

County Budget Workshop 2020-2021

Department for Local Government

Office of Financial Management &
Administration



Welcome and Introductions

Area Development District
Executive Director

Welcome and Introductions

Department for Local Government
Robert Brown



Area Development District Update

Public Administration Specialist



Budget Workshop

Counties Branch Staff

Budget Timetable - January

Approve fee office
budgets by January 15th



Entire Budget Preparation Timetable is
listed on Page 7 of the Budget Manual

Fee Office Budget Approval

- Approval prior to January 1st is ideal.
- Operation of fee office without a budget?

Approving Fee Office Budgets

Approve as a whole:

Without spending caps

Capping total disbursements line

Approve each line item:

Put a spending cap on each line item

Order must state specifics of approval

TO: The Honorable Jim Smith,
Generic County Judge Executive

FROM: Robert O. Brown, State Local Finance Officer
Office of Financial Management & Administration

DATE: *****

SUBJECT: 2020 Fee Office Budgets

The County Clerk and Sheriff's 2020 Fee Office Budgets were due to the Department for Local Government on January 15, 2020. To date, our office has not received their budgets and, therefore, they are considered delinquent.

Your county budget must be approved by July 1, 2020, for Fiscal Year 2021. Unfortunately, I cannot approve the county's budget without the receipt of a completed fee office budget from your clerk and sheriff.

If you have any questions, please feel free to contact me or your county representative at 800-346-5606

Order Setting Maximum Amount for Fee Office Deputies and Assistants

- KRS 64.530 states:

“The Fiscal Court shall fix annually the maximum amount including fringe benefits which the county clerk and sheriff may expend for deputies and assistants.”

- Form is available on DLG Website
- 

This is the Form for Setting the Maximum Salaries of Deputies and Assistants

ANNUAL ORDER SETTING MAXIMUM AMOUNT FOR DEPUTIES AND ASSISTANTS

Pursuant to KRS 64.530(3), "...The fiscal court shall fix annually the maximum amount, including fringe benefits, which the officer may expend for deputies and assistants...".

The fiscal court of _____ County in compliance with state law hereby sets the maximum amount which the _____ (specify county clerk or sheriff) of _____ County may expend from fees during calendar year _____ at \$_____ for deputies, assistants and other employees. The maximum amount as set includes all amounts paid from fees for:

- ☐ Full time salaries and wages
- ☐ Overtime wages
- ☐ Part time salaries and wages
- ☐ Vacation and sick leave
- ☐ Health insurance
- ☐ Insurance other than health
- ☐ Employer match SS/Retirement
- ☐ Other _____
- ☐ Other _____

Motion made by _____, second by _____

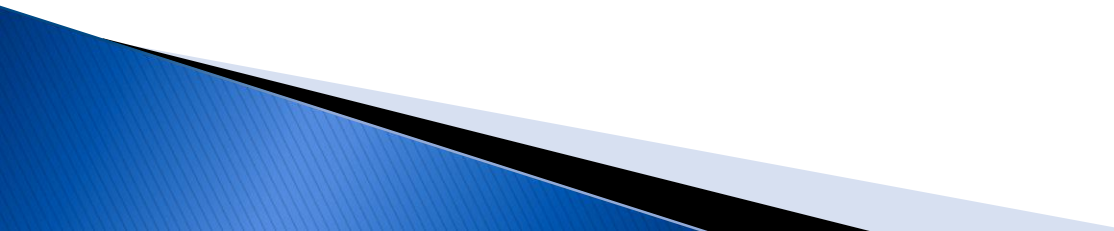
Vote _____

Signed _____ Fiscal Court Clerk

Date _____

Fee Official Support

Fiscal Courts may support fee official's expenses through the payment of claims presented to the fiscal court and paid from a properly budgeted line item in the county budget.



Fee Official Support

If the county pays these expenses, they should not be included in the fee officials' budget. This includes salaries, fringe benefits or all expenses should you fee pool.

KRS 64.710

“No public officer or employee shall receive or be allowed or paid any lump sum expense allowance, or contingent fund for personal or official expenses...”

This includes excess fees from the prior year as a reimbursement/funding of office expenses.

A decorative graphic in the bottom-left corner consisting of overlapping blue and black geometric shapes, possibly representing a stylized wave or a modern design element.

Approving Fee Office Budgets

Amount budgeted to receive from
fiscal court is shown:

