examining and recording ownership
- Cost of ownership guarantee insurance policies
- Cost of real estate surveys
- Cost of razing old buildings, structures, or other improvements acquired with the property
- Cost incurred to put property in condition for its intended use, including draining, clearing, land filing, and grading costs
- Assumption of liens or mortgages
- Judgments levied through suits
- Closing fees, such as title search and legal fees

<u>Exclusions</u>
Excluded costs are the fees for ownership searches, expenditures in connection with disposal of refuse, costs of utility easements, and repairs to other improvements.

B. Buildings and Building Improvements

Buildings are permanent structures housing persons or personal property. Building improvements are long-lived renovations to buildings that significantly increase the building's life, usefulness, or value. Building improvements cannot be separated from the building. Building improvements may include asset improvements or replacements to building components such as elevators.

Building and building improvements costs to be capitalized **include** (not all-inclusive):

- Original purchase price of construction
- Expenses incurred in remodeling, reconditioning, or altering a purchased building to make it suitable for the purpose for which it was acquired, cost of excavation, grading or filling of land as part of the construction of a specific building
- Expenses incurred for the preparation of plans, specifications, blueprints, etc., cost of building permits, architects and engineers fees for design and supervision
- Other costs such as temporary buildings used during the construction period that are not moveable or reusable and are razed at the end of construction
- Insurance costs during construction phase
- Interest costs during construction

Additionally, the following items are included as part of the building cost:

- Built-in casework
- Built-in shelving
- Built-in public address systems
- Carpet
- Plumbing, sprinkler, heating, ventilating and air conditioning systems
- Emergency generator systems for building support
- Intrusion alarm systems
- Fire alarm systems
- Emergency lighting systems

When a building is purchased, an allocation must be made by an appraiser between the land, land improvements and the building. The Accounting Division will arrange for an appraisal to be conducted by an outside appraiser every five years.

Donated buildings and building improvements are reported at fair market value at the time of donation.

<u>Exclusions</u>
Costs that are excluded are extraordinary costs that are merely incidental to the erection of the building (such as costs incurred due to strike, flood, fire, or other casualty), and the cost of abandoned construction.

C. Infrastructure

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. These assets typically serve the population at large, rather than the function of a governmental site.

Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings that are not an ancillary part of a network of infrastructure assets, for example, a pump house, should not be considered infrastructure assets.

Infrastructure costs to be capitalized **include** (not all-inclusive list):

- Cost of construction

- Design and supervision costs
- Building permits
- Legal and architectural fees
- Costs of inspections

D. Machinery and Equipment

Machinery and equipment includes property that does not lose its identity when removed from its location. Examples of machinery and equipment differ by fund, but some examples include tractors, mowers, scanners, compressors and generators. Tools such as wrenches, hammers and screwdrivers are excluded unless the individual cost is $5,000 or more.

Equipment costs to be capitalized **include** (not all-inclusive list):
- Original invoice cost
- Freight, import duties, handling and storage costs
- Specific in-transit insurance premiums
- Assembling and installation costs
- Costs for testing and preparation for use
- Reconditioning costs related to used equipment to make it available for its intended use

All costs incurred after acquisition but prior to placing machinery and equipment in service to make it ready for use, are considered to be part of the cost of the asset. Examples include:
- Adding auxiliary equipment to a vehicle (e.g. emergency vehicles)
- Installation and testing of radios, antennas and other communications devices
- Installation and testing of electronic equipment
- Painting and application of logos, signage, etc.

<u>Exclusions</u>
Trade-in allowances and salvage values.

E. Cars & Trucks

Cars and trucks purchased or leased by the County will be capitalized. A distinction will be made for the type of vehicle.

- Car, van and light truck (½ ton or less)
- Police car
- Heavy truck (more than ½ ton)
- Fire truck
- Leased car (capital lease)

Additions to a vehicle will increase the cost basis of the vehicle. Examples include radios, security systems, and auxiliary equipment. Exceptions would be items that are $5,000 or more, retain their identity and can be removed and used elsewhere, such as a Global Positioning System (GPS) unit or mobile computer.

Donated cars and trucks are reported at fair market value at the time of donation, using either applicable market price. In the absence of a readily determinable fair market value, an outside appraisal must be obtained.

F. Furniture & Office Equipment

Furniture and office equipment will be capitalized if the cost of an individual item is $5,000 or more. Care must be made to identify items that are either a part of a system, such as a telephone system or network (refer to Section IV-G) or are a controlled asset (refer to Section III). Assets that meet these criteria will be bar code tagged and inventoried by the Accounting Division.

Office equipment includes:
- Copy machines
- Printers
- Document scanners
- Computer hardware
- Computer software

Computer software must be capitalized (use JED object code 979000) whether purchased (normally a user license is purchased) or created in-house. All associated costs are to be included for the in-house software including contractors' costs.

G. Systems

Many assets consist of multiple components that make up the asset. An asset system has the following characteristics:
- Consists of multiple property subunits which function together as a single capital asset.
- Individual subunit costs are generally not significant in comparison to the total cost of the entire system.
- Normally, individual subunits would not meet the capitalization criteria. The grouping as a whole, however, qualifies as a capital asset ($5,000 acquisition cost, one year useful life, etc.).
- When a subunit is replaced, it generally does not extend the life of the larger asset. Therefore, replacement would generally be treated as maintenance expense.
- Any component, with a cost greater than the capitalization thresholds, subsequently added to a system needs to be capitalized as a part of the entire system.
- Each subunit is integrated and configured in such a way as to make identification of individual components difficult. Therefore, it is impractical to tag, track, and inventory each sub-unit.

Asset systems are to be capitalized if the composite cost equals or exceeds the County's $5,000 reporting threshold. Examples of asset systems include: telephone systems, security systems, building sprinkler systems, certain office systems, and communication networks.

H. Capital Projects and Construction Work-in-Progress

A capital projects fund is used to account for the construction of a capital asset. As construction progresses, the cumulative expenditures are recorded by project. Upon completion of the capital asset, the balance in the construction-in-progress account is transferred to the appropriate account(s) such as building or equipment. Projects that have reached 100% completion are transferred. Projects that have not reached 100% completion will continue to be tracked as construction-in-progress. Interest costs incurred during the construction period are subject to capitalization as part of the cost of construction when conditions identified by Financial Accounting Standard Board Statement No. 34, "Capitalization of Interest Costs" exist. User departments must notify the Accounting Division of all capital projects.

Construction work-in-progress (CWIP) includes amounts expended on an incomplete building, infrastructure or other capital construction projects. Capital assets that are available for use on September

30 of any year are to be re-classified as buildings and improvements, land improvements, infrastructure, or equipment, based upon the nature of the constructed asset(s).

Construction-in-progress costs to be capitalized **include** (not all-inclusive list):

- Contractor's fees
- Freight and transportation costs
- Professional fees attributable to the construction
- Interest cost

I. Works of Art/Historical Treasures

Works of art, historical treasures, and similar assets will be capitalized at their historical cost or fair market value at date of donation whether they are held as individual items or in a collection. In the absence of a readily determinable fair market value, an outside appraisal must be obtained.

Examples include: paintings, statues, stained glass, frescos, and original documents in archives.

J. Leased Assets

All user departments must send a copy of every lease agreement to the Accounting Director for evaluation. Upon entering into a lease, the user department should request that the vendor provide all the information necessary to determine if the leased asset is a capital asset or not. The Accounting Division will determine whether the lease meets the criteria to be recorded as a capital lease and will generate the appropriate journal entries. Therefore, for all leases of assets with a fair market value of $5,000 or more, it is necessary to evaluate this possibility at the inception of a lease so the transaction is recorded properly. If there are any changes in the terms of the lease agreement, or in the disposition of the asset, such as a transfer, exchange, return to the vendor, etc., the Accounting Director should be notified.

Lease agreements that meet any of the following criteria must be capitalized:

- The lease transfers ownership of the asset to the County by the end of the lease term
- The lease contains a bargain purchase option
- The lease term is equal to 75 percent or more of the estimated economic life of the leased property
- The present value of the minimum lease payments equals or exceeds 90 percent of the fair market value of the asset to the lessor at the inception of the lease. The County shall compute the present value of the minimum lease payments using its incremental borrowing rate, unless (1) it is practical for the County to learn the implicit rate computed by the lessor and (2) the implicit rate computed by the lessor is less than the County's incremental borrowing rate. If both of those conditions are met, the County shall use the implicit rate. Minimum lease payments are the payments that the County is obligated to make or can be required to make in connection with the leased asset.

V. ACCOUNTING FOR CAPITAL ASSET ACTIVITY

The capital asset transactions described below will be recorded in the County's J.D. Edwards capital assets system. This system is the official system for the recording of capital asset activity. Although user departments may use other tracking systems for items below the County's capitalization threshold for control purposes (refer to Section III, Capitalization Threshold, for a discussion of controlled assets), the J.D. Edwards capital assets system will be the official system used for financial statement reporting.

A. Acquisitions

- A capital asset is **acquired** through purchase (with or without trade-ins), self-construction, leasing, donation, or through a business combination (two separate entities become one).
- All acquisitions are made using the County's existing purchase requisition/purchase order system.
- When the ordering department receives the asset, a Capital Asset Property Record Additions Form (for the applicable type of asset) will be completed and sent to the Accounting Division. The capital assets addition form, and instructions for use, can be found on the County's intranet. Sample forms are also available in the Appendix. Refer to the Appendix for account codes, location codes, etc.
- The Accounting Division will affix a capital asset bar code tag on each new purchase of machinery and equipment, furniture, and office equipment. Assets will be tagged annually.
- The asset record is added to the J.D. Edwards capital assets system including the class code, life, and cost.
- Any addition (meeting the asset class capitalization level $5,000) to a capital asset should be capitalized since a new asset has been created. For example, the addition of a wing or the addition of an air conditioning system to a building increases the service potential of that facility and should be capitalized. Other examples of additions include: an elevator or dumbwaiter, fire alarm systems, security system, windows, and sprinkler systems.
- When the County utilizes internal staff, resources, equipment, and/or materials to construct a building or piece of machinery, fixture, software, furniture or equipment for its own use, which meets the capitalization criteria ($5,000), an acquisition cost will be established and the asset will be recorded in the fixed asset system. All direct costs, including materials and labor costs, are included in the total cost of the asset. Overhead (indirect) costs are not included unless they were incrementally increased by the construction of the asset.

B. Improvements and Replacements

The distinguishing feature between an improvement and a replacement is that an improvement is the substitution of a better asset -- having superior performance capabilities -- (e.g., a concrete floor for a wooden floor) for the one currently used, whereas a replacement is the substitution of a similar asset (a wooden floor for a wooden floor). In both of these instances, user departments should determine whether the expenditure increases the future service potential of the capital assets, or merely maintains the existing level of service. When the determination is made that the future service level has been increased, the new cost is to be capitalized.

A Capital Asset Property Record Additions Form – Buildings must be completed and sent to the Accounting Division. The capital asset additions forms, and instructions for use, can be found on the County's intranet. A sample form is also available in the Appendix.

C. Repairs (Ordinary and Major)

Repairs maintain the capital asset in its original operating condition. *Ordinary* repairs are expenditures made to maintain assets in operating condition. Preventive maintenance, normal periodic repairs, replacement of parts, structural components, and other activities such as repainting, equipment adjustments, that are needed to maintain the asset so that it continues to provide normal services should not be capitalized but rather charged to an expense account. Examples of ordinary repairs include: roof and/or flashing repairs, window repairs and glass replacement, paintings, masonry repairs and floor repairs. *Major* repairs are relatively large expenditures that benefit more than one operating cycle or periods. If a major repair, e.g., an overhaul, occurs that benefits several periods and/or extends the useful life of the asset, then the cost of the repair should be capitalized.

D. Transfers

When an asset is transferred from one County department or business unit to another, the originating department is responsible for initiating the paperwork for the transfer. This is done by the completion of a Capital Asset Property Record Transfer Form, which notifies the Accounting Division of the transfer. The capital asset transfer form and instructions for use, can be found on the County's intranet. All transfer forms must include the proper authorization. The transfer form must be sent to the Accounting Division for input into the J.D. Edwards capital assets system. A sample form is also available in the Appendix. Also refer to the Appendix for account codes, location codes, etc. Notification will include:

- Bar code tag number
- Asset description.
- Serial number or Vehicle Identification Number (VIN) – if applicable
- Originating department
- Destination department
- Date of transfer
- Name and phone number of the person initiating the transfer

For significant asset transfers (book value in excess of $25,000), user departments should consult with the Accounting Division. For all other transfers, user departments should account for the transfers as additions and deletions of capital assets.

E. Retirements and Disposals

A capital asset is considered **disposed of** or **retired** from service when it is no longer available for use, such as through sale (auctions), trade-in, exchange, lease expirations, donation to others (including to other County divisions), obsolescence, abandonment, or theft. For assets that are disposed of through auction and proceeds are obtained, the Accounting Division will record any applicable gain or loss.

User departments are responsible for notifying the Accounting Division of the retirement of a capital asset or the termination of a lease where the asset is returned. The amount of proceeds received on any sale of an asset should be clearly identified. The Capital Asset Property Record Retirement/Disposal Form will be used to document all disposals and retirements. A sample form, and instructions for use, are available on the County's intranet and in the Appendix. Refer to the Appendix for account codes, location codes, etc.

Notification will include:

- Bar code tag number
- Asset description
- Serial or VIN number – if applicable
- Location code
- Business unit
- Reason for disposal/retirement
- Date of disposal/retirement
- Name and phone number of the person initiating the retirement

The appropriate supporting documentation must be attached to the capital assets retirement/disposal form, including bills of sale, police reports (stolen property), and authorization memos (for all other forms of disposal). All disposal forms must be approved by the Division Director, Assistant Director, or designated management executive.

The Accounting Division will inactivate the capital asset in the J.D. Edwards capital assets system after all the appropriate documents have been recorded.

VI. DEPRECIATION

Depreciation is the systematic and rational allocation of the historical cost of a capital asset over its useful life. Certain inexhaustible assets, such as land are not depreciated. CWIP is also not depreciated.

Depreciation is calculated using the straight-line method, (Roads equipment depreciation is calculated by the Sum-of-Year's-Digits method). The basis used in straight-line depreciation is the acquisition cost. Annual depreciation is calculated by dividing the basis by the useful life. The total amount depreciated can never exceed the acquired cost, less any salvage value if applicable. The depreciation convention used is monthly in the year of acquisition. This means depreciation is taken from the beginning of the month in which the asset is acquired.

The J.D. Edwards capital assets system will calculate depreciation on a monthly basis using the straight-line method. A full months' depreciation will be charged regardless of the date of acquisition.

VII. CAPITAL ASSETS FINANCIAL REPORTING

The Accounting Division will determine the appropriate accounting and reporting treatment for all capital asset transactions in all County funds and in interim and annual financial statements. User departments shall consult with the Accounting Division on all matters relating to capital asset reporting disclosures.

VIII. PHYSICAL INVENTORIES

A. Purpose

The purpose of this procedure is to establish the methodology for conducting and reporting the periodic physical inventory of the County's machinery and equipment and furniture and office equipment capital assets by the Accounting Division.

B. Inventory Frequency

A physical inventory of capital assets will be performed either simultaneously or on a rotating basis, so that all of the County's tangible capital assets are physically accounted for at least once every five years. The Accounting Division, at its discretion, may perform physical inventories of machinery and equipment and furniture and office equipment at more frequent intervals. When performed, the physical inventory counts/observations and reconciliations will be completed by September 1st.

C. Responsibility

The Accounting Division will be responsible for:

- Reporting, inspection and audit of the County's capital assets
- Scheduling and coordinating the physical inventory to ensure it is completed within the scheduled time frame.
- Conducting a thorough inventory in accordance with documented procedures (refer to the Appendix).
- Reconciling any exceptions, such that the result provides a complete accounting of all capital assets recorded in the J.D. Edwards capital assets system.
- Modifying the records in the J.D. Edwards capital assets system to reflect the changes (additions,

transfers and deletions).

- Documenting the inventory results and forwarding a written report to the Accounting Director indicating completion and any exceptions.

D. User Department Responsibilities

Capital Assets

- Notify the Accounting Division monthly of all acquisitions, disposals and retirements, and transfers of capital assets, as defined in this policy
- Maintain supporting documentation for all capital asset transactions in accordance with the County's record retention policy

Controlled Assets

- Maintain an inventory log of controlled assets
- Maintain supporting documentation for controlled assets, consistent with the documentation maintained for capital assets
- Perform annual inventories of controlled assets to determine that:
    - All recorded controlled assets exist as of the date of the count
    - All controlled assets observed are recorded
    - All controlled assets are recorded at the proper amounts
    - All controlled assets are properly classified and described in the inventory log.
- Document the results of the annual inventory
- Document the reconciliation and disposition of any differences
- Send a copy of the annual inventory and the reconciliation to the Accounting Director within two months of the completion of the inventory
- For the Department of Technology
    - All of the above
    - Perform a proper cutoff as of September 30 each year to ensure that inventory recorded was actually received by September 30

IX. REVISION AND APPROVAL HISTORY

This section will be used to record all revisions to the Capital Assets Policy/Procedure Statement including the date revised, section revised, and the name of the person who created and approved the revision.

Date:	Rev. No.	Modification	Author(s)	Approvers

APPENDICES

A. Fund and business units
B. Accounting codes, equipment asset codes, and estimated useful lives
C. Location codes
D. Capital Asset Property Record Additions Form (other than Land and Building; Land; Building) – required form
E. Capital Asset Property Record Transfer Form – required form
F. Capital Asset Property Record Retirement/Disposal Form –required form
G. Physical inventory
H. Glossary

APPENDICES
A. Fund and business units

The current fund and business units can be found in the J.D. Edwards system.

APPENDICES
B. Account codes, equipment asset codes, and estimated useful lives

Accounting Class		Equipment Class		Life in years
Code	Description	Code	Description	
10	LAND	101	LAND	NA
12	LAND IMPROVEMENTS	121	LANDSCAPING	20
		122	GOLF COURSE	20
		123	OTHER IMPROVEMENT	
20	BUILDING	201	BUILDING	25
		202	BUILDING IMPROVEMENT	25
		203	SALT SHELTERS	25
		204	LEASEHOLD	25
		205	LEASEHOLD IMPROVEMENT (CAPITAL LEASE)	25
		206	HV/AC SYSTEM	20
30	MACHINERY & EQUIPMENT	301	MACHINERY & EQUIPMENT	5-8
		302	SHOP EQUIPMENT	5-8
		303	ENGINEERING EQUIPMENT	5-8
		304	LAB EQUIPMENT	5-8
		305	HEAVY EQUIPMENT	5-8
		306	GROUND EQUIPMENT	5-8
		308	COMMUNICATION EQUIPMENT & RADIO	10
		309	LEASE EQUIPMENT (CAPITAL LEASE)	5-8
40	CARS & TRUCKS	401	CAR, VAN AND LIGHT TRUCK	5
		402	POLICE CAR	5
		403	HEAVY TRUCK	5-8
		404	FIRE TRUCK	15
		405	LEASE CAR (CAPITAL LEASE)	5
60	FURNITURE & OFFICE EQUIPMENT AND SYSTEMS	601	OFFICE FURNITURE	5
		602	OFFICE EQUIPMENT	5
		603	COMPUTER HARDWARE	5
		604	COMPUTER SOFTWARE	5
		605	OFFICE SYSTEM	5-10
75	LIBRARY BOOKS (COLLECTION)	751	LIBRARY BOOKS (COLLECTION)	5-7
76	ART WORK	761	ART WORK	NA
80	INFRASTRUCTURE	801	BRIDGES	50
		802	DAMS-STEEL	30
		803	DAMS-CONCRETE	50
		804	ROADWAYS	25
		805	ROADWAY SIGNAGE	7-15
		806	SEWERAGE TREATMENT PLANTS	25
		807	DRAINAGE SYSTEM	25
		808	UNDER GROUND SEWER LINE	50
		809	WATER SYSTEM	25
		810	WASTWATER TREATMENT PLANTS	25
		811	UNDER GROUND WATER LINES	50

APPENDICES
C. Location codes

Location	Description
200001	Ford Field - Football Stadium
200002	Sheriff Administration
200003	Detention Alternative
200004	DOE Air Quality Mgt Downriver
200005	Health Dept. Admin. Building
200017	CEO Office - Wayne County Building
200018	Coleman A. Young Municipal Center
200019	Comerica Park - Baseball Stadium
200020	Central Maintenance Yard
200021	Central Maintenance Yard-Building Maintenance
200022	Central Maintenance Yard-Bridges
200023	Central Maintenance Yard-Construction
200024	Central Maintenance Yard-Equipment
200025	Central Maintenance Yard-Glasshouse
200026	Central Maintenance Yard-IPPM
200027	Central Maintenance Yard-Permits
200028	Central Maintenance Yard-Repair
200029	Central Maintenance Yard-Sign Shop
200030	Central Maintenance Yard-Signals
200031	Central Maintenance Yard-Traffic
200032	Cooperative Extension Service
200033	Third Circuit Court
200034	Central Transfer Unit
200035	Medical Examiner / Morgue
200036	Kay Beard Building
200037	Egeland
200038	Elizabeth Park
200039	Eloise Complex / Kay Beard
200043	HCS Family Center
200044	Felony Warrant
200045	Goddard Yard
200046	Henry Ruff – DOE
200047	Sheriff Road Patrol
200049	Herman Keifer Building
200050	Hern Yard – East
200051	Hoover Yard
200052	Sheriff Internal Affairs
200053	Jail Division I
200054	Jail Div II (Old) & Annex Bldg
200055	Jail Div III
200056	Juvenile Detention Facility
200057	Lola Valley Maintenance Yard
200058	Lower Rouge Maintenance Bldg.
200060	Sheriff Marine Division

APPENDICES

Location	Description
200061	Merriman Yard
200064	Milk River Pump Station
200066	Nankin Mills-Parks Office
200067	Neudeck Building
200068	New Boston Yard
200069	Sheriff Mounted Division
200070	Northville
200071	Norton Yard
200072	Nutrition
200073	Parkview Yard
200074	Phoenix Yard
200076	Rest Area
200077	Rotunda
200078	Rouge Program
200080	Sibley Yard
200083	Taylor - Head Start
200084	Temple Building
200086	DOE Land Resources
200087	Wallaceville Yard
200088	Warren Valley Golf Course
200089	Wayne Yard - South
200090	Wayne Yard - North
200091	Wayne County Building
200092	Wayne County Library
200093	Westland / TEFAP
200094	Wick Yard
200096	Wyandotte Wastewater Plant
200097	Wyoming Yard
200098	Expressway Yard
200099	Yost Yard
200100	Youth Home - Forest
200101	Disposed Assets
200102	Inkster Valley Golf Course
200103	DPS Admin & Eng - Southgate
200104	Fullerton Yard
200105	Caniff Yard
200106	Telegraph Yard
200107	Wilcox Yard
200108	Wallaceville Yard
200109	Lincoln Hall of Justice
200110	3CC Family Division
200111	Frank Murphy Hall of Justice
200112	Book Tower Building
200113	Environmental Health
200114	Adult Probation
200115	Burton Center
200120	Hamtramck Health Center

APPENDICES

Location	Description
200121	Taylor Health Center
200122	Downriver Health Center
200123	Dearborn Health Center
200124	Highland Park Health Center
200125	Sumpter Health Center
200126	Bell Creek Park
200127	Chandler Park Aquatic Center
200128	Crosswinds Marsh
200129	Hines Park
200130	Pelham Salt Yard
200131	International Business Center
200132	Vigliotti Building
200133	Penobscot Building
200134	36th District Court
200135	Peak Flow Booster Station
200136	Kerby Road Lift Station
200137	Jefferson Ave Low Lift Station
200138	Ecorse Creek PAD #3
200139	Lateral 94 Pump Station
200140	Jackson Pumping Station
200141	Monroe Pumping Station
200142	Ecorse Creek Sanitary Basin
200143	Trolley Pumping Station
200144	Ecorse Creek Storm Basin
200145	Probate Court
200998	Wayne County Misc. Land
200999	Wayne County Infrastructure

APPENDICES
D. Additions Form – (Other than Land and Building)

County of Wayne
600 Randolph Street, Detroit, MI 48226
Capital Asset Property Record
Additions Form - (Other than Land and Building)

Document type & no.				**Document date**
P.O. number	**Blanket Order #**	**Received at (Department)**		**Received date**
Vendor name/Donor		**Bid Number**		**Purchase/lease/donation*** P: L: D:
Purchase price	**Total lease amount**	**Lease type**	**Lease start date**	**Lease end date**
Year	**Make**	**Model**	**Description**	
Serial number/VIN		**Department/Division/Unit**		**Location**
Contact Person & Telephone #		**Fund/Business Unit/Object Account #**		**Location ID**
Attachments				
Remarks				
	Received by			**Date**
	Departmental Authorization			**Date**

Please send the completed form to the Accounting Division, 5th Floor, 600 Randolph Street, Attention: Capital Assets Accounting.

APPENDICES
Additions Form - Land

County of Wayne
600 Randolph Street, Detroit, MI 48226
Capital Asset Property Record
Additions Form - Land

Document type & no.				Document date
P.O. number	Blanket Order #	Parcel #		Purchase date
Tax ID #		Parcel #	Land size	
Type of acquisition (check one) Purchase: Foreclosure		Reason for acquisition:		Purchase price
Land address:				Finance Method
Department/Division/Unit				Location ID
Contact Person & Telephone #	Fund/Business Unit/Object Account #			
Attachments				
Remarks				
Received by				Date
Departmental Authorization				Date

Please send the completed form to the Accounting Division, 5th Floor, 600 Randolph Street, Attention: Capital Assets Accounting.

APPENDICES
Additions Form - Buildings

County of Wayne
600 Randolph Street, Detroit, MI 48226
Capital Asset Property Record
Additions Form - Buildings

Document type & no.				Document date
P.O. number	Blanket Order #	Address		Received date
Description or building name		Bid Number		Purchase/Lease * P: L:
Purchase price	Total lease amount	Lease type	Lease start date	Lease end date
Does price include land? Y: N:		Land Cost or % of price	Year built	Squar footage
New Acquisition or Improvement		Type of improvement	Acquired by foreclosure/New construction F: N:	
Contact person & Telephone #		Fund/Business unit/Object account#		Building occupant
Sprinkler system Y: N:	Air Conditioned Y: N:	Fire alarm system Y: N:	Entry alarm system Y: N:	Finance method
Attachments				

Received by ______________________ Date ____________

Departmental Authorization ______________________ Date ____________

Please send the completed form to the Accounting Division, 5th Floor, 600 Randolph Street, Attention: Capital Assets Accounting.

APPENDICES
E. Transfer Form

County of Wayne
600 Randolph Street, Detroit, MI 48226
Capital Asset Property Record
Transfer Form

Brass tag no.				Bar code number
Year	Make	Model	Description	
Serial number/VIN		Location		Location ID
Origin (Department/Division/Unit from which the asset is transferred)				
Fund		Business Unit	Object Account #	
Designation (Department/Division/Unit to which the asset is transferred)				
Fund		Business Unit	Object Account #	
Reason for transfer				Transfer date
Contact person & Telephone #				
Remarks				
		Prepared by		Date
		Departmental Authorization		Date

Please send the completed form to the Accounting Division, 5th Floor, 600 Randolph Street, Attention: Capital Assets Accounting.

APPENDICES
F. Retirement / Disposal Form

<table>
<tr><td colspan="6" align="center">County of Wayne
600 Randolph Street, Detroit, MI 48226
Capital Asset Property Record
Retirement / Disposal Form</td></tr>
<tr><td>Year acquired</td><td colspan="2">Purchase price</td><td colspan="2"></td><td>Brass tag number</td></tr>
<tr><td>Disposal date</td><td colspan="5">Disposal type (check one)
Auction: Trade-in: Scrap: Expired lease: Other:</td></tr>
<tr><td>Year</td><td>Make</td><td>Model</td><td colspan="3">Description</td></tr>
<tr><td colspan="2">Serial number/VIN</td><td colspan="3">Department/Division/Unit/Sub Unit</td><td>Bar code number</td></tr>
<tr><td colspan="3">Fund Business Unit Object Account</td><td colspan="2">Location</td><td>Location ID</td></tr>
<tr><td colspan="6">Contact person & Telephone #</td></tr>
<tr><td colspan="6">Attachments</td></tr>
<tr><td colspan="6">Explanation of disposal and amount of proceeds received (if any)</td></tr>
<tr><td colspan="2"></td><td colspan="3">Prepared by</td><td>Date</td></tr>
<tr><td colspan="2"></td><td colspan="3">Departmental Authorization</td><td>Date</td></tr>
</table>

Please send the completed form to the Accounting Division, 5th Floor, 600 Randolph Street, Attention: Capital Assets Accounting.

APPENDICES
G. Physical inventory

The data file of all capital asset records from the J.D. Edwards capital assets system that have an asset tag number will be generated. Only records from Accounting Classes 30 (Machinery & Equipment) and 60 (Furniture & Office Equipment) will be included in the file. The bar code scanners will be utilized to scan the fixed asset bar codes that have been adhered to the County assets.

The Capital Assets Audit system will generate the following reports, each sequenced by Location ID, as a result of matching the data file from the J.D. Edwards capital assets system and the data file from the bar code scanners.

- Matched item report
- Location change report
- Deletion report
- Addition report
- Summary report showing:
    - # Item matched
    - # Location changes
    - # Deletions; and
    - # Additions

The J.D. Edwards database can be updated manually (depending on the volume of changes) or programmatically. If updated programmatically, a file generated from the Capital Assets Audit system for programmatically updating the J.D. Edwards capital assets system should be used. The file should not be given to the Department of Technology for processing until the Accounting Director has approved the changes (additions, deletions and relocations).

APPENDICES
H. Glossary

Capital Asset	A building, infrastructure, property, or equipment asset of the County having an original unit cost of $5,000 or more and an economic useful life of greater than one year.
Capital Leases	Leases of assets that are deemed, based on meeting specific criteria, including transfer of title at end of lease term, to be purchases financed over a specific period of time. These leases are capitalized as capital assets rather than charging the lease payments as operating expenses.
Construction Work-In-Progress	A capital asset category containing accumulated costs of construction in progress of an asset, normally a building. These costs are reclassified from construction in progress to other capital asset categories, buildings, improvements, machinery and equipment, etc upon completion of the asset and putting it into service.
Controlled Assets	Assets that do not meet the criteria for capital assets (unit original cost greater than $1,000 and a useful life of at least one year), which are inventoried by individual user departments for security and control purposes. They are usually small, valuable, easily stolen items, such as computers, printers, scanners, videocassette recorders, radio cassette recorders, televisions, projectors, camcorders, digital cameras and guns.
Cost of Reproduction New (CRN)	The estimated amount required to reproduce a duplicate or a replica of the entire property at one time, in like kind and materials, labor, and manufactured equipment, contractors' overhead and profit, and fees, but without provision for overtime, bonuses for labor, or premiums for material or equipment. Cost of reproduction new, as defined, is synonymous with the insurance-industry term replacement cost.
Depreciation	A portion of the original cost of an asset charged against current operations as an expense. Depreciation represents a loss of the assets original value as it ages and is used. Therefore, it reduces the accounting value of the asset. Depreciation is accumulated over the estimated economical life of the asset.
Fair Market Value	The price at which a willing seller would sell something to a willing buyer, neither under any compulsion to buy or sell. For donated assets, the value assigned as the acquisition cost is the capital asset market value as of the date of the donation.
Net Book Value	The value of an asset after deducting the accumulated depreciation from the capitalized cost.