Sheriff's Budgeted Receipts...Line 11

Clerk's Budgeted Receipts...Line 4



Part Two Receipts	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Accounts Receivable 12/31	Settlement Total
1. Federal Grants						\$0.00		\$0.00
2. State Grants						\$0.00		\$0.00
3. State - KLEFFP						\$0.00		\$0.00
4. State Fees for Services								
5. Finance and Administration Cab.						\$0.00		\$0.00
6. Cabinet Human Resources						\$0.00		\$0.00
7. Circuit Clerk								
8. Sheriff Security Services						\$0.00		\$0.00
9. Fines/Fees Collected						\$0.00		\$0.00
10. Court Ordered Payments						\$0.00		\$0.00
11. Fiscal Court (includes Election Comm.)						\$0.00		\$0.00
12. County Clerk (Delinquent taxes)						\$0.00		\$0.00
13. Commissions on Taxes Collected						\$0.00		\$0.00
14. Fees Collected for Services								
15. Auto Inspections						\$0.00		\$0.00
16. Accident/Police Reports						\$0.00		\$0.00
17. Serving Papers						\$0.00		\$0.00
18. CCDW						\$0.00		\$0.00
19. Other (Describe)						\$0.00		
20.						\$0.00		\$0.00
21. Interest Earned						\$0.00		\$0.00
22. Total Revenues	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
23. Petty Cash						\$0.00		\$0.00
24. Borrowed Money						\$0.00		\$0.00
25. State Advancement						\$0.00		\$0.00
26. Bank Note						\$0.00		\$0.00
27. Total Receipts (Total lines 22 through 26)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Part Two Receipts	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Accounts Receivable 12/31	Settlement Total
1. Federal Grants/Reimbursements								
2. State Grants								
3. State Fees For Services								
4. Fiscal Court						\$0.00		
5. Revenue Supplement (< 20,000 pop)						\$0.00		
6. Licenses and Taxes								
7. Motor Vehicle:								
8. Licenses and Transfers								
9. Usage Tax								
10. Tangible Personal Property Tax								
11. Notary Fees								
12.								
13. Licenses: (describe)								
14. Fish and Game								
15. Marriage								
16. Occupational								
17. Beer & Liquor								
18.								
19.								
20. Deed Transfer Tax								
21. Delinquent Taxes								
22. Fees Collected for Services								
23. Recordings:								
24. Deeds, Easements, and Contracts								
25. Real Estate Mortgages								
26. Chattel Mortgages & Financing Stmtnts								
27. Powers of Attorney								
28. All Other Recordings								
29. Charges for Other Services:								
30. Copywork								
31. Postage								

Budget Timetable - February

Attend budget workshops.
Compile Budget Information.



Budget Timetable - March

Prepare jail fund budget proposal.



Budget Timetable - April

Submit proposed jail fund budget
to the fiscal court by April 1st.



Budget Timetable - May



Submit entire budget proposal to the fiscal court by May 1st

Advertise LGEA & CRA proposed use hearings -- *sample notice on page 9*

Budget Timetable - June

- Fiscal court meets to consider proposed budget ordinance by June 1st
 - Hold LGEA and CRA proposed use hearings
-
- First reading of proposed budget ordinance
 - County Judge/Executive makes changes to proposed budget as directed by fiscal court

Budget Timetable - June

- Forward 3 copies of proposed budget to State Local Finance Officer
 - Proposed budget will be approved as to form and classification and returned to county
-
- Advertise 2nd reading and publish summary
-sample forms on pages 10 - 13
 - Post copy near front door of courthouse

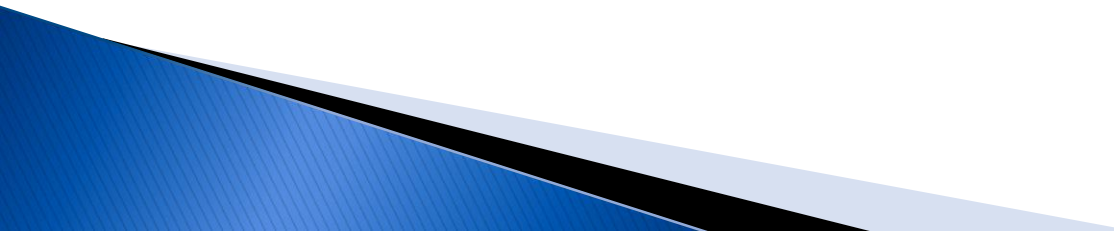
Budget Timetable - July

2nd reading and adoption of proposed budget ordinance by July 1

Publish -- *sample form starts on page 9*

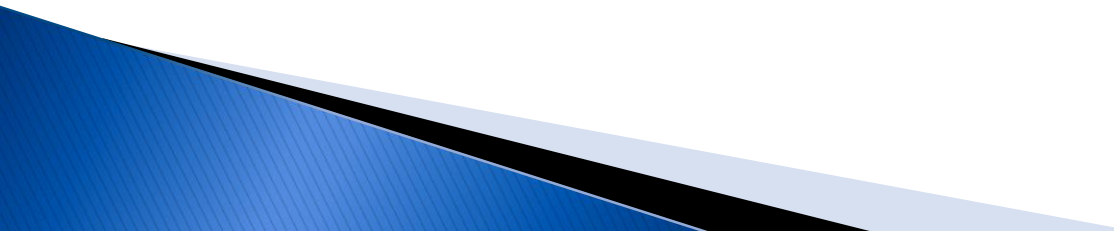
Provide 1 copy of Fiscal Court approved budget to the State Local Finance Officer

Budget Preparation

- Estimating Receipts
 - Estimating Expenditures
 - Unpaid Claims
 - Liabilities
 - Road Cost Allocation Worksheet
 - Standing Orders
 - Signature Page
- 

Estimating Receipts

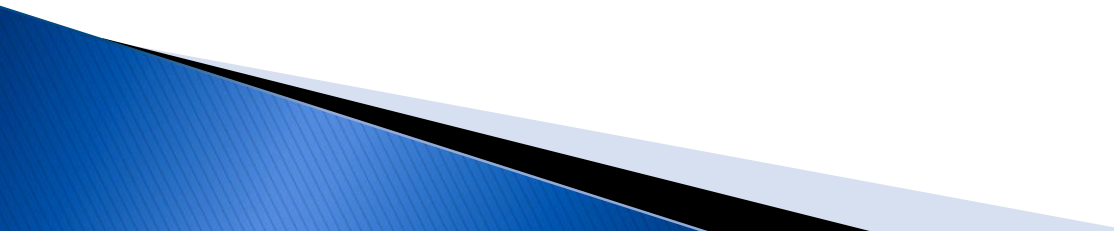
Pages 21 – 24

- Utilize the 6-30-2019 quarterly
 - Compare to the most recent quarterly report (3-31-20 electronic report)
 - Check with the treasurer, the jailer, other elected official's budgets
 - Other sources...
- 

Estimating Receipts

Pages 21 -24

Other sources may include:

- The ADD: Grants
 - The Fiscal Court: New taxes or fees
 - Your associations: Changes in legislation
- 

Estimating Receipts

Use Current Year Figures!

- Property tax receipts
- Truck license.....
- LGEA
- Jail (bed allotment, medical, DUI)
- State Prisoner Payments
- Strip mine permit fees

\$233,870

Budgeting Cash Transfers

	General Fund	Road Fund	Jail Fund	Total
4909	(50,000)	(100,000)		(150,000)
4910	100,000		50,000	150,000

Featured on Pages 25 – 27 of the Budget Manual

Revenue Sources

Pages 14-16

General purpose revenues

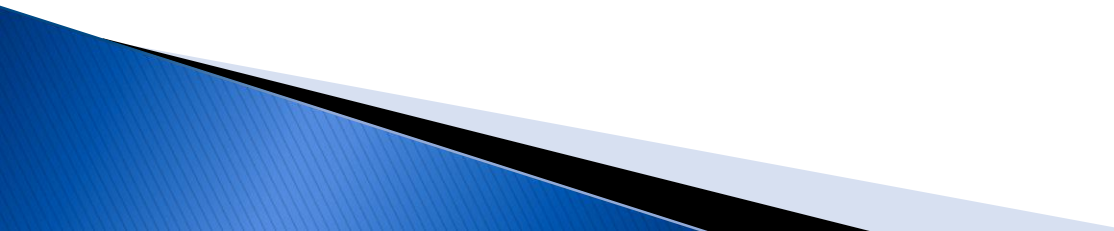
Restricted revenues



LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUNDS

Page 8

**KRS 42.455 prohibits expenditure of
LGEA funds for administration of
government**



ALLOWABLE USES FOR LGEA FUNDS DEPENDS UPON THE SOURCE

Coal severance

Coal impact

Mineral severance



LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUNDS

The county's status may change
during the fiscal year

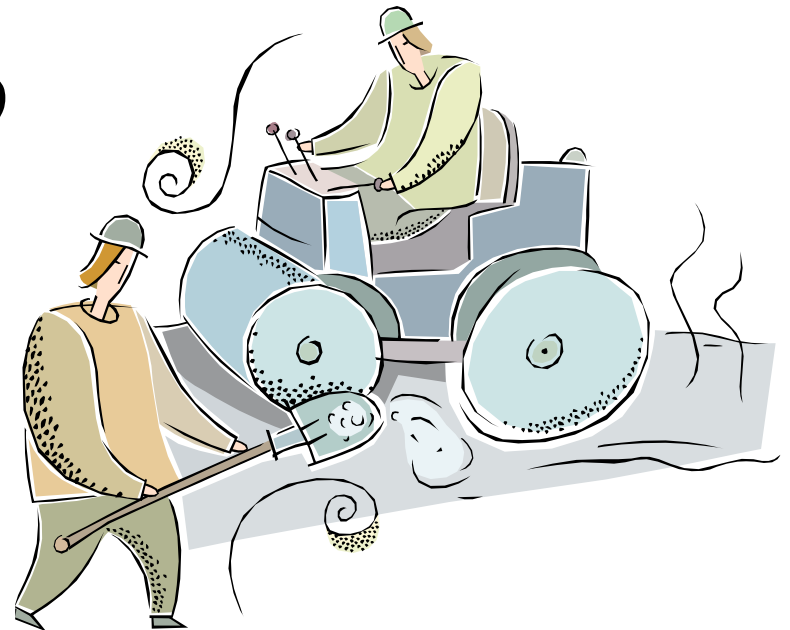
Coal Producing  Coal Impact

COUNTY ROAD AID - KRS 177.320

These funds are for the construction,
reconstruction and maintenance of
county roads and bridges