APPENDICES

Original Cost	The actual or normal cost of new property in accordance with market prices as of the date the property was first constructed and originally installed.

Policy/Procedure Statement

- POLICY NO. 14000
- PAGE NO. 1 of 8
- ISSUE DATE August 2002
- ORIGINATOR Accounts Receivable Division

DEPARTMENT OF MANAGEMENT AND BUDGET (M&B)

SUBJECT: CASH RECEIPTS

I. PURPOSE

The purpose of this policy is to establish standard administrative guidelines for the cash receipts process to be followed by all County departments. Within the scope of this policy are general guidelines for receiving cash and properly recording cash receipt transactions in the general ledger.

Cash receipts as referenced in this policy refer to money received from outside sources i.e. federal, state and local agencies, general public, etc. This policy is not applicable to internal transfers between general ledger cash accounts. (e.g. fund transfers). The three types of cash receipts specifically addressed in this policy are cash and checks; credit cards; and inbound wire / State of Michigan (MI) lock box receipts.

II. APPLICABILITY

The Accounts Receivable Division of the Department of Management and Budget (M&B AR Dept.) has developed this policy to provide general guidelines to all Wayne County departments and elected officials (also referred to as "user departments") to follow for the processing of cash receipts. Consequently, the provisions contained in this policy are specifically addressed to departments and elected officials as customers in an instructive manner designed to both educate and support the ongoing efficient processing of cash receipts. Where applicable, cash receipt time standards have been established to ensure optimum process performance and provide consistent expectations for task completion by the process stakeholders.

In describing the processing of cash receipts on a broad level this policy also includes provisions that involve the Wayne County Treasurer's Office (WCTO) whose basic role in this process is to record all bank transactions which include cash receipts.

III. DEPOSITS IN TRANSIT (DIT)

The Deposit in Transit (DIT) is a two-step process that enables user departments to record revenue or relieve accounts receivable at the time money is received without affecting general ledger cash balances. It also allows the WCTO to control the recording of cash to the general ledger. While the DIT concept remains in accordance with the County's practice of designating sole responsibility to the WCTO for recording all physical cash transactions for the County in the general ledger cash accounts, it has transitioned responsibility for the timing of revenue recognition from the WCTO to the user departments.

Step one of the DIT process is performed by the user departments that receive the cash and record the receipt to a DIT account (cash clearing account) and either record revenue or relieve Accounts Receivable (if revenue has been accrued).

The user departments will deposit cash receipts at the bank or at the WCTO cashier using coded deposit slips. Each slip has a code that corresponds to a cash and DIT account for the department. Deposit codes for deposits made at the WCTO cashier are printed on internal County deposit slips. Deposit codes for deposits made at the bank are printed on the bank's deposit slips.

Step two of the DIT process is performed by the WCTO to record the actual cash receipts that appear on the bank polling report. The polling report is a listing of the County's previous day's bank transactions that the bank transmits to the WCTO on a daily basis. The cash receipts on the polling report correspond to the code on the deposit slip used by the department when the deposit was made. Using the code, the WCTO will record cash receipts to the correct general ledger cash and DIT accounts.

To ensure that cash has been properly receipted by the WCTO, the user departments will perform a DIT reconciliation. This reconciliation will verify the accuracy of the entries made by the user departments and the WCTO. (see the "DIT Account Reconciliation" process on page 6 for more details).

IV. USER DEPARTMENT RESPONSIBILITIES

In the course of day-to-day operations, user departments receive and process different types of cash receipts. Cash receipts processing must be conducted in a consistent, accurate, and timely manner. Documented below are key requirements for user departments to adhere to when processing cash receipts. The requirements are presented separately for cash and checks; credit cards; and inbound wire / State of Michigan lock box receipts.

A. Cash and Check Receipts

Depositing / Recording Cash and Check Receipts

The user department will deposit cash receipts at the bank or with the WCTO cashier using a coded deposit slip. ***It is imperative that the user departments use the correct coded deposit slip*** because the WCTO will record the receipt to the general ledger cash and DIT accounts based on the deposit slip code. If a user department makes a deposit at the bank and does not use a coded deposit slip, the deposit will not be identified from the polling report. As a result, the WCTO will record the deposit to an unidentified deposit cash account on the general ledger.

Before presenting a deposit to the bank or WCTO cashier, deposit slip totals must be verified for accuracy by the user department. Deposit slip accuracy is important for proper recognition of cash and revenue as well as for reducing the occurrence of bank adjustments relating to cash receipts. To ensure accuracy, it is recommended that the user department run two adding machine tapes. ***Deposits made at the WCTO cashier must have both adding machine tapes attached to the internal deposit slip.***

User departments are required to prepare a journal voucher to record the cash receipt transaction in the general ledger.

The required journal entry to be prepared by user departments to record cash and check receipts is:

DR DIT Account
CR Accounts Receivable or Revenue

The journal voucher will be entered into JD Edwards and posted to the general ledger (See "Recording Cash Receipt Transactions in the General Ledger", page 6.)

Reclassifying Deposits (Split deposits)

On occasion, user departments may have the need to reallocate or reclassify deposits to cash accounts that do not have a deposit code. The user department is required to choose a deposit code that corresponds to the cash and DIT accounts where the monies will initially be recorded.

Time standard – Bank and WCTO Deposits

User departments are required to deposit all cash receipts within two business days.

B. Credit Card Receipts

Recording Credit Card Receipts

The user departments that accept credit card payments are required to prepare journal vouchers to record credit card receipt transactions to the proper general ledger DIT and revenue accounts in the same manner utilized to record a receipt of cash and checks.

The required journal entry to be prepared by user departments to record credit card receipts is:

DR DIT Account
CR Revenue

Credit card receipts will appear on the bank polling report and the WCTO will record the receipt to the general ledger cash and DIT accounts that correspond to the credit card merchant location number. Whenever a user department establishes a new agreement with a credit card company, the user department must notify the M&B AR Dept. The M&B AR Dept. will ensure that new merchant location numbers are mapped to the correct general ledger cash and DIT accounts at the WCTO.

Recording Credit Card Fees

The credit card company will send a monthly settlement report to the user department listing all credit card receipt transactions including the fees charged by the company. User departments are required to prepare a journal voucher to record the fees in the general ledger.

The required journal entry to be prepared by user departments to record credit card fees is:

DR Expense
CR DIT Account

Credit card fees will appear on the bank polling report and the WCTO will record the fees to the general ledger cash and DIT accounts that correspond to the credit card merchant location number.

C. Inbound Wire / State of Michigan Lock Box Receipts

User departments may receive inbound wires or State of Michigan (MI) lockbox receipts instead of a physical receipt of cash or checks. An inbound wire is an electronic transfer of money to a Wayne County bank account. A State of Michigan Lock box receipt is a check made payable to Wayne County sent by the State of Michigan to a central repository at the bank.

The processing of these types of receipts differs from the receipt of cash and checks in that inbound wire / MI lock box receipts are not traceable to a user department from the polling report. Therefore, the WCTO will record inbound Wire / MI lock box receipts to an Unidentified Wire Clearing Account on the general ledger. It is the responsibility of the M&B AR Dept. to reclassify the receipt to the proper cash and DIT accounts based on the information provided on the Inbound Wire / MI Lock Box Information Sheet.

Inbound Wire / MI Lock Box Information Sheet

User departments are required to complete an Inbound Wire / MI Lock Box Information Sheet each time a receipt is expected via inbound wire or MI lock box. The purpose of the Information Sheet is to notify the M&B AR Dept. of anticipated inbound wire or MI lockbox receipts. The Information Sheet will be sent from the user department to the M&B AR Dept. The Information Sheet contains the following:

- Payor
- Date Funds Requested
- Date Funds Anticipated
- Amount
- User Department
- General ledger Cash Account
- General ledger DIT Account

Time Standard – Information Sheet

User departments are required to send the Information Sheet to the M&B AR Dept. at least two business days prior to the anticipated inbound wire or MI lockbox receipt.

Recording Inbound Wire/MI Lockbox Receipts

The M&B AR Dept. will cross-reference the Inbound Wire / MI Lock Box Information Sheet to the polling report and/or receipt postings in the Unidentified Wire / MI Lock box account on the general ledger to identify inbound wire / MI lock box receipts to the proper department. Once an inbound wire / MI lock box receipt is identified, the M&B AR Dept. is responsible for notifying the user department that the payment has been received. The M&B AR Dept. will make a journal entry to reclassify the receipt from the Unidentified Wire Clearing account to the department's cash and DIT accounts. User departments are required to prepare a journal voucher to record the inbound wire / MI lock box receipt transaction in the general ledger when notified that the money has been received.

The required journal entry to be prepared by user departments to record inbound wire / MI Lock box receipts is:

DR DIT
CR Accounts Receivable or Revenue

The journal voucher will be entered into JD Edwards and posted to the general ledger. (See "Recording Cash Receipt Transactions in the General Ledger", page 6.)

D. Recording Cash Receipt Transactions in General Ledger

All cash receipt transactions (cash and checks, credit cards, and inbound wire / MI lock box receipts) must be recorded promptly in the general ledger. All cash receipt journal entries will affect the DIT account and one or more offsetting distribution accounts (revenue, receivable, etc). The user departments will record the transaction by performing the following steps:

- Prepare a journal voucher to record the receipt transaction to the proper DIT and offset accounts in the general ledger.
- Obtain management approval of the journal voucher prior to data entry.
- Enter the journal voucher into JD Edwards by using the appropriate assigned document type for standard journal entries. (See the Cash Receipts Training Package for a listing of specific document types).

Those departments using the JD Edwards Accounts Receivable module are not required to prepare a manual journal voucher to record cash receipt transactions. Cash receipts will be entered into the Accounts Receivable module and the journal entry to the DIT and Accounts Receivable or revenue accounts will be automatically generated in JD Edwards. (Refer to the M&B Accounts Receivable Training Package for more detailed instructions).

For all cash receipt transactions, the user department should maintain a copy of the journal voucher with the appropriate back-up documentation. For receipt of cash and checks, the validated deposit slip and copies of all checks included in the deposit should be attached to the corresponding journal voucher.

Time standard - GL entry

It is important that the user department record all cash receipt transactions in an accurate and timely manner for the following reasons:

- To allow revenue to be recorded in the period it is earned.
- To properly reflect the general ledger revenue and DIT accounts.

All cash receipts should be recorded in the general ledger when received. It is mandatory that all cash receipt transactions (cash and checks; credit cards; and inbound wire / MI lock box receipts) be recorded before the general ledger is closed for the current month.

E. DIT Account Reconciliation

User departments are required to perform a monthly general ledger account reconciliation for DIT accounts. The purpose of the DIT account reconciliation is to identify and resolve any outstanding transactions remaining in the DIT account at month end by reconciling the difference between the ending DIT account balance and zero. Although the DIT account is a zero balance clearing account it may not have a zero balance at month end due to one or more of the following reasons:

- A timing difference exists between the date that the cash receipt is initially recorded by the user department and the date the receipt appears on the daily bank polling report as recorded by the WCTO.
- A discrepancy exists between a deposit slip total and a corresponding bank credit.
- The user department did not use a coded deposit slip.
- The user department did not record the journal entry properly.
- The bank made an error.

The monthly reconciliation process requires user departments to generate a JD Edwards DIT Account Transaction Report and complete a DIT Reconciliation Form for each DIT account. Upon completion of the DIT account reconciliation, the user department is required to attach the General Ledger DIT Account Transaction Report to the DIT Account Reconciliation Form and submit to M&B Accounts Receivable for review. User departments are required to submit a monthly reconciliation, even if the ending balance in the DIT account per the DIT Account Transaction report is zero.

Time Standard - DIT Account Reconciliation

The user department is required to perform a monthly DIT reconciliation within five business days after the general ledger is closed for the month.

V. WAYNE COUNTY TREASURER'S OFFICE (WCTO) RESPONSIBILITIES

The WCTO's role in the cash receipts process is to record daily cash and check deposits; credit card transactions; and inbound wire / MI lockbox receipts from the bank polling report to the general ledger. For each of these transactions, the WCTO will record a journal entry to the proper general ledger accounts as follows:

- For deposits of cash and checks, the WCTO will use the daily bank polling report to record a journal entry for the receipts based on the deposit slip codes. The WCTO general ledger journal entry will increase the general ledger cash accounts and decrease the DIT accounts thereby offsetting the DIT account entry initially recorded by the user department.

- For credit card receipts and fees, the WCTO will use the daily bank polling report to record journal entries for credit card transactions based on the merchant location number. The WCTO will record a journal entry to the proper general ledger cash and DIT accounts, thereby offsetting the DIT account entry initially recorded by the user department.

- For inbound wire / MI lock box receipts, the WCTO will use the daily bank polling report to record journal entries for the receipts to the Unidentified Wire / MI Lockbox account in the general ledger. M&B Accounts Receivable will reclassify the receipts to the proper general ledger cash and DIT accounts.

All general ledger journal entries created by the WCTO will be initially recorded in the Resource IQ2 cash ledger and then uploaded to the JD Edwards system. The entries will be authorized by an M&B designee and posted to the general ledger.

Time Standard – Recording Bank Transactions

The WCTO will record cash receipts into the cash ledger on the business day following the day the bank records the transaction as indicated on the polling report. On a daily basis, the WCTO balances all cash transactions. Once the daily work is balanced general ledger cash receipt journal entries will be uploaded to the JD Edwards system.

VI. M&B ACCOUNTS RECEIVABLE RESPONSIBILITIES

For cash receipts processing, M&B will function as a liaison between the WCTO and the user departments and is responsible for monitoring the cash receipts process. M&B will also perform the role of official policy interpreter responsible for resolving cash receipts issues and concerns between the user departments and the WCTO. All questions and issues related to the cash receipts process should be directed to M&B. M&B will also provide ongoing training for cash receipts processing as necessary.

As the liaison for the cash receipts process, the M&B Accounts Receivable Division is specifically responsible for the following functions:

- **Cash Receipt Account Maintenance**

  M&B Accounts Receivable will be responsible for the following maintenance functions:

  - Monitor the Resource IQ2 cash ledger database on a periodic basis to ensure that all existing cash receipts are properly mapped to the correct GL cash and DIT accounts.
  - Map new cash receipt transactions to the proper cash and DIT accounts.

- Assist user departments in determining the need for new DIT accounts and coordinate the establishment of new DIT accounts.

- **DIT Reconciliations**

  M&B Accounts Receivable will monitor DIT account balances and review monthly DIT reconciliations submitted by the user departments.

- **Cash Receipt Transaction Research**

  M&B Accounts Receivable will assist user departments with transaction research relating to the bank polling report, bank adjustments, or miscellaneous unidentified transactions.

- **Wire and MI Lockbox Clearing Account**

  M&B Accounts Receivable will perform the following functions related to wire / MI lockbox receipts:

  - Maintain the wire / MI lockbox information database
  - Notify user departments of wire / MI lockbox receipts
  - Reclassify wire / MI Lockbox receipts to the proper GL cash and DIT accounts
  - Monitor and reconcile the GL wire / MI lockbox account

VII. POLICY ENFORCEMENT

Overall compliance with this policy is essential to the accurate and timely recording of revenue as well as the presentation of financial data in conformity with generally accepted accounting principles.