Use accounting Code 02-4518

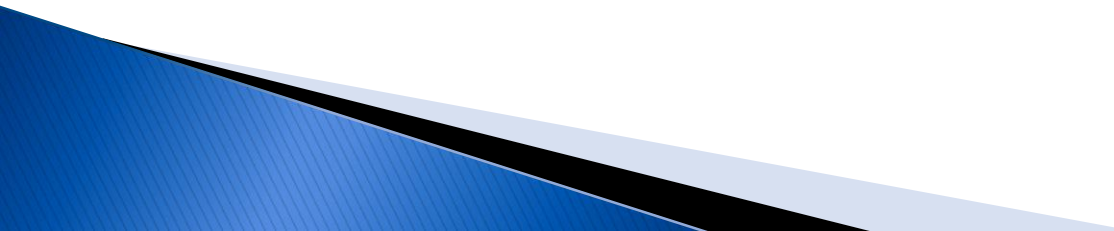
Municipal Road Aid - 02-4519



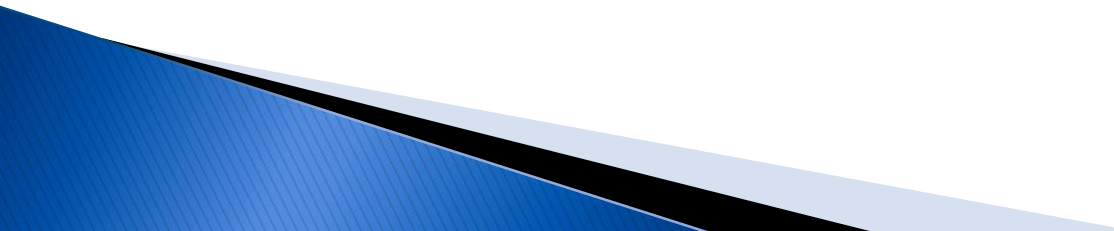
CRA 2020-2021 Figures

60% allocation of funds available Aug 1.

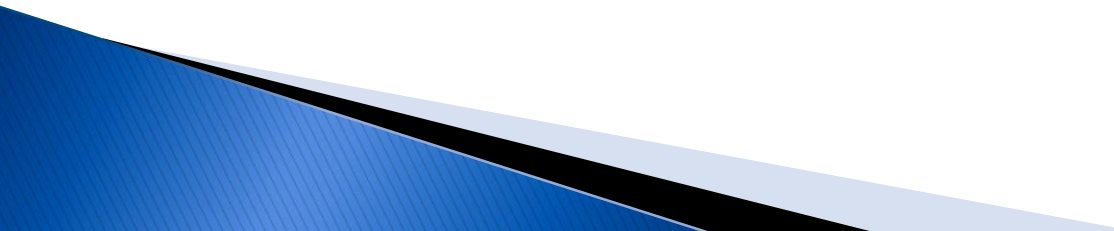
See us after the presentation for your
estimated amounts



Estimating Expenditures

- Review the 6-30-2019 4th Qtr. report
 - Review the most recent electronic quarterly report
 - Get budgets, financial statements, contracts, agreements, etc.
- 

Estimating Expenditures

- Check with the treasurer, department heads, other offices, fiscal court...
 - Was there anything mentioned during the proposed use hearings for LGEA and CRA that needs to be included?
 - Check the fee office budgets - Ensure that Fiscal Court payment for services aren't "double budgeted."
- 

Fund to Fund Appropriation Transfer

- ❑ 01-9200-999 (10,000)
- ❑ 01-9300-999 10,000
- ❑ 01-9300-999 (10,000)
- ❑ 03-9200-999 10,000

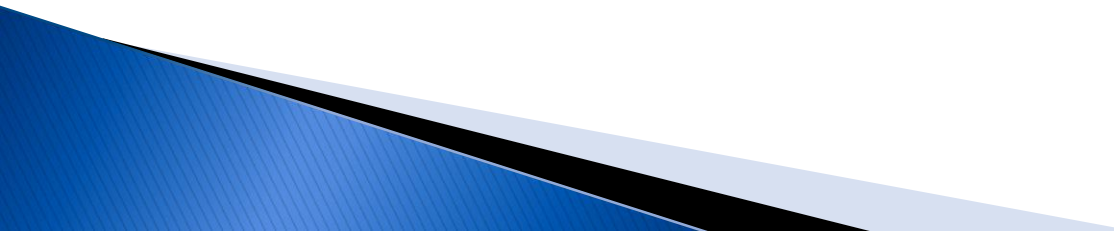
Mandated Appropriations

Listed on pages 17 & 18

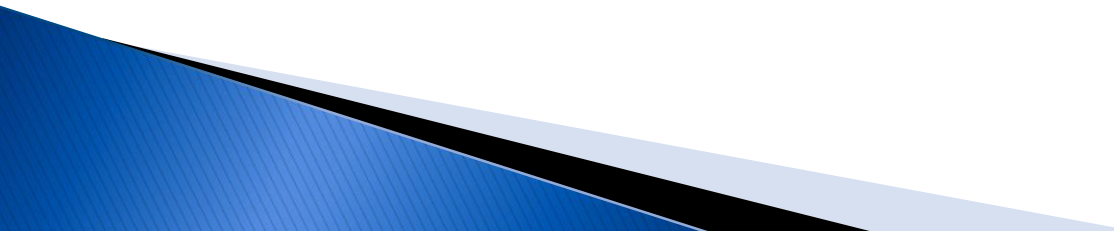


Mandated Appropriations

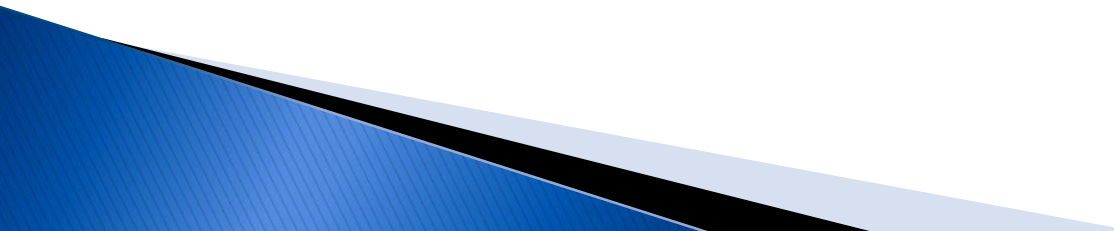
Elected officials' salaries

- County Judge/Executive
 - Jailer (if county operates a full-service jail)
KRS 64.5275
 - Jailer (if county does not operate a full -
service jail) KRS 441.245 & 64.527
- 

Mandated Appropriations

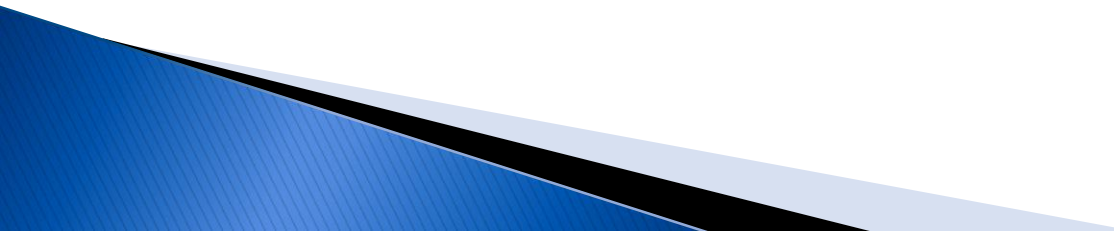
- Sheriff and Clerk : If county fee pools or pays salary through county budget
 - 1/12 of Official's Annual Salary (Subject to 64.5275) shall be paid monthly. KRS 64.535
 - Training incentives under HB 810 - KRS 64.5275
- 

Mandated Appropriations

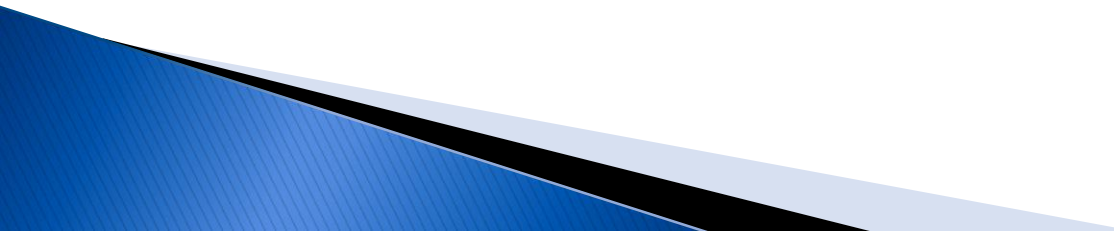
- Commissioners/Magistrates
 - Coroner
 - Constable (if paid a salary)
- 

Mandated Appropriations

Salaries for statutorily mandated appointments including:

- Road Supervisor
 - County Treasurer
 - Dog Warden
- 

Mandated Appropriations

- Personal bonds for elected/appointed officials. (Pages 93 & 94)
 - Unemployment insurance for county employees. KRS 341.050
 - Worker's compensation for county employees KRS 342.630 & KRS 342.640
- 

Mandated Appropriations

Mandatory Matches for County Employees:

- Social Security 7.65%

Required by KRS 61.460



Mandated Appropriations

Mandatory Matches for County Employees:

Retirement (CERS) effective July 1, 2020

- 26.95% for non-hazardous
- 44.33% for hazardous duty

Required by KRS 78.530



Mandated Appropriations

County Attorney's Salary (if fiscal court has set one)

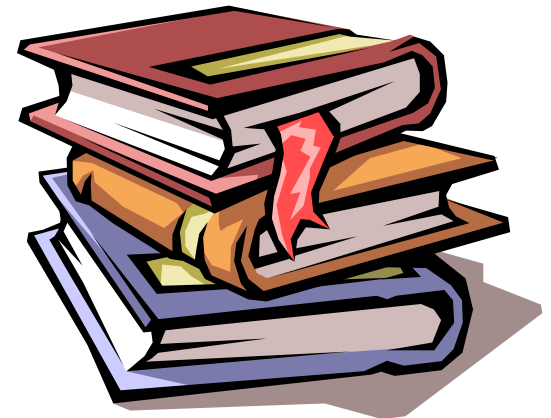
Office expenses incurred by the county attorney in the performance of his duties as legal advisor to the county shall be paid by the fiscal court. KRS 15.750 (4)



Mandated Appropriations

Between \$600 and \$1,200 annually to the Circuit Clerk for duties as ex officio librarian of the county law library. KRS 172.110(1)

This payment is subject to all withholdings.



Mandated Appropriations

12.5 cents per capita for the public defender -- KRS 31.185 (2)

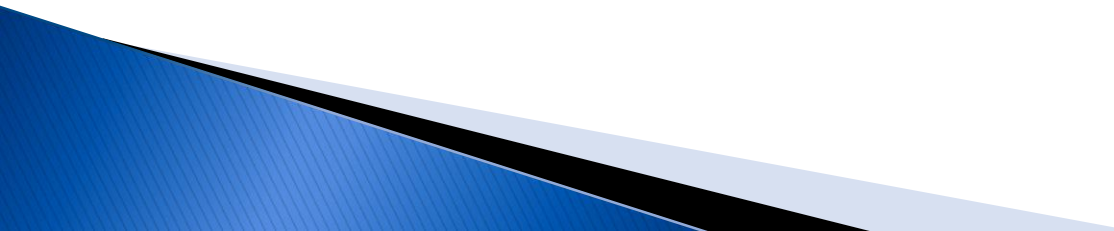
Cost of interdisciplinary evaluation report if court ordered. KRS 387.540



Mandated Appropriations

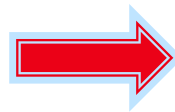
KRS 42.455(2) requires that 30% of LGEA Coal Severance receipts be used on coal haul roads.