Compliance with the policy’s time standards is especially critical for interim and year-end reporting purposes.

The user department’s consistent failure to comply with this policy and help ensure the accurate and timely recording of revenue will have budget implications. Revenue account analyses reflecting significant unfavorable trends in budgeted revenue when compared to actual revenue will result in increased budget scrutiny of user departments, and may require budgeted revenue reductions.

VIII. REVISION AND APPROVAL HISTORY

This section lists all revisions of the Cash Receipts policy including date revised, section revised and the name of the person/department who created and approved the revision.

Date:	Rev. No.	Modification	Author(s)	Approvers

Policy/Procedure Statement

Policy No.:	**14001**
Issue Date:	**July 14, 2008**
Revision Date:	**September 12, 2011**
Originator:	**Grants Compliance and Contracts Management**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Accounts Receivable Billings and Accounting Procedures

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I. PURPOSE

Accounts Receivable are amounts owed to the County by another organization or individuals. Generally, these are amounts for goods and services provided or contributions owing to the County. Accounts Receivable are recognized at the time goods and services are provided or the amount owing is assessed.

This policy/procedure statement establishes guidelines relating to receivable management, in particular how and when to reserve a receivable, write-off a receivable, and recover a receivable. The objective of this policy is to ensure consistency in the County's accounting treatment of receivables. The Policy/Procedure Statement (PPS) does not address the collection procedures for delinquent accounts, which can be found in Policy/Procedure Statement #10025, "Accounts Receivable Delinquency and Collection Procedures" nor does it apply to the billing and collection of real and personal property taxes, which is administered by the Office of the Wayne County Treasurer. This PPS complements PPS #10025 and should be read in conjunction with it.

II. BACKGROUND AND SCOPE

Accounts receivable represent amounts due from external parties, such as other governments, businesses, and individuals, for goods and services furnished by the County. Accounts receivable does not include amounts due from other County funds and component units, which are accounted for separately.

The County is not always able to collect all of the money that it is owed. Generally accepted accounting principles (GAAP) require that an entity record its accounts receivable at its net realizable value, that is, the amount that it deems is collectible. The allowance for doubtful accounts object account is used to record the decrease in the amount considered collectible.

Accounts receivable are generally generated through four major sources: The Detroit Wayne-County Community Mental Health Agency (Mental Health), certain environmental activities (DOE) within the Department of Public Services, the Health Department (HD) and Central

Accounts Receivable. Mental Health, DOE, and the HD perform their own billing and accounting functions. Due to the specialized cost settlement process with their providers, Mental Health shall also follow the provisions of Policy/Procedure Statement No. 10016, "Cost Settlements".

The Central Accounts Receivable unit within Management & Budget's (M&B) Grants Compliance and Contracts Management Division prepares the invoices (billings) for the following County units;

Sheriff – Billings consist of services for the housing and maintaining of prisoners for the Michigan Department of Corrections, US Marshal Service, Federal Bureau of Prisons, US Immigration Service and local municipalities.

Department of Public Services (Roads) – Services include the maintenance of State trunklines, which are billed to the Michigan Department of Transportation (MDOT); traffic signal maintenance, which are billed to local municipalities; inspection and permit services, which are billed to contractors, developers and municipalities; and engineering and inspection services for road resurfacing projects, which are billed to MDOT and municipalities.

Department of Children & Family Services – Alternative Work Force – Billings consist of services that are provided by the work force participants and supervised by County workers for miscellaneous clean up and debris removal at various sites for County departments or outside agencies.

The Department of Health and Human Services – Library – Billings consist of librarian wages and benefits to operate libraries and miscellaneous supplies, books, and library services and are billed to the local municipalities in which the library resides.

Assessment & Equalization – Billings consist of assessment services provided to local municipalities and are billed directly to those communities.

Prosecutor – Billings consist of attorney fees and filing fees associated with drug forfeiture cases and are billed to local municipalities and State agencies.

The accounts receivable object account used in generating invoices is determined by the category of customer being billed. The object accounts are:

State of Michigan – 078000
Federal agencies – 081000
Local municipalities – 071000
All others – Miscellaneous A/R – 040001

DOE, HD and Central Accounts Receivable all utilize the accounts receivable module of the JD Edwards financial system in generating their invoices and applying receipts to those receivables. Mental Health does not utilize the accounts receivable module, but rather creates their receivables via manual journal entries entered into the JD Edwards financial system. All department accounts receivable will be recorded in the accounts receivable module of the JD Edwards financial system. The policy guidance in this PPS applies to all receivable activity. Please contact Central Accounts Receivable if there are specific questions about the application of these provisions to your billing and accounting efforts.

III. POLICY APPLICABILITY AND ENFORCEMENT

The Grants Compliance and Contracts Management Division is responsible for the development, communication, revision, and enforcement of this policy. M&B Satellite Finance Offices will assist in the interpretation and monitoring of adherence to this policy for their user departments.

The provisions contained in this policy/procedure statement are applicable to the activities of all departments and elected officials (user departments), except as noted below. The Director of Grants Compliance and Contracts Management or designee is responsible for the resolution of policy interpretation issues. Additionally, this policy will be subject to internal audit, external audit and performance audits.

Although the individual County departments/units have primary responsibility for budgeting and collecting its revenues, the Department of Management and Budget, through its Grants Compliance and Contracts Management Division, retains oversight and monitoring responsibilities to ensure that the County maximizes its collection of revenues for the services that it provides, and that any related receivables are properly valued and recorded. The Central Accounts Receivable unit will work closely with the departments/units to ensure that those objectives are met.

IV. POLICY PROVISIONS

A. Billings and Accounting Procedures

<u>Central Accounts Receivable Responsibilities</u>

- Mail invoices monthly, with the notation that they are to be paid within thirty (30) days of the invoice date. When the invoices are generated, the following entry is made:

  DR Fund. Accounts Receivable
  CR Fund. Deferred revenue

- Make daily deposits for checks received and apply against outstanding invoices. When making deposits, the deposit in transit process is used. Refer to Policy/Procedure Statement No. 16000, “Cash Receipts”, for further explanation on the deposit in transit process. The entry to record the receipt is:

  DR Fund. Deposit in transit
  CR Fund. Accounts receivable

- Generate report for collections made during the month relating to receivables and prepare adjusting journal entry to reduce the deferred revenue account and recognize the appropriate revenue.

- Prepare statements at the end of each month and mail them to the customer.

- Prepare a detailed aging schedule of all outstanding invoices at the end of each month and provide it to those persons within the user department who are responsible for collections. See Exhibit A for a sample aging report.

- The Central Accounts Receivable Supervisor will meet quarterly with the persons responsible for collections from the user department to review receivables for collection issues and possible write-offs. Refer to the “Reduction of Accounts Receivable (Write-offs)”

- Prepare the allowance for doubtful accounts and write-off general ledger entries. Refer to the Allowance for Doubtful Accounts section below.

- Timely respond to all customer inquiries and/or refer customers to the appropriate user department for resolution.

- Follow-up with user departments on any receivables that have not been collected, or for which an allowance for doubtful accounts has not been made as required under this policy, to determine if the receivable should be removed from the books.

- Receive returned item checks from Treasurer.

- Prepare returned item memo and forward along with original checks to the originating department for resolution.

- Monitor returned item receivable account and write off items that have not been resolved within ninety (90) days.

<u>User Department Responsibilities</u>

- Timely bill customers for services rendered and timely deposit collections received.

- Provide accurate and appropriate billing information to Central Accounts Receivable within ten (10) days of the provision of services.

- Contact those customers having outstanding accounts receivables (invoices that have not been paid) in excess of forty-five days. The user department will document the discussion with the customer and the decisions reached regarding payment. Quarterly, the user department will provide the documentation to Central Accounts Receivable.

- Provide the Central Accounts Receivable Supervisor with support for any recommended write-off of accounts receivable. Refer to the “Reduction of Accounts Receivable (Write-offs)” section below.

- Timely respond to all customer inquiries.

- Respond to all written customer inquiries or Central Accounts Receivable requests for adjustments within fourteen (14) business days.

- Receive returned item memo and checks from Central Accounts Receivable

- Contact customers for collection of returned items. Make determination within sixty (60) days whether item is collectible.

- If item is collectible, deposit the replacement check following the normal deposit process. However, to correct the entry made relating to the original returned item and reduce the appropriate fund cash and revenue account for that item, prepare and input the journal entry and forward copy to Central Accounts Receivable along with a copy of original returned item check. The journal entry is:

Dr. 999.001999 (Cash- unidentified deposits)
Cr. 999.042999 (Unbilled AR RET Item-M&B)

Dr. Business Unit Revenue
Cr. Fund Cash

- If item is uncollectible, a journal entry must be prepared and input to write the item off and forwarded to Central Accounts Receivable along with a copy of the original returned item check. The journal entry is:

Dr. 999.001999 (Cash-unidentified deposits)
Cr. 999.042999 Unbilled AR RET Item-M&B)

Dr. Business Unit Revenue
Cr. Fund Cash

B. ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance will be provided for all invoices over one (1) year old. Amounts that exceed a certain dollar threshold, as determined by M&B, will require the CFO's approval. The journal entry to record the allowance for doubtful accounts for governmental funds is as follows. Enterprise funds would debit expense instead of deferred revenue.

DR Fund. Deferred revenue
CR Fund. 055000 (Allowance for doubtful accounts)

User departments shall continue pursuing collection of invoices even though an allowance has been recorded. Refer to PPS # 10025, "Accounts Receivable Delinquency and Collection Procedures" for additional guidance.

C. REDUCTION OF ACCOUNTS RECEIVABLE (WRITE OFFS)

All accounts receivable for which an allowance has been provided that remain uncollected after one (1) year will be removed from the general ledger (written off). The Chief Financial Officer must approve all write-offs over $2,000. The journal entry to write off an accounts receivable is:

DR Fund. 055000 (Allowance for doubtful accounts)
CR Fund. Accounts receivable

Although an account receivable has been written off, user departments units shall continue pursuing collection. However, the user department shall consult with the Chief Financial Officer and Corporation Counsel to discuss other remedies if the customer is in bankruptcy or is non-responsive to requests for payment. Refer to PPS #10025, "Accounts Receivable Delinquency and Collection Procedures" for additional guidance.

D. REVENUE RECOGNITION

GAAP requires that all governmental funds (i.e., the General Fund, special revenue, debt service and capital projects funds) only record revenue that is available and measurable. “Measurable” means the amount of the revenue can be determined, and “available” means it is collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenue (with the exception of property taxes) to be “available” if it is collected within the fiscal year or within sixty (60) days of the end of the County’s fiscal year. The County’s fiscal year end is September 30. Sixty days thereafter would be November 30. Accordingly, revenue that was deferred when the invoices were generated will be recognized if it was “available” (collected) by November 30.

The journal entry to recognize revenue in governmental funds is:

DR	Fund. 340001 (Deferred revenue)		
	CR	Business unit. revenue	

Revenue that was collected after November 30, although ineligible for recognition in the previous fiscal year, as explained above, will be recognized as revenue in the next fiscal year if collected.

DISTRIBUTION

Department Directors, including those headed by Elected Officials
Division Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

Policy/Procedure Statement

- **POLICY NO.** **16000**
- **ORIGINAL ISSUE DATE** **June 2002**
- **REVISION DATE** **October 1, 2007**
- **ORIGINATOR** **Grants and Contracts Management**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: Grant Application, Acceptance and Approval Process

PURPOSE

Wayne County (the County) recognizes that grant funding provides significant resources to enhance the County's ability to provide services and activities not otherwise available. The County encourages County officials to seek grant funding for activities that are determined to further core County functions or that provide for activities, which are in the best interests of its citizens. The County will examine the benefits of grant funding prior to application and decline funding determined not to meet the above criteria. The purpose of this policy is to outline the general guidelines to be followed during the (1) application process and (2) the acceptance and approval process of a grant award (Grant). This policy applies to all County departments/elected offices and to all other County officials and their employees. **All Grant applications and awards <u>must</u> go through the Document Approval Form (DAF) process.**

DEFINITIONS

"Grant Recipient" or "*Grantee*". The County is the grant recipient or grantee and has primary responsibility for grant compliance.
"*Sub recipient*" is a local government, or non-profit organization that expends grants received as pass-through funding from the County (Grant Recipient) to carry out a federal program.
"Vendor" is a dealer, distributor, merchant or other seller providing goods or services that are necessary for conducting a program. However, a vendor is not a sub recipient.
"Central Service Costs" are costs associated with the administrative and general functions of County government that support direct services of a grant or fund. Central service costs include such things as cost of facilities, utilities, insurance, accounting and payroll, information technology, infrastructure, etc.
"Indirect Costs" are costs associated with the administrative function of County government that support direct services to a grant or fund. Indirect costs include such things as the treasury function, internal audit and legal consultation.
"State and Federal Grants" are revenues received from the state or federal government (directly or indirectly).
"County Officials" as used in this policy means an elected official and/or appointed department head.

"*Catalog of Federal Domestic Assistance (CFDA*)" is a government wide compendium of Federal programs, projects, services, and activities, which provides assistance and benefits to a variety of recipients. The CFDA number is selected based on the source of funds. If a CFDA number is unavailable for the activity, contact the Director of Grants and Contracts Management.

POLICY

Grants are defined as contributions or gifts of cash or other assets from a federal, state, or local government, or private agency, to be used or expended for a specific purpose, activity, or facility. Grants that are restricted by the grantor for operating purposes or that may be used for capital or operating purposes at the discretion of the Grantee are classified as "operating grants". Grants that are restricted by the grantor for the acquisition of and /or the construction of capital assets are called "capital grants".

Intra-governmental agreements, which represent the transfer of funding between County entities, are not considered grants as herein defined, and are excluded from the provisions of this policy.

Inter-governmental agreements, that involve grants, as defined above, are subject to the provisions of this policy. Not all inter-governmental agreements are grants.

Please refer to Policy/Procedure Statement No. 10010, "Purchasing Contract Compliance Certification (PC3) and the Document Approval Form (DAF)" and No. 10011, "Required Review/Approvals/Routing for Contracts" for guidance on the processing of inter and intra governmental agreements.

Federal Grants are classified as federal financial assistance. Grants may be funded on a performance basis or on a cost-reimbursement basis. Typically, Grants are administered by the initiating County official, or is passed through to a sub recipient who would administer the Grant under the same conditions as the County. Vendors that provide only goods and services under the Grant are not considered sub recipients.

Financial assistance Grants received by the County are of two (2) types:

1. Formula Grants – Financial assistance that is allocated in accordance with a formula determined by law or administrative regulations. The Grantor provides a formula for activities of a continuing nature and does not restrict the Grants to specific projects.
2. Project Grants – Financial assistance for specific projects, or delivery of specific services or products, without liability for damages due to failure to perform. Project Grants are provided for fixed or known periods of time and may be used for planning, training, construction and unsolicited contractual agreements. Unsolicited grants are obtained without going through the application process, but are subject to the normal DAF approval process for a grant award.

Cost-reimbursement grants require the requesting County official to administer programs through a cost reimbursement arrangement where Grantors will be billed after actual costs are incurred. Some programs provide for advance payments. Other programs permit entities to draw down cash as Grant expenditures are incurred. Reimbursements are made for actual costs incurred. Reimbursement requests based on budgets are not valid and potentially could result in unallowable costs. Unallowed costs would then revert to an expense of the County and not the grantor. Indirect costs, including central services costs may be charged to the grant.

APPLICATION PROCESS

Completion of grant applications is the responsibility of the requesting County official. All grant applications and contracts must include not only direct charges, but charges for indirect and central service costs to the maximum allowed in accordance with both the County's cost allocation plan and the specific grant rules. To avoid inadequate funding from the grantor, the requesting County official must include the complete cost to operate the program or activity in the application. If the grant funding does not completely cover the costs, the department must find another funding source, other than the General Fund, to cover any costs not covered by the grant.

The requesting County official must complete a DAF and forward the completed DAF and application for review and approval to Grants and Contracts Management (G&C), Corporation Counsel (CC), Budget, Personnel (if hiring employees), and the Chief Financial Officer (CFO). After submission and approval of the DAF, the Director of G&C will electronically authorize submittal of the grant application to the appropriate federal agency. Certain applications may also require the approval of the County Executive (CEO) prior to submittal.

Federal grant applications may be completed online. Initiating County officials may access all federal grant applications online at www.grants.gov. **However, only the Director of G&C, or his/her designee, is authorized to submit applications on-line**. Please see the attachment for grants.gov.

ACCEPTANCE AND APPROVAL PROCESS

Prior to acceptance of any funding or expenditure of funds on any grant activity, a written contract or award letter is required. Approval of grant contracts will be in accordance with Policy/Procedure Statement No. 10010, “Purchasing Contract Compliance Certification (PC3) and the Document Approval Form (DAF)” and No. 10011, “Required Review/Approvals/Routing for Contracts”. A copy of the signed application and, if the contract requires modification of the County’s budget, a completed budget adjustment form must be completed and submitted with the contract. The requesting County official must complete a DAF and forward the transmittal letter and a copy of the award letter or contract to G&C. The following signatures must be obtained on the DAF: CC, Human Relations (only required if the sub-recipient is a non-profit or non-governmental entity), CFO, and the CEO. The transmittal letter should identify the title of the Grant, the term of the grant, the name of the Grantor, the amount, list of sub recipients and award amounts (if applicable), and matching requirements, if any.

ADMINISTRATION

Requesting County officials are responsible for compliance with all aspects of grant requirements, including monitoring to ensure that grant activities are properly accomplished, grant accounting and tracking, and ensuring that requests for reimbursement are accurate and submitted on schedule or as soon as possible after completion of grant activities.

G&C will retain the original grant contract and any approved modifications. The official grant file including a copy of the signed contract and all documents associated with the grant, including but not limited to the contract and modifications, applications, activity reports, requests for reimbursement, fiscal reports, and any other correspondence should be maintained by the initiating department. A copy of this file should be forwarded to G&C. Any destruction of these records should be done in accordance with the approved retention schedule in G&C. Public disclosure requests regarding grants will be referred to the initiating department for coordination of public records gathering and release.

If the Grant is to be administered by a sub recipient, the requesting County official must receive approval to use the sub recipient either through the DAF grant application or the grant acceptance and approval process.

ACCOUNTING FOR FEDERAL GRANTS

Many grants are partially or fully funded through federal sources. Numerous grants from the State of Michigan represent federal money passed through to the State. All federal grants must have a CFDA number identified in the designated section of the DAF. The requesting County official must determine the amount of federal funding and make sure that the business unit accounting for the grant has a federal line item object code for recording the federal funds. This is required to ensure that the amounts in the Comprehensive Annual Financial Report agree with the amounts in the Single Audit Schedule of Expenditures of Federal Awards. G&C has primary responsibility for monitoring, oversight, coordination, and review of all grant activities controlled by the County.

ACCOUNTING FOR COMPENSATION FOR PERSONNEL SERVICES

Per the federal Office of Management and Budget Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments, section 11(h) Compensation for Personnel Services”, the support for salaries and wages regarding time distribution must be in accordance with the following standards for payroll documentation:

1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practices of the governmental unit and approved by a responsible official(s) of the governmental unit.

2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee and a supervisory official having first hand knowledge of the work performed by the employee.

4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation, which meets the standards in subsection (5).

5) Personnel activity reports or equivalent documentation must meet the following standards:

   a) They must reflect an after-the-fact distribution of the actual activity of each employee,
   b) They must account for the total activity for which each employee is compensated,
   c) They must be prepared at least monthly and must coincide with one or more pay periods, and
   d) They must be signed by the employee and a supervisory official having first hand knowledge of the work performed by the employee.
   e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

      (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

      (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

      (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Please refer to Policy/Procedure Statement No. 12003, “Time Reporting”, for the County’s requirements for time sheet reporting and approval.

GRANT CONTRACT MODIFICATIONS

Grant modifications typically involve an extension of the term of the grant, or a change in the dollar amount. Any increase or decrease in the grant amount in a current or subsequent year, that has not been budgeted, requires a budget adjustment.

The requesting County official should forward a copy of the budget adjustment, together with the modified contract and DAF for the following approvals: Budget, G&C, CC, CFO, CEO, and Commission.

COMMISSION APPROVAL

In general, goods and services must be procured in accordance with the Wayne County Procurement Ordinance (the Ordinance), as adopted on December 7, 2006, and more stringent Grant requirements.

In acquiring goods and services to administer a program, the requesting County official must adhere to the Ordinance as these types of transactions come within the definition of procurement.

In general, receiving grant funds is not a procurement of goods and services as defined by the Procurement Ordinance and therefore is not subject to Commission approval. However, acceptance of all new grant awards, which require a budget adjustment, require Commission approval. Agreements to accept and expend grants that have already been budgeted do not require Commission approval.

Grant applications, as distinguished from grant awards, do not require Commission approval. This is because grant applications represent a request for funding, and do not commit the grantor to provide funding. It is the grant award that is the commitment of the grantor to provide funding, pursuant to certain performance requirements by the County.

COMMENTS

Any comments on this policy/procedure statement or questions concerning its implementation should be directed to the G&C Director or his/her designee.

Distribution: Elected Officials
Department Heads
Division Directors
Management & Budget Staff

Attachment

COUNTY OF WAYNE

RAYMOND J. WOJTOWICZ
TREASURER

COMPREHENSIVE INVESTMENT POLICY

(As Amended 4/1/99, Ord. No. 99-153)

COMPREHENSIVE INVESTMENT POLICY

Section 117-1. Scope of Investment Policy

(a) This chapter applies to all money which belongs to or is under the control of the County, and is available for investment, not being required by law or an agreement with bondholders to be segregated and invested in a specified manner. These funds are accounted for in the annual financial report and include all of the following:

(1) Government funds, including:
  a. The general fund;
  b. Special or restricted revenue funds;
  c. Debt service funds for improvements in the sewage system, roads, airport, buildings, and other public works; and
  d. Capital project funds, including the road maintenance and improvement funds.

(2) Proprietary funds, including:
  a. Internal service funds, including the delinquent tax revolving fund, insurance funds, and funds pledged to redeem tax anticipation notes; and
  b. Enterprise funds for Detroit Metropolitan Airport, the sewage collection and treatment systems, the several drainage districts; and other proprietary undertakings.

(3) Fiduciary funds, including:
  a. Trust and agency funds unless otherwise directed by the trustee or agency; and
  b. Funds placed with the County Treasurer pursuant to the Local Government Investment Pool Act, Act No. 121 of the Public Acts of Michigan of 1985 (MCL 129.141 et seq., MSA 5.701(41) et seq.)

(4) Funds held to retire the general long-term obligations of the County.

(5) Any new fund created by the County Commission unless specifically exempted from this chapter.
  b. This chapter does not apply to the Wayne County Employees Retirement Fund, which is separately administered pursuant to article VI of the County Charter.
  (Ord. No. 89-791, s 2, eff. 11-25-89)

Section 117-2. General Objectives

(a) Safety of principal is the foremost objective of County government. Investments shall be undertaken in a manner which seeks to ensure the preservation of principal in the overall portfolio. To preserve principal in the overall portfolio, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Speculation is prohibited in any individual transaction.

(b) The cash management portfolio shall be designed to regularly exceed the average return on three-month U.S. Treasury Bills. This index is considered a benchmark for riskless investment transactions, and is therefore a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations set forth herein and with prudent investment principles. Portfolio performance shall also be compared with the average rate on Federal funds.

(c) Funds held for future capital projects shall be invested in securities which reasonably can be expected to produce enough income to offset inflationary construction cost increases, subject to Federal arbitrage restrictions. Such funds shall not, however, be exposed to market price risks or default risks which would jeopardize the assets available to accomplish the intended capital purposes.

(d) All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction which may impair public confidence in the ability of the government of the County to govern effectively.
(Ord. No. 89-791, s 3, eff. 11-25-89)

Section 117-3. Delegation of Authority to Treasurer

Pursuant to the provisions of the State Constitution, State Statutes, and the County Charter, certain powers not otherwise conferred upon the County Treasurer are delegated by this chapter.
(Ord. No. 89-791, s 4, eff. 11-25-89)

Section 117-4. Standard of Prudence

The standard of prudence to be used by County investment officers shall be that of the prudent person and shall be applied in the context of managing the overall portfolio. An investment officer who acts in accordance with written procedures and exercising due diligence shall be relieved of all personal liability for the credit risk or market price change of an individual security, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to avert and control adverse developments.
(Ord. No. 89-791, s 5, eff. 11-25-89)

Section 117-5. Internal Controls

The County Treasurer shall establish and maintain a system of internal controls, which shall be documented in writing. These internal controls shall be reviewed from time to time by the Committee on Audit and at the end of each fiscal year by the Legislative Auditor General. The controls shall be designed to prevent losses of public funds arising from employee error, misrepresentation by third parties, unanticipated changes in financial markets, or neglectful or imprudent actions by employees and investment officers. These internal controls are not deemed to be rules and regulations which require Commission approval.
(Ord. No. 89-791, s 6, eff. 11-25-89)

Section 117-6. Oversight

The Committee on Audit shall convene as needed from time to time to review general investment strategies and to monitor results. The Committee on Audit shall address such topics as the economic outlook, portfolio diversification and maturity structure, potential risks to County investment, and the target rate of return on investments. The Committee shall also review and recommend to the Full Board of Commissioners approval, rejection or amendment of rules and regulations promulgated by the Treasurer to implement the policies established by this chapter.
(Ord. No. 89-791, s 7, eff. 11-25-89)

Section 117-7. Authorized Investment Instruments

(a) Investments may be made in any instrument in which a county is authorized to invest public funds by state law, subject to the limitations hereinafter provided as to maturity and diversity. These instruments include all of the following with conditions as hereinafter provided.

  (1) Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States. These instruments must however:
    a. Be held in the name of the County Treasurer;
    b. Be purchased using the delivery vs. payment procedure; and
    c. Be held in third party safekeeping.

  (2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings bank, or savings and loan association which is a member of the Federal Deposit Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings bank, savings and loan association or credit union is eligible to be a depository of surplus funds belonging to the State of Michigan under section 5 or 6 of Act No. 105 of the Public Acts of Michigan of 1855 (MCL 21.145, 21.146, MSA 3.693, 3.694), as amended. Such deposits are subject to the following additional conditions:
    a. Deposits over the $100,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, savings

bank or savings and loan association and that institution must meet minimum standards of at least one standard rating service.

b. If deposits in a credit union exceed the $100,000.00 insured limit, that institution must meet the minimum standards of at least one standard rating service.

(3) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. If commercial paper is not purchased directly from issuing corporation, it must be held in safekeeping by a third-party institution.

(4) United States government or federal agency obligation repurchase agreements. Such repurchase agreements must:

a. Be secured through third party custody and safekeeping procedures; and

b. Be purchased using the delivery vs. payment procedure.

(5) Bankers acceptances of United States banks.

(b) Investment may also be made in mutual funds registered under the Investment Company Act of 1940, Title 1 of Chapter 686, 54 stat. 789, 15 U.S.C. 80A-1 to 80A-3 and 80A-4 to 80A-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation, whose investment policies and objectives closely match section 3, which maintain a rating of AAA or better by a nationally recognized statistical rating agency or by policy & practices attempt to maintain a net $1.00 share value.

(c) Obligations described in subdivisions (a) through (g) if purchased through an inter local agreement under the Urban Cooperation Act of 1967, 1967 (ex sess) PA 7, MCL 124.501 to 124.512.

(d) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.

(e) The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
(Ord. No. 89-791, s 8 eff. 11-25-89)

Section 117-8. Limitations upon Maturity on Investments

(a) For the general fund and other operating funds, maturities on investments shall not exceed one year, unless a temporary extension of maturities is specifically approved by the County Commission.

(b) For debt service funds, special assessment funds, and nonexpendable trust funds, maturities on investments shall not exceed five years, unless specifically approved by the County Commission after a public hearing.

(c) For funds invested under the delinquent tax revolving fund, maturities on investments shall not exceed four years.

(d) For funds which are subject to federal arbitrage restrictions, maturities on investments in U.S. Treasury state and local government series time deposit securities may be for any term of years.
(Ord. No. 89-791, s 9, eff. 11-25-89)

Section 117-9. Diversification of Investments

(a) The Treasurer shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

(b) The limits upon use of a specific instrument are as follows:

(1)	U.S. Treasury obligations (bills, notes, and bonds)	100%
(2)	U.S. government agency securities and instrumentalities of government sponsored corporations	100%
(3)	Bankers acceptances (BAs)	50%
(4)	Repurchase agreements (Repos)	25%
(5)	Certificates of deposit (CDs) of commercial banks, savings banks	50%
(6)	Certificates of deposit (CDs) of savings and loan associations	10%
(7)	Certificates of deposit (CDs) of credit unions	10%
(8)	Mutual funds and investment pools	50%
(9)	Commercial paper	60%

(c) The limitations upon use of a single institution are as follows:

(1) Bankers acceptances (BAs), no more than 25 percent of the entire portfolio in one bank.

(2) Repurchase agreement (Repos), no more than 10 percent of the entire portfolio in one institution.

(3) Certificates of deposit (CDs), commercial or savings banks, no more than 33 percent of the entire portfolio in one institution.

(4) Certificates of deposit (CDs), savings and loan associations, no more than 5 percent of the entire portfolio in one institution.

(d) Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures as well as sizeable blocks of anticipated revenue. Maturities in this category should be timed to comply with the following general guidelines:

(1) Under 30 days, 10 percent minimum.

(2) Under 90 days, 25 percent minimum.

(3) Under 270 days, 50 percent minimum.

(4) Under one year, 100 percent minimum.
(Ord. No. 89-791, s 10, eff. 11-25-89)

Section 117-10. Financial Services Selection

The Treasurer may, without further approval of the County Commission, enter into and execute on behalf of the County any contract with a bank or trust company to provide for the safekeeping or for the third party custodianship of any of the County's securities, as well as for any contracts or repurchase agreements with any corporation for the purchase of any such securities which will be the subject of such safekeeping or third party custodianship arrangements, on such terms and conditions as best protect and serve the interests of the County.
(Ord. No. 89-791, s 11, eff. 11-25-89)

Policy/Procedure Statement

- **POLICY NO:**
- **EFFECTIVE DATE: Immediately**
- **ISSUANCE DATE:**
- **ORIGINATOR: Office of the Chief Financial Officer**

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: User Fee Policy

Introduction

Governments are increasingly financing their activities by charging user fees to individuals and businesses that directly benefit from government programs and services. The discretion to charge fees and the decision to impose fees is a matter of public policy. Charging fees not only helps to pay for services but can also make government more efficient. User fees can help reduce inappropriate use of products and services previously provided free of charge, such as certain literature taken by persons who are not likely to read it. A user fee in this case can result in greater appreciation for government services as the user can attribute a value to them based on the fees charged. In such cases, individuals and businesses may use services more wisely and communicate with government on issues relating to the necessity or efficiency of a government service or regulation.