KRS 42.470 Requires 100% of LGEA Coal Impact receipts for roads and public transport.



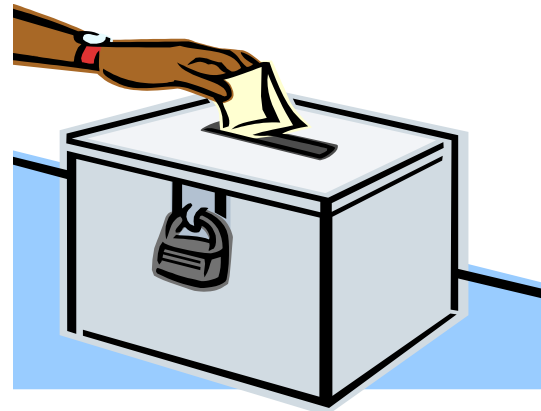
Mandated Appropriations

50% of forestry receipts must be sent to the school board of any district with a portion of the forest reserve within its borders, using code: 02-9500-902



KRS 149.130 (3)

Election Expenses
KRS 117.035, 117.045



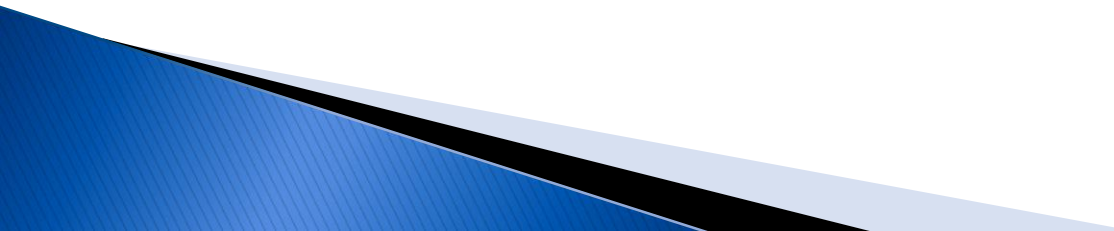
Mandated Appropriations

PVA Statutory Contribution -- KRS 132.590

Preliminary figure comes via letter from Revenue in March/April – based upon last years assessments plus 5%

Final figures come via letter from Revenue in August / September

Contact: PVA Administrative Support
502-564-5620





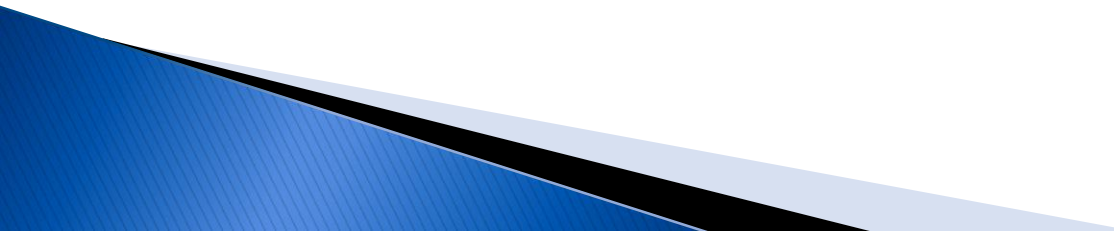
DLG

DEPARTMENT
FOR LOCAL
GOVERNMENT

Additional Items to Consider

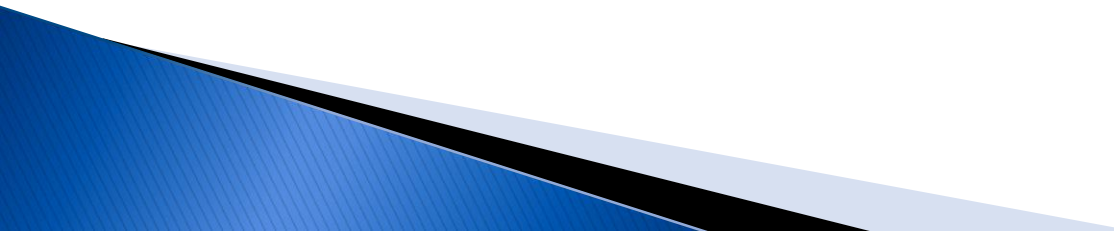
All categories of tax revenue to be estimated and reported separately.

Utilization of minor codes 499 and 599 for miscellaneous is limited to \$1000 per major object code.