The purpose of this Policy and Procedure Statement (PPS) is to present a comprehensive User Fee Policy for Wayne County (the "County") which will include guidelines for establishing and maintaining a user fee schedule. This PPS establishes the method for setting up fees and the extent to which they cover the cost of the service provided as recommended by the Government Finance Officers Association (GFOA), the National Advisory Council on State and Local Budgeting (NACSLB) and the Federal Government Office of Management and Budget (Circular A-87).

Background

User fees are defined as charges to individuals, companies and other jurisdictions for the use of County facilities, services and goods. In contrast to taxes, most of which are not attributable to particular programs or services, user fees have the characteristic of associating a payment in return for a specific service or good received. Article I, Section129-1 of the Wayne County Code of Ordinances establishes the user fee setting procedure. In short, the Ordinance states that at the time of preparing the annual department budget request, each department head shall review and analyze the full actual costs of providing services performed by that department for which a service fee may be charged. Historically, the County has imposed user fees as a result of a public need. These fees have not in all cases covered the cost of providing those services. This undercharging has caused the County to not accomplish its recovery goals and has as a result, created unintended budgetary consequences.

According to the GFOA and NACSLB best practices, governments should calculate the full cost or market price of the different services to be provided. Cost includes direct and indirect regardless of whether all services are deemed to be fully cost recoverable. Failure to include indirect costs results in inadvertent subsidization of County services that benefit the user rather than the overall public.

Definitions

User Fees are charges or assessments levied by Wayne County government to recipients of its services. User fees generally apply to activities that provide special benefits to members of the public. The amount of the fee is usually related to the cost of the service provided. Examples of user fees are charges for golf course, autopsy reports, marriage license, birth and death certificates, etc.

Cost Recovery is recouping a portion of or all costs associated with a particular service provided by the government to the public.

Direct Costs are the costs incurred directly by providing a specified service. These costs are associated with staff time spent performing service related duties and include employee salary and benefits (overhead). Failure to secure funding for overhead costs makes important County services unsustainable.

Indirect Costs are the costs not directly accountable or associated with the production of a service. Indirect costs include departmental overhead (operating expenses and internal administrative costs) as well as County-wide overhead, including all those costs that support County programs and services.

Market Price is the price for the good, revenue or service based on competition in open markets, which create neither a shortage nor a surplus of the goods, resources or services.

Policy

New User Fees

The decisions made and the implementation of a new user fee must be documented and retained. A new user fee requires the following steps whereby:

- An activity that meets the criteria for charging a user fee is identified. Consider the following:
    - Is there a legitimate business case for instituting the fee?
    - Is the fee readily administrable?
    - Is the fee for something the County is already doing?
    - Does implementation of the fee require major data processing changes?
    - What are the public implementations of the new fee?
- The cost of the activity is calculated and a proposed fee is determined.
- The department submits a proposal for the new user fee to the Chief Financial Officer (CFO) and Chief Executive Officer (CEO) for review and approval by the Commission. The proposal should include the cost calculation, recommended fee level, justification for less than full cost, if applicable, and the time for implementation of the new fee.
- The CFO works with the department and Corporation Counsel to ensure that new or revised regulations related to new user fees have been implemented as required by State or Federal law.
- The Department of Management and Budget (M&B) Budget and Planning Division incorporates the approved fees into the budget.

Review Process

A review of user fees shall be performed annually by (M&B) and County departments. A comprehensive analysis of County costs and fees should be made at least every five years. The review shall take into consideration the following elements:

- Fees are equitable – costs should be allocated to those receiving the benefit. Special consideration may be needed for vulnerable populations or to achieve social goals. Policy initiatives such as economic development can also be advanced through this policy
- User fees must be efficient. All efforts should be made to combine this technique with billing and collection to maximize efficiency.

- The exercise of reviewing costs and fee composition requires accurate and careful internal scrutiny of procedures and practices, which could potentially identify opportunities for expenditure adjustments.
- The review shall take into consideration the impact on its customers, neighboring governmental agencies and related departments as well as economic comparability.

Any adjustments shall be proposed by the County Executive to the Wayne County Commission (the Commission) during the biannual budget process. All approved changes will be published in the County's Fee Ordinance and on the County's website, both of which shall be maintained by the CEO.

Levels of Cost Recovery

In setting user fees and cost recovery levels, the following factors will be considered:

1. **County-Wide versus Special Benefit.** The level of user fee cost recovery should consider the *county-wide* versus *special service* nature of the program or activity. The use of general-purpose revenues is appropriate for county-wide services, while special service are appropriate for services that are of special benefit to easily identified individuals or groups.

2. **Service Recipient versus Service Driver.** After considering county-wide versus special benefit of the service, the concept of *service recipient* versus *service driver* should also be considered. For example, it could be argued that the applicant is not the beneficiary of the County's development review efforts: the community is the primary beneficiary. However, the applicant is the *driver* of development review costs, and as such, cost recovery from the applicant is appropriate. EDGE

3. **Effect of Pricing on the Demand for Services.** The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. Full cost recovery has the specific advantage of ensuring that the County is providing services for which there is genuinely a market that is not overly-stimulated by artificially low prices. Conversely, high levels of cost recovery will negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.

4. **Feasibility of Collection and Recovery.** Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

Category I – Full Recovery (100 Percent)

User fees that are determined to have a 100 percent cost recovery goal shall be updated annually based on the costs incurred for providing the services using actual data from the prior fiscal year. All user fees are assumed to be at 100 percent cost recovery unless they meet the criteria for categories II and III. Full cost includes:

- All direct and indirect costs, including salaries, fringe benefits and all funded or unfunded retirement costs;
- Other indirect costs such as consulting, physical overhead, materials and supplies, utilities, insurance, travel, rent, buildings and equipment. Imputed rental costs include depreciation of structures and equipment and an annual rate on land, structures, equipment and other capital resources used;
- Management and supervisory costs and
- Costs of enforcement, collection, research, establishment of standards and regulations.

It is County policy not to charge a rate that is greater than full cost to the government.

Category II – Partial Recovery (Below 100 Percent)

User fees that are below the 100 percent cost recovery goal shall be adjusted annually by a standardized escalator based on the most recent Consumer Price Index. Alternatively, these fees may be adjusted at any point upon recommendation by the responsible department and the approval of the CFO, the CEO and the Commission.

Fees are generally less than 100 percent cost recovery in cases where the collection of fees is not cost effective, the collection of fees would not comply with regulatory requirements and the purpose of the fee is not to generate revenue but rather to provide benefits to the recipients.

Category III – Fees (Fines and Penalties)

Fees that fall into this category are in most cases penalties, fines or deterrents to the public and most often set by law. Fees in this category shall be reviewed regularly as to the reasonableness of the fee and the fiscal effect as it relates to the deterrence. It may be necessary to seek legislative change to the existing law for enhancement of these fees.

Enterprise Fund Fees and Rates

The County will set fees and rates at levels which fully cover the total direct and indirect cost, including operations, capital outlay and debt service for sewer and parking. Golf program fees should fully cover direct operating costs. Because of the nine-hole nature of the golf course with its focus on seniors, subsidies from the Park Fund to cover indirect costs and capital improvements may be considered as part of the financial planning process along with the need to possibly subsidize direct operating costs as well.

Responsibilities

Office of the Chief Financial Officer

The CFO and department directors, including those headed by elected officials has the responsibility to ensure user fees are properly charged, collected, deposited and reported to stakeholders. The Office of the Chief Financial Officer (OCFO) also has oversight responsibilities for the initial assessment, updates and collection of fees. While the OCFO does not monitor the programs for which fees are charged, it does have the responsibility to ensure that fees are appropriately collected, deposited and reported.

Departments

The collection of reporting of user fees is the responsibility of the department that manages the program for which fees are collected. In addition, the department shall:

- Provide annually projections in April for the following two years. Estimates should include projections of revenue and volume of collections.
- Explanations of budget variances should be provided in the monthly report on the 15th of each month.
- Maintain case files for audit purposes.

Any questions about this policy should be directed to the OCFO at extension 4-0420.

Distribution

Department Directors, including those headed by Elected Officials
Division Directors

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Adopted Budget FY 2011-2012
and Projected Budget FY 2012-2013

WAYNE COUNTY STATISTICS

WAYNE COUNTY STATISTICS

LIFE AND LEISURE

Population

2010 (U.S. Census)	1,820,584
2000 (U.S. Census)	2,061,161
1990 (U.S. Census)	2,111,687
1980 (U.S. Census)	2,337,843

Household Income 2010

Less than $10,000	12.60%
$10,000-$14,999	7.60%
$15,000-$24,999	13.70%
$25,000-$34,999	11.60%
$35,000-$49,999	14.30%
$50,000-$74,999	17.70%
$75,000-$99,999	8.80%
$100,000-$149,999	8.80%
$150,000-$199,999	3.00%
$200,000 or more	1.90%

Median Household Income

2010	$39,408
2008	$42,463
2007	$43,232
2005	$40,881
2000	$40,776
1999	$38,489

Per Capita Income

2010	$20,948
2008	$22,407
2007	$21,876
2005	$21,871
2000	$20,058

Largest Public School Districts 2009 student count

Detroit Public Schools	87,877
Plymouth-Canton Community Schools	18,98
Dearborn Public Schools	18,475
Livonia Public Schools	16,099
Wayne-Westland Community Schools	12,815
Grosse Pointe Public Schools	8,362
Taylor School District	8,294

Educational Attainment 2010

Less than 9th grade	4.7%
High school, no diploma	11.1%
High school graduate	31.0%
Some college, no degree	25.5%
Associate's degree	6.90%
Bachelor's degree	12.9%
Graduate or professional degree	8.10%

School Enrollment 2009 (Est.)

Nursery School, Preschool	5.7%
Kindergarten	4.6%
Elementary School	39.6%
High School	23.2%
College or Graduate School	26.9%

Pupil/Teacher Ratio	21 to 1
Students per Librarian	1,316
Students per Counselor	690
Cost Per Public School Student	$5,598

Voting

Democrat	74%
Republican	25%
Independent Other	1%

Top Pro Sports Teams

Detroit Tigers (MLB)
Detroit Red Wings (NHL)
Detroit Pistons (NBA)
Detroit Lions (NFL)

Climate

January Avg. Low	18°F
January Avg. High	31°F
July Avg. Low	64°F
July Avg. High	84°F
Average Annual Rainfall	31.3"
Average Annual Snowfall	32.4"
Days Below Zero	6
Days Above 90°	12

Crime (2010)

Assault	11,591
Arson	1,322
Burglary	24,226
Larceny	38,688
Rape	780
Robbery	6,610
Murder	326
Motor Vehicle Theft	16,444
All Other	116,054

ECONOMICS

Labor Force (2010 Census)

Total Civilian Labor Force	842,250
Employed	661,178
Unemployed	181,072

Unemployment Rate

2011 (August)	14.4%
2010	15.8%
2009	17.0%
2008	9.9%
2007	8.7%
2006	8.4%
2005	8.7%
2004	8.8%
2000	3.7%

Property Tax

Agricultural	0.04%
Residential	63.09%
Industrial	7.78%
Commercial	17.91%
Other	11.18%

Income Taxes 4.35%

Sales Taxes 6.00%

Cost of Living (US AVG 100)

Overall	86
Food	89
Utilities	105
Miscellaneous	96

10 Largest Taxpayers 2011 (Thousands)

DTE Energy	733,682
Ford Motor Company	626,537
Chrysler Group LLC/New	332,126
Vanguard Health Systems-Hospitals	249,651
MGM Grand Detroit LLC	213,156
Untied States Steel	174,618
Auto Alliance Int'l Inc.	174,195
Marathon Oil Company	1149,839
Riverfront Holdings, Inc.	144,923
Michigan Consolidated Gas Company	139,545

Top Metro Airlines (2010)

Passengers boarded (domestic)

Delta Air Lines	6,170,712
Pinnacle Airlines	1,848,818
Spirit Airlines	483,725
Southwest	474,656
US Airways	261,512

Cargo (in Tons)

Federal Express	29,127.4
Delta Airlines	15,699.3
United Parcel Service	9,828.0
Lufthansa Airlines	3,717.0
Air France	1,983.4

Leading Hospitals

Henry Ford Health System
Detroit Medical Center
Oakwood Healthcare, Inc.
Barbara Ann Karmanos Cancer Institute
Garden City Hospital

Bank Market Share

J.P.Morgan	34.1%
Comerica	33.7%
Bank of America	7.7%
PNC	7.0%
RBS Citizens Nat.	6.5%

Wayne County's Bond Rating

Fitch	BBB+
Moody's Limited Tax	Baa2
Standard and Poor's	BBB+

COUNTY SERVICE STATISTICS

Roads

Streets Miles	1,582.47
Potholes Filled	139,160
Asphalt Used (tons)	6572
Salt Used in Winter (tons)	94,966
Miles of Road Improved/Annually	9.2
Signalized Intersections	1,519
Movable Bridges	4

Waste Facilities Management

Average Daily Wastewater Treatment (million gallons)	50.34
Drainage Districts	621
Drains (miles)	980
Interceptor Sewers &Appurtenances (miles)	169
Pumping Stations	17

Engineering

Permits Issued	648

Equipment (All types)

Fleet Size	2,500

Health & Community Services (Persons Assisted)

Health Clinics	322,187
Mental Health	67,000
Nutrition Meals – Daily	3,700
4H Programming	32,900
Jail Medical-Health	30,368

Medical Examiner

Autopsies	2,067
Inspections	685

CITY OF DETROIT

DEMOGRAPHICS

Population

2010 (U.S. Census	713,777
2000 (U.S. Census)	951,270
1990 (U.S. Census)	1,027,974
1980 (U.S. Census)	1,203,339

Population by Age 2010 Census

Under 18	26.67%
18 & over	73.33%
20-24	7.57%
25-34	12.10%
35-49	19.58%
50-64	18.71%
65 & over	11.48%

Gender Composition 2011

Male	48%
Female	52%

Racial Composition 2011

White	14%
Black	77%
Asian	1%
Native American	1%
Other Race	7%

Total Households

2011	315,200

Average Household (Persons)

2011	2.83

Household Income 2011

Less than $15,000	25.72%
$15,000-$25,000	15.17%
$25,000-$35,000	13.17%
$35,000-$50,000	15.17%
$50,000-$75,000	15.43%
$75,000-$100,000	7.66%
$100,000-$150,000	5.56%
$150,000-$250,000	1.05%
$250,000-$500,000	99%
Greater than $500,000	07%

Median Household Income

2011	$31,797

Per Capita Income

2011	$15,361

Educational Attainment 2009

Less than 9th grade	6.6%
High school, no diploma	16.3%
High school graduate	32.7%
Some college, no degree	26.2%
Associate's degree	5.7%
Bachelor's degree	7.4%
Graduate or professional degree	5.1%

School Enrollment 2009 (Est.)

Nursery School, Preschool	5.5%
Kindergarten	4.2%
Elementary School	39.6%
High School	23.5%
College or Graduate School	27.3%

Detroit's Largest Employers 2010

Detroit Public Schools	13,039
City of Detroit	12,472
Detroit Medical Center	10,502
Henry Ford Health System	8,289
U.S. Government	6,840
Wayne State University	5,152
State of Michigan	4,740
Chrysler L.L.C.	4,150
U.S. Postal Service	3,987
St. John Providence Health System	3,884

Crime (2010)

Assault	9,382
Arson	1,081
Burglary	17,259
Larceny	18,360
Rape	396
Robbery	5,549
Murder	291
Motor Vehicle Theft	12,563
All Other	50,680

SOURCES: *U.S. Census Bureau; Southeast Michigan Council of Governments, Community Profiles; FedStats-MapStats; U.S. Bureau of Labor; Bureau of Economic Analysis, Regional Accounts Data; Michigan's Counties website; City of Detroit, Look At What's Happening in Detroit, Detroit Regional Economic Partnership, Michigan Information Center, Wayne County Department of Management and Budget, Division of Assessments and Equalization and Wayne County Department of Economic & Neighborhood Development. Crain's Detroit Business, 2011 Book of Lists.*

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WWW.factfinder.census.gov/servlet American Community Survey
http://mcc.sws.uiuc.edu/ Midwestern Regional Climate Center
http://www.ambassadorbridge.com/ambassador-project.html Ambassador Enhancement Replacement Project
http://en.wikipedia.org/wiki/List_of_the_most_populous_counties_in_the_United_States Wikipedia
www.degc.org Detroit Economic Growth Corporation
www.bestplaces.net/county/Wayne-Michigan.aspx Sperling's Best Places
www.RealtyTrac.com RealtyTrac
http://resa.net Regional Educational Service Agency
www.detroitmi.gov The City of Detroit

Adopted Budget FY 2011-2012
and Projected Budget FY 2012-2013

GLOSSARY AND ACRONYMS

GLOSSARY OF TERMS

Account Number	System of numbering or otherwise designating accounts in such a manner that the used number identifies the nature of the financial transaction being recorded.
Accrual Basis	Method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.
Activity	Specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible.
Act 51	Creates the Michigan Transportation Fund (MTF). Revenues collected through highway user taxes–state motor fuels taxes, vehicle registration fees, and other miscellaneous automobile related taxes–are deposited in MTF.
Adopted Budget	The official expenditure plan adopted by the Commission for a fiscal year.
Ad Valorem	Imposed at a rate percent of value (tax on goods).
Agency Funds	One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.
Amortization	Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts. Also, provision for the extinguishment of a debt by means of a Debt Service Fund.
Appropriation	An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose. An appropriation is usually limited in amount and as to the time when it may be expended.
Appropriations Ordinance	The official enactment by the legislative body establishing the legal authority for the County to incur obligations and to expend public funds for a stated purpose.
Assessed Valuation	Valuation set upon real estate or other property by a government as a basis for levying taxes.
Asset	Resources owned or held by a government, which have monetary value.
Audit	A formal examination of an organization's or individual's accounts or financial situation.
Authority	A government or public agency created to perform a single function or a restricted group of related activities.
Balanced Budget	Budgeted expenditures cannot exceed the appropriated revenues. Expenditures may include reservations or contingencies in addition to expenditures for operating purposes. In certain cases, fund balance reserves and transfers from other funds can be appropriated as part of the budget to supplement revenues.. Expenditures cannot be made unless authorized in the budget and debt cannot be incurred unless permitted by law.
Basis	Basis (of accounting) relates to the timing of the measurement made, or in other words, to when revenues, expenditures, expenses, and transfers are recognized in the accounts and reported in the financial statements of an entity.
Bond	A written promise to pay a specified sum of money at a specified date in the future together with periodic interest at a specific rate.
Bond Rating	A grade given to bonds that indicates their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its the ability to pay a bond's principal and interest in a timely fashion.

Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them, usually for a period of one year.
Budget Adjustment	A legal procedure utilized by County staff and the Wayne County Commission to revise a budget appropriation.
Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.
Budget Message	A written policy and financial overview of the County.
Budgetary Basis	Refers to the form of accounting utilized throughout the budget process. Takes one of three forms: Cash, Modified Accrual or Full Accrual
Business Unit	A level of budgeting that identifies particular programs or services within a department. An activity budget may contain one or more sub-activity business units. (s*ee Activity*)
Capital Improvement Plan	A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from long-term work programs. Capital expenditures of significant amounts of money involving major construction and acquisition are usually included in the capital improvement plan (CIP).
Capital Lease	A lease that meets one or more of the following criteria, meaning it is classified as a purchase by the lessee: the lease term is greater than 75% of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceeds 90% of the fair market value of the property.
Capital Outlay	A disbursement of money which results in the acquisition of, or addition to, fixed assets. The item must have a purchase price greater than $5000 and a life of over one-year to be a capital item.
Capital Projects Fund	Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those finances by proprietary funds and trust funds). The principal projects are major system development projects in Information Technology, the construction or renovation of County facilities by the Wayne County Building Authority and highway and street construction.
Central Services Fund	Used to account for the financing of goods and services provided by County support departments or agencies to other County departments or agencies on a cost reimbursement basis.
Charter Home Rule	Wayne County, a body corporate, possesses home rule power enabling it to provide for any matter of County concern and all powers conferred by constitution or law upon charter counties or upon general law counties, their officers, or agencies.
Child Observation Record	(COR) The preschool COR is an observation-based instrument providing systematic assessment of young children's knowledge and abilities in all areas of development.
Comprehensive Annual Financial Report (CAFR)	Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.
Component Unit	Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship

	with a primary government are such that exclusion would case the reporting entity's financial statements to be misleading or incomplete.
Contingency	An estimated amount of funds needed for deficiency, contingent or emergency purposes.
Deficit	An excess of liabilities and reserves, of a fund over its assets.
Debt	Something owed, obligation.
Debt Service	Cash required over a given period for the repayment of interest and principal on outstanding bond debt.
Debt Service Fund	Fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
Department	A major operating budget area of the County which includes overall management for an activity or group of related activities with possibly one or more sub-activities.
Delinquent Tax	Real property tax billed, by a city, township, village or county treasurer that is not paid by March 1 of the following year.
Delinquent Tax Notes	Delinquent taxes are paid by the county treasurer upon borrowing money to taxing units by issuing delinquent tax notes. The delinquent taxes are pledged to the payment of the principal and interest for the tax notes. While, delinquent taxes are recovered by the collection efforts of the county treasurer.
Depreciation	(1) Expiration in the service life of fixed assets, other than wasting assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period.
Distinguished Budget Presentation Awards Programs	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget and other financial documents.
Effectiveness measurements	Measurements used to describe the degree to which the entity, program, or procedure is successful at achieving its goals and objectives.
Efficiency measurements	Measurements used to describe the degree to which the entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.
Employee Benefits	Compensation given to employees in addition to regular salaries and wages. Such compensation often includes but is not limited to employer sponsored benefits for health care or life insurance, travel reimbursements, vacation and sick pay
Encumbrances	Commitments related to unperformed (executory) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.
Enterprise Funds	Proprietary fund types used to report an activity for which a fee is charges to external users for goods and services. Enterprise funds finance the jail commissary, copy center, sewer and wastewater treatment services.
Expenditures	Under the current financial resources measurement focus, decreases in net financial resources now properly classified as *other financing uses*.
Fiduciary Funds	Funds used to report assets held in a trustee or agency capacity for others and which 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.
Fiscal Stabilization Bonds	Bonds issued by the County in 1988 under the State's Fiscal Stabilization Act for the purpose of reducing the County's accumulated General Fund Debt.

Fiscal Year	A twelve-month period of time to which the annual budget applies. The County's fiscal year is from October 1 to September 30.
Fixed Assets	Equipment and other capital items used in governmental fund type operations and are accounted for in the General Fixed Assets Group of Accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.
Fund	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities.
Fund Accounting	The accounts of the County are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.
Fund Balance	Difference between assets and liabilities reported in a governmental fund.
GED	General Educational Development (GED) tests are a group of five subject tests which, when passed, certify that the taker has American or Canadian high school-level academic skills.
General Debt Service	The General Debt Service Fund includes principal and interest payments to the State of Michigan.
General Fund	One of five governmental fund types. The general fund typically serves as the chief operation fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.
General Obligation Bond	Long-term debt instruments that have the backing of the County's full faith and credit, based on its taxing power outside the 15-mill limitation, if approved by the voters.
Goal	A long-term, attainable target for an organization – its vision of the future
Governmental Funds	Funds generally used to account for tax-supported activates. There five different types of governmental funds; the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.
Grants	Contributions or gifts of cash or other assets from another government, business or foundation to be used or expended for a specified purpose, activity or facility.
Indigent Health Care	Uncompensated health care.
Interfund Transfer	Flows of assets (such as cash or goods) between funds and blended component units of the primary government with a requirement for repayment.
Internal Service Funds	Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.
Liability	Obligated according to law or equity.
Line Item	A unit of budgeted expense used to classify expenditures by item or category. A line item establishes the permissible level of expenditure for an item.
Line Item Budget	A budget that emphasizes allocations of resources to given organizational units for particular expenditures such as, salaries, supplies, services and equipment. Line item budgets may be organized to provide accountability at varying levels, such as on department, division, or agency levels.

Managing for Results	Performance measures that linked to government budgeting and used consistently throughout strategic planning, reporting and government decision making.
Mandate	A formal order from a superior court or official to an inferior one.
Michigan Municipal Bond Authority	A public body corporate, separate and distinct from the state, created by public act for the purposes of fostering and promoting the borrowing of money by governmental units for financing public improvements and for other municipal purposes. The Authority is authorized to issue its bonds and notes and to make money available to Governmental Units by the purchase of their Municipal Obligations.
Millage /(Mill)	One thousandth of dollar of assessed taxable value, meaning that one mill is worth $1 of tax per $1,000 of assessed taxable value.
Mission Statement	A brief description of functions and objectives rendered by an organization for the community it serves.
Modified Accrual	Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).
Net Assets	Assets remaining after the deduction of all charges, outlay, or loss.
Non-Departmental	Expenditures for purposes that are not related to a specific department or agency but relate to the overall operations of general government.
Object of Expenditure	In the context of the classification of expenditures, the article purchased or the service obtained, rather than the purpose for which the article or service was purchased or obtained (e.g., personal services, contractual services, materials and supplies).
Obligations	Amounts which a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.
Other Post Employment Benefits (OPEB)	Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.
Operating Budget	The authorized revenues and expenditures for on-going municipal services and the primary means by which government spending is controlled. The life span of an operating budget typically is one year or less.
Operating Revenues and Expenses	Cost of goods sold and services provided to customers and the revenue thus generated.
Ordinance	A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.
Other Charges	An expenditure object within an activity, which includes professional services, rents, utilities, and training, as examples.
Other Financing Sources	Increase in current financial resources that are reported separately from revenues to avoid distorting revenue trends. The use of other financing sources category is limited to the items so classified by GAAP.

Other Financing Uses	Decrease in current financial resources that are reported separately from expenditures to avoid distorting expenditure trends. The use of other financing sources category is limited to the items so classified by GAAP.
Overlapping Debt	In the context of the statistical section, the outstanding long-term debt instruments of governments that overlap geographically, at least in part, with the government preparing the statistical section information. That is, debt of another government that at least some of the reporting government's taxpayers will also have to pay in whole or in part. Lower levels of government are not required to treat debt of the state as overlapping debt, even though it technically meets this definition. Furthermore, states, regional governments, and counties are exempted from the requirement to present overlapping debt, although counties are still encouraged to do so.
Performance Objective	Desired output-oriented accomplishments which can be measured within a given time period.
Personnel Services	An expenditure object within an activity that includes payroll and all fringe benefits.
Policy	A plan, course of action or guiding principle, designed to set parameters for decisions and actions.
Preferred Provider Network	(PPN) is a business access group comprised of business owners and leading professionals from many sectors.
Projected Budget	An estimation of revenues and expenditures; a plan as to how the County may perform financially if various strategies are implemented.
Proprietary Funds	Funds that focus on the determination of operating income, changes in net assets (or cost recover), financial position and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.
Requisition	A written demand or request, usually from one department to the purchasing officer or to another department for specific articles or services.
Resolution	A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.
Revenue	An addition to the assets of a fund which does not increase a liability, does not represent a recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.
Revenue Bonds	Bonds whose principal and interest are payable only from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.
Risk Management	An organized attempt to protect a government's assets against accidental loss in the most economical method.
Self Insurance	Self funded insurance plan.
Securities	Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.
Special Assessment Fund	Fund used to account for the construction and financing of public improvements provided in benefiting districts, which are to be paid, at least in part, from an assessment against the benefited property.
Special Revenue Fund	Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Statute	A law enacted by a legislature body, under constitutional authority, that becomes law, governing conduct within its scope. Statutes are enacted to prescribe conduct, define crimes, create inferior government bodies, appropriate public monies, and in general promote the public welfare.
Strategic Business Plan	A plan identifying issues and outlines goals for addressing those issues which includes performance measures for tracking progress in meeting goals.
Supplies	An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than $5000.
Surplus	An excess of the assets of a fund over its liabilities and reserves.
TANs	Tax Anticipation Notes (TANs) are a short-term financing vehicle commonly used by states and local units of government to assist with cash flow needs in advance of future tax collections.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.
Taxing Authority	The government entity given authority by voter referendum or legislative action to levy a tax for the purpose of financing services performed for the common benefit.
Temporary Restraining Order	A temporary restraining order is a temporary order of a court to preserve current conditions as they are until a hearing is held at which both parties are present.
Transfers In/Out	A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.
Trust Fund	Funds used to account for assets by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.
Unreserved Fund Balance	The Unreserved Fund Balance represents that portion of a governmental fund's net assets that is available for appropriation. Unrestricted Net assets represent that portion of net assets that is neither restricted nor invested in capital assets (net of related debt).
User Fees	An excise tax usually in the form of a license or supplemental charge levied to fund a public service
Virtual Center of Excellence	(VCE) Is the on-line training center for the Wayne County Mental Health Agency, managed by the Guidance Center.
Voucher	A written document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.
Water & Sewer Fund	The enterprise fund account used for the operation of a combined water and sewer system. The revenues consist of charges for services to businesses and residences that pay for all water and sewer related expenses.
Wetland Mitigation Bank	The process of restoring or creating self-sustaining functioning wetlands, or, in exceptional circumstances, preserving high-quality and threatened wetlands, as prior replacement for wetlands that are expected to be unavoidably impacted by development within a watershed or ecoregion.