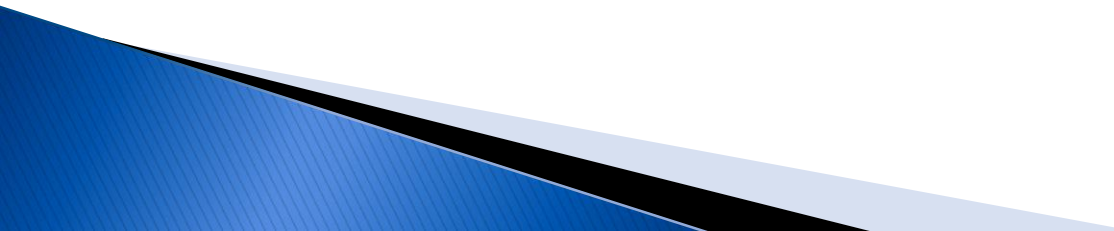
Unpaid Claims

Counties are discouraged from carrying over unpaid obligations into the next fiscal year since, under KRS 65.140, counties are required to pay all bills for goods and services within 30 days of receipt of an invoice.



Unpaid Claims

However, if a county must carry over an unpaid obligation, the county MUST budget for the complete payment of this obligation within the upcoming fiscal year. ALL unpaid obligations of any kind must be included in the county's budget.



Liabilities

Page 28 is the required budget form for showing
outstanding debt and debt service
including AOC debt issues

Appropriating for debt service is a mandate

The liabilities section and the appropriations sections must
tie together. **Include account codes!**


**Make sure quarterly report includes issue dates for all
liabilities as well as the date that the report was
submitted.**



Road Cost Allocation Worksheet

Pages 33 - 34



- Allowable administrative costs
- Percentage of Road Fund to Operating Budget excluding Grants
- Maximum allowable.. 

\$233,870

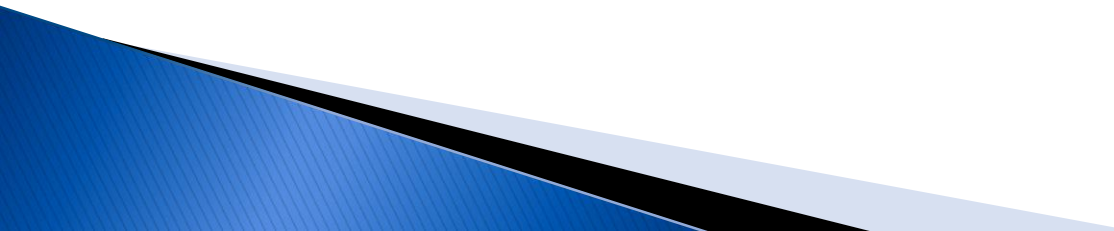
This is a copy of a Road Cost Allocation Worksheet from a county two budget cycles back

Page 34 of the Budget Manual shows the form’s layout.

DLG can provide you a copy in Excel format.

ROAD FUND COST ALLOCATION WORKSHEET (2020-21)					BLANK COUNTY	
1. General Fund		\$841,002.00			Line 2	\$1,513,408.83
2. Road Fund		\$1,513,408.83			Divided By	
3. Jail Fund		\$134,050.00			Line 7	\$3,818,530.83
4. Waste Mngmt		\$98,020.00				
5. Occupational Tax		\$976,000.00				
6. 911		\$256,050.00				
7. Total		\$3,818,530.83			Equals	0.396333
Account #		Description		Amount	%	RF Allowed
Office of the County Judge/Executive						
5001-101		Co. Judge Executive Salary		\$86,879.65	0.396333	\$34,433.25
5001-165		Co Judge Exec Secretary Salary		\$28,000.00	0.396333	\$11,097.32
Office of the County Attorney						
5005-101		Co. Attorney Salary		\$21,270.00	0.396333	\$8,430.00
5005-102		Asst. Co. Attorney Salary		\$7,500.00	0.396333	\$1,648.19
Administration						
9100-521		Insurance		\$60,631.00	0.396333	\$24,030.05
9400-201		Social Security		\$60,500.00	0.396333	\$23,978.13
9400-202		Retirement		\$173,300.00	0.396333	\$68,684.47
9400-205		Health Insurance		\$128,000.00	0.396333	\$50,730.59
Grand Total				\$566,080.65		\$233,870

Standing Orders

- Please send your Standing Orders at the same time you send the rest of the budget.
 - Payroll, Utilities and Debt Service are the only items that are guaranteed approval.
 - The approval or disapproval or any other expenses on the Standing Order is the sole discretion of the State Local Finance Officer.
- 

**ANNUAL STANDING ORDER TO PRE-APPROVE CERTAIN RECURRING
EXPENSES**

Pursuant to KRS 68.275(3), “The fiscal court may adopt an order, to pre-approve the payment of monthly payroll and utility expenses. No other expenses shall be pre-approved pursuant to this subsection without the written consent of the State Local Finance Officer...”. The Fiscal Court of _____ County in accordance with state law hereby orders recurring expenses for _____ and _____ be paid when due.

The fiscal court of _____ County further orders upon the written consent of the State Local Finance Officer the following expenses be paid when due:

Account Number	Description

This is from
page 32 of
the Budget
Manual.

It is hereby acknowledged the above standing orders shall expire after July 1 of each fiscal year and no more payments designated in the standing order shall be pre-approved unless a new order is adopted by the fiscal court of _____ County according to the provisions of KRS 68.275(3).