LIST OF ACRONYMS

A.A.F.S.	American Academy of Forensic Science
A.A.R.P.	American Association of Retired Persons
A.A.S.H.T.O.	American Association of State Highway Transportation Officials
A.B.F.T.	American Board of Forensic Toxicology
A.B.W.	Adult Benefit Waiver program
A.D.A.	American Disabilities Act
A.F.L.-C.I.O.	American Federation of Labor – Congress of Industrial Organizations
A.F.S.C.M.E.	American Federation of State, County and Municipal Employees
A.M.V.E.C.	Abandoned Motor Vehicle Environmental Control Program
A.P.A.	Assistant Prosecuting Attorney
A.P.U.	Animal Protection Unit
A.R.R.	Application for Renewal and Recommitment
A.R.R.A.	American Recovery and Reinvestment Act
A.T.P.A.	Automotive Theft Prevention Authority
A.W.F.	Alternative Work Force
B.A.D.F.	Boot Camp Aftercare Detention Facility. For juvenile offenders.
B.E.D.I.	Brownfield Economic Development Initiative
B.F.I.	Breast Feeding Initiative
B.R.F.S.S.	Behavioral Risk Factor Surveillance System. Public Health reporting system.
B.S.F.	Building Strong Families
C. & F. S.	Children and Family Services
C.A.	Coordinating Agencies
C.A.C.	Children's Advocacy Center
C.A.D.	Computer Aided Dispatch System
C.A.F.R.	Comprehensive Annual Financial Report (See Glossary of Terms)
C.A.G.I.	Comprehensive Anti-Gang Initiative
C.A.M.P.P.	Comprehensive Assessment Master Plan Project in the Dept. of Environment
C.A.S.A.	Court Appointed Child Advocate Program
C.A.Y.M.C.	Coleman A. Young Municipal Center
C.B.E.	County Based Enterprise. A self-funding operation.
C.B.O.	Community Based Organization
C.C.F.	County Child Care Fund
C.C.W.	Carrying Concealed Weapon
C.D.A.	Child Development Associate
C.D.B.G.	Community Development Block Grant. A neighborhood improvement grant from HUD to distressed communities.
C.D.E.	Community Development Entity/Wayne County-Detroit
C.D.U.	Case Differentiation Unit

C.E.A.	County Enforcing Agency
C.E.O.	Chief Executive Officer. This executive is responsible for the operations of the County.
C.E.S.A.	Cooperative Extension Services Agencies
C.F.A.B.	Child and Family Abuse Bureau
C.F.O.	Chief Financial Officer. This executive is responsible for the financial matters of the County.
C.G.F.M.	Certified Government Financial Manager
C.H.D.O.	Community Housing Development Organization
C.I.A.	Certified Internal Audit
C.I.C.P.	Cash and Investment Concentration Program. A method for managing investments and cash flow.
C.I.D.	Criminal Investigations Division
C.I.P.	Capital Improvement Plan
C.I.S.A.	Certified Information Systems Auditor
C.I.U.	Conviction Integrity Unit
C.L.E.	Continuing Legal Education
C.L.E.A.N.	County Lending Environmental Assistance to Neighborhood program
C.M.H.	Community Mental Health
C.M.O.	Care Management Organizations
C.M.S.	Care Management Systems. System that provides juvenile services and care to delinquent and at risk youth.
C.M.S.	Content Management System
C.M.U.	Crisis Management Unit. Jail Mental Health.
C.O.L.A.	Cost of Living Allowance
C.O.P.	Certificate of Participation
C.O.R.	Continuous Operating Reference. Highly accurate GPS receivers that collect positional data every second from satellites.
C.O.R.	Child Observation Record
C.O.O.	Chief Operating Officer
C.P.A.	Certified Public Accountant
C.P.A.I.	Correctional Performance Assessment Inventory
C.R.I.M.S.	Case Records Information Management System
C.S.O.	Combined Sewer Overflow
C.T.S.	Case Tracking System
D.A.F.	Document Approval Form
D.B.E.	Disadvantaged Business Enterprise
D.C.W.C.	Development Corporation of Wayne County
D.D.A.	Downtown Development Authority
D.D.O.T.	Detroit Department of Transportation
D.E.N.D.	Department of Economic and Neighborhood Development

D.H.S.	Department of Human Services (see also MDHS)
D.H.S.E.M.	Department of Homeland Security and Emergency Management
D.H.U.	Drug Housing Unit
D.I.A.	Detroit Institute of Arts
D.I.T.	Deposit In Transit
D.M.A.T.	Disaster Medical Assistance Team
D.M.B.	Department of Management and Budget
D.M.C.	Detroit Medical Center
D.O.D.S.	Drug Offense Delayed Sentencing Program
D.O.E.	Department of Environment
D.O.T.	Department of Technology
D.P.S.	Department of Public Services
D.P.W.	Department of Public Works
D.S.D.S.	Downriver Sewage Disposal System
D.T.R.F.	Delinquent Revolving Tax Fund
D.W.C.C.M.H.	Detroit Wayne County Community Mental Health Agency
D.W.S.D.	Detroit Water and Sewage Department
E.A.L.	Emergency Action Level
E.A.P.	Employee Assistance Program. Personnel program for County employees.
E.C.M.	Enterprise Content Management
E.D.C.	Wayne County Economic Development Corporation
E.D.G.E.	Economic Development Growth Engine
E.E.O./E.E.O.C.	Equal Employment Opportunity/Equal Employment Opportunity Commission
E.F.N.E.P.	Expanded Food and Nutrition Education Program
E.F.T.	Electronic Funds Transfer
E.L.B.	Emergency Loan Board. A Board created by state statute within the Department of Treasury.
E.L.F.	Equipment Lease Financing
E.O.C.	Emergency Operations Center
E.P.A.	Environmental Protection Agency, also USEPA United States
E.P.A.C.	Electronic Procurement Assistance Center. A method for vendors to electronically examine Requests for Proposals from participating businesses and governments.
E.S.D.	Engineering Services Division in the Dept. of Environment
E.S.U.	Engineering Services Unit
F.A.S.T.	Fugitive Apprehension Service Team
F.B.I.	Federal Bureau of Investigation
F.E.P.	Fair Employment Practice
F.I.A.	Family Independence Agency. Now called Michigan Dept. of Human Services.
F.I.C.A	Federal Insurance Contributions Act

F.M.D.	Facilities Management Division in the Dept. of Environment
F.M.H.J.	Frank Murphy Hall of Justice
F.M.L.A.	Family Medical Leave Act. Allows employees to balance their work and family life by taking reasonable unpaid leave for certain reasons.
F.N.S.	Felony Non-Support Unit
F.N.P.	Family Nutrition Program
F.O.A.	Final Order of Abatement
F.O.C.	Friend of the Court
F.O.C.F.O.C.	Friend of the Court For Our Children
F.O.I.A.	Freedom of Information Act. Ensures that the public may obtain information, make submittals/requests or acquire decisions from an agency.
F.Q.H.C.	Federally Qualified Health Clinics
F.R.I	Fire-Rescue International
F.T.E.	A Full-Time Equivalent refers to an individual who is considered a permanent employee, working a 40-hour workweek and receiving County benefits.
F.T.P.	File Transfer Protocol
G.A.A.	Government Administrators Association
G.A.A.P.	Generally Accepted Accounting Principles are those accounting principles that are considered essential if a governmental entity is to report and fully disclose its financial condition and results of operations for a given period. The primary sources of these principles are the following: FASB – Financial Accounting Standards Board GASB – Governmental Accounting Standards Board AICPA – American Institute of Certified Public Accountants
G.A.A.F.R.	Governmental Accounting, Auditing, and Financial Reporting. A publication issued by the GFOA as a reference for generally accepted accounting principles for state and local government.
G.A.S.B.	Government Accounting Standards Board
G.B.A.	Government Bar Association
G.E.D.	General Educational Development
G.F.G.P.	General Fund General Purpose
G.F.O.A.	Government Finance Officers Association
G.I.S.	Geographical Information System
G.L.R.	Great Lakes Recylcling
G.P.R.S.A.	Government Performance and Result Act
G.P.S.	Global Positioning System
G.W.E.D.C.	Greater Wayne Economic Development Corporation
H.H.S.	Health and Human Services
H.H.W.	Household Hazardous Waste Program
H.I.P.A.A.	Health Insurance Portability and Accountability Act. Protects health insurance coverage for workers and their families when they change or lose their jobs.
H.I.T.E.C.H.	Health Information Technology for Clinical and Economic Health

H.I.V.	Human Immunodeficiency Virus
H.M.O.	Health Management Organization
H.O.M.E.	Housing Opportunities Made Equal. HUD program providing housing assistance for low-income residents.
H.R.	Human Resources. See also P/HR.
H.U.D.	United States Department of Housing and Urban Development
I.F.T.	Industrial Facilities Tax
I.G.A.	Intergovernmental Agreement
I.L.I.S.	Integrated Land Information System.
I.P.A.	Installment Purchase Agreement
I.P.O.S.	Individual Plan of Service. In Mental health.
I.P.P.	In Pro Pria Persona- filing without the aid of an attorney.
I.P.P.M.	Inventory Personal Property Management
I.T.	Information Technology
I.V.T.	Interactive Video Technology
J.A.G.	Justice Assistance Grant
J.A.I.S.	Juvenile Assessment Information System
J.D.F.	Juvenile Detention Facility
K.P.I.	Key Performance Indicator
L.A.D.A.	Legal Aid and Defender's Association
L.A.N.	Local Area Network.
L.E.A.D.	Lead Enforcement and Abatement Division
L.E.D.	Light Emitting Diode
L.E.I.N.	Law Enforcement Information Network
L.R.M.D.	Land Resource Management Division in the Dept. of Environment
M.A.C.	Michigan Association of Counties
M.A.W.R.T.	Metro Airport Water Rescue Team
M.B. E.	Minority owned Business Enterprise
M.C.P.N.	Managed Comprehensive Provider Network
M.C.R.	Michigan Court Rules
M.D.A.	Michigan Department of Agriculture
M.D.C.H.	Michigan Department of Community Health
M.D.C.R.	Michigan Department of Civil Rights
M.D.E.Q.	Michigan Department of Environmental Quality
M.D.H.S.	Michigan Department of Human Services, formerly Family Independence Agency. (see also DHS)
M.D.N.R.E.	Michigan Department of Natural Resources and Environment
M.D.O.C.	Michigan Department of Corrections
M.D.O.T.	Michigan Department of Transportation
M.E.D.C.	Michigan Economic Development Corporation.

M.E.O.	Medical Examiner's Office
M.E.R.C.	Michigan Employment Relations Commission
M.F.P.P.	Mortgage Foreclosure Prevention Program
M.F.R..	Management for Results
M.G.D.	Million Gallons per Day
M.G.D.C.	Metropolitan Growth & Development Corporation
M.H.P.	Medical Health Plans
M.H.-W.I.N.	Mental Health-Wellness Information Network
Mi.C.S.E.S.	Michigan Child Support Enforcement System
M.I.O.S.H.A.	Michigan Occupational Safety and Health Association
M.L.S.I.C.	Michigan Life Science and Innovation Center
M.M.B.A.	Michigan Municipal Bond Authority
M.O.U.	Memorandum of Understanding
M.P.R.	Minimum Program Requirements. Used in Public Health.
M.S.E.U.	Municipal Support Enforcement Unit
M.S.U.E.	Michigan State University Extension
M.S.H.D.A.	Michigan State Housing Development Authority
M.T.F.	Michigan Transportation Fund, established by Public Act 51
M.U.C.P.	Michigan Unified Certification Program
M.V.T.F.	Michigan Veteran Trust Fund
M.W.B.E.	Minority owned Women Business Enterprise
N.A.C.O.	National Association of Counties Organization
N.A.C.W.A.	National Association of Clean Water Agencies
N.A.I.A.S.	North American International Auto Show
N.A.P.	Nuisance Abatement Program
N.H.V.R.V.	North Huron Valley/Rouge Valley
N.M.H.C.	National Medical Health Card Contract
N.P.D.E.S.	National Pollutant Discharge Elimination System
N.R.P.A.	National Recreation and Park Association
O.A.G.	Office of the Auditor General
O.I.G.	DPS Office of Inspector General
O.M.B.	Office of Management and Budget
O.P.E.B.	Other Post-Employment Benefits
O.S.B.C.	One Stop Business Center
O.U.I.L.	Operating Under the Influence of Liquor
O.W.I.	Operating While Intoxicated
P.A.	Public Act. A legal statute.
P.A.O.	Prosecuting Attorney's Office
P.A.S.S.	Preventive Action Service System

P.A.T.U.	The Prosecutors Auto Theft Unit
P.C.3.	Procurement Contract Compliance Certificate
P.C.M.S.	Patient Care Management Services
P.C.N.	Pharmaceutical Care Network. In PCMS.
P.C.P.	Person Centered Planning Process. In Mental Health.
P./H.R.	Personnel/Human Resources. See also H.R.
P.I.P.	Property Improvement Program, currently being run by MSHDA.
P.L.L.C.	Professional Limited Liability Company or Partners of Limited Liability Corporation
P.M.I.S.	Performance Management Information System
P.M.O.	Project Management Office
P.P.O.	Personal Protection Order
P.P.N.	Preferred Provider Network
P.T.C.	Property Tax Cashier System
P.T.S.	Land Bank Property Tracking System
P.T.S.D.	Post Traumatic Stress Disorder
P.T.A.	Property Tax Administration System
RESIQ2	Automated Cash and Investment Concentration Program
R.F.P.	Request for Proposal for Purchasing to go out on bid for the procurement of an item or service.
R.I.M.S.	Road Infrastructure Management System
R.J.C.	Regional Justice Center
R.L.B.P.H.	Regional Library for the Blind and Physically Handicapped
R.R.T.	Radiological Response Team
R.S.R.F.	Revenue Sharing Reserve Fund
R.T.B.	Retention Treatment Basin
R.U.R.E.S.A.	Responding Uniform Reciprocal Enforcement of Support Act. (Child Support)
S.A.M.H.S.A.	Substance Abuse and Mental Health Services Administration
S.A.R.A.	Superfund Amendments and Reauthorization Act of 1986
S.A.R.S.	Severe Acute Respiratory Syndrome
S.A.T.	Sexual Assault Team
S.B.A.	Small Business Administration
S.B.E.	Small Business Enterprise
S.B.P.	Strategic Business Plan
S.C.A.O.	State Court Administrative Office
S.C.A.D.A.	Supervisory Control And Data Acquisition
S.E.M.C.A.	Southeastern Michigan Community Alliance
S.E.M.C.O.G.	Southeastern Michigan Council of Governments.
S.E.V.	State Equalized Value. The taxable value of a parcel of land.

S.B.T.D.C.	Small Business Technology Development Center
S.O.F.T.	Society of Forensic Toxicology
S.R.F.	State Revolving Fund
S.R.T.	Special Response Team (Sheriff)
S.S.E.S.	Sewer System Evaluation Survey
S.T.A.N.D.	Supervised Treatment for Alcohol and Narcotic Dependency
S.T.C.A.P.	Short Term Corrective Action Plan
S.T.D.	Sexually Transmitted Disease. In Public Health.
S.T.E.P.	Second Chance Through Expungement Program
S.V.U.	Special Victims Unit
T.A.N.s	Tax Anticipation Notes (TANs)
T.A.R.U.	Threat Assessment Response Unit
T.E.D.F.	Transportation Economic Development Fund
T.E.F.A.P.	The Emergency Food Assistance Program
T.I.F.A.	Tax Increment Financing Authorities *(see Authority in the Glossary*)
T.R.O	Temporary Restraining Order
T.S.E.V.	Taxable State Equalized Value
T.S.T.	Technical Support Team (counter-terrorism)
T.U.R.B.O.	Transforming Underutilized Business Opportunities Program
T.V.	The amount of allowable taxes charged for a parcel of land. The taxable value is based on the State Equalized Value in Michigan.
U.A.S.I.	Urban Area Security Initiative
V.C.E.	Virtual Center of Excellence
V.O.C.A.	Victims of Crime Act
V.O.I.P.	Voice Over IP Telephony
W.A.J.I.S.	The Wayne County Justice Information System is a network and computing infrastructure for Wayne County Law Enforcement and Judicial Organizations.
W.C.B.R.A.	Wayne County Brownfield Redevelopment Authority
W.C.C.C.D.	Wayne County Community College District
W.C.D.C.	Wayne County Development Corporation
W.C.D.P.H.	Wayne County Department of Public Health
W.C.H.S.	Wayne County Head Start
W.C.J.D.F.	Wayne County Juvenile Detention Facility
W.C.P.O.	Wayne County Prosecutors Office
W.E.B.	Warrant Enforcement Bureau.
W.I.C.	Women and Infant Children. Public Health program.
W.M.D.	Watershed Management Division in the Dept. of Environment
W.M.U.	Watershed Management Unit
W.R.E.S.A.	Wayne Regional Education Services
W.W.T.F.	Wastewater Treatment Facility
Y.A.P.	Detroit Youth Assistance Program

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This document was prepared by the Department of Management and Budget

Chief Financial Officer

Carla E. Sledge, CPA, CGFM

Budgeting and Planning Director

Kevin G. Haney

Department Administrator	Department Administrator
Alicia Hardy	***M. Rita Wolske***

Budget Staff

Keith D'Alessandro ***Jenny Wright*** ***Phyllis Walsh***

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Photographs – James Wallace

CHARTER COUNTY OF WAYNE, MICHIGAN
500 GRISWOLD STREET DETROIT, MICHIGAN 48226

WWW.WAYNECOUNTY.COM