Motion made by: _____
Seconded by: _____

Vote _____

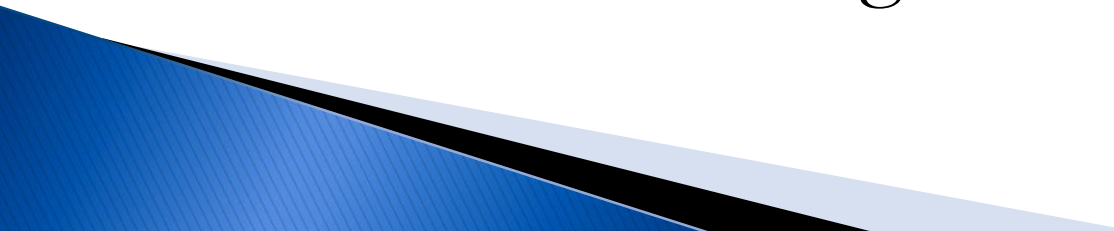
Signature: _____	_____
County Judge Executive	Date
Approved: _____	_____
State Local Finance Officer	Date

The Signature Page of the Budget Document (Page 30)

- Judge-Executive signs after first reading
- State Local Finance Officer signs as to approval of form and classification

ADVERTISE.... 7 – 21 day window

The Signature Page of the Budget Document (Page 30)

- Judge-Executive signs after second reading and adoption
 - County Clerk signs and attests.
 - The county will then send an adopted copy of the entire budget to DLG.
- 

BUDGET SIGNATURE PAGEBudget Document
Page ____ of ____

Submitted

Date _____

Signed _____

County Judge/Executive

Approved as to Form and Classification

Date: _____

Signed: _____

State Local Finance Officer

I certify that this budget, incorporating the changes if any, as required by the State Local Finance Officer, has been duly adopted by the _____
County Fiscal Court on the _____ day of _____, 20_____.

Signed _____

County Judge/Executive

Attest _____

County Clerk

Initial budget submission is one (1) original and two (2) copies. Return final budget as adopted by the fiscal court within fifteen (15) days of adoption.

All materials should be sent to:
Governor's Office for Local Development
Attention: State Local Finance Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

The Budget Signature
Page on Page 30 of
the current budget
manual, and it may
also be download
from our website

Other items that could delay budget approval by the SLFO

Quarterly Reports

- Must be current & accurate
 - Delinquency Letter
 - Road Aid Withheld

Example Delinquency Letter

The Honorable Jim Smith
Blank County Judge-Executive
1234 Main Street
Cityville, KY 40601

Dear Judge Smith:

We have not received your electronic financial quarterly report for Fiscal Year ending June 2019. This report includes:

- Section I Summary and Reconciliation, prepared by county treasurer
- Section II Receipts Section, prepared by county treasurer
- Section II Contingent Liabilities Section, prepared by county treasurer
- Section IV Appropriation Condition Report, prepared by county judge/executive

This report was due the 20th day following the close of the quarter. This information is very important to us since we use it to satisfy several requirements by federal and state government agencies. Our office works very close with the Auditor's Office, therefore, they will be receiving a copy of this delinquency letter.

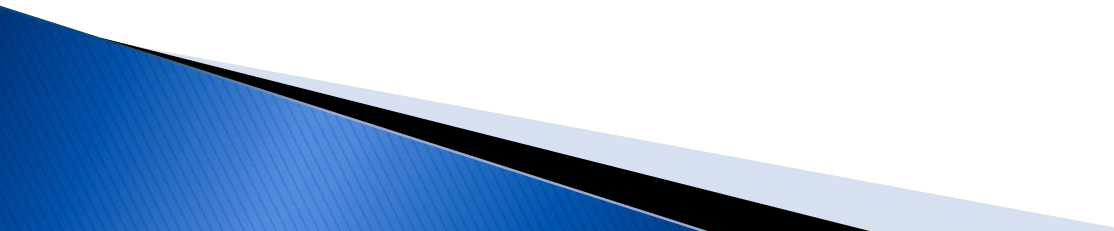
If you need assistance in completing this report you may contact me or anyone in the Counties Branch at 800-346-5606

Sincerely,

Robert O. Brown

Robert O. Brown
State Local Finance Officer

Other items that could delay budget approval by the SLFO

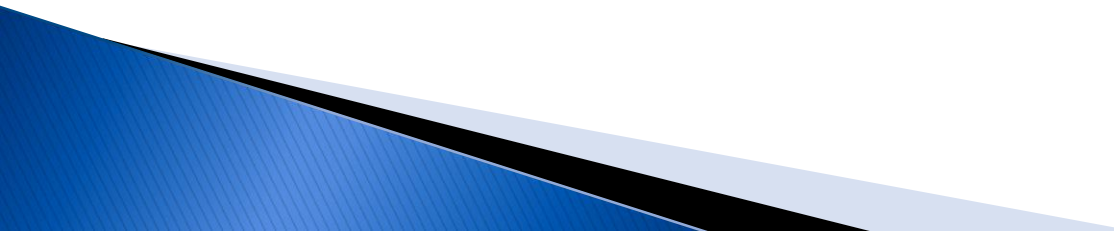
- Fee office budgets not submitted to DLG
 - Adopted Amendments not filed
 - No 2019 - 2020 Adopted Budget on File
 - Tax Rates not approved/accepted (Page 31)
- 

AMENDMENTS

Pages 47 - 52

- Simple five step process
- Include documentation!

Emergency Amendments

- KRS 67.078
 - Requires only one reading by FC
 - Does not require SLFO signature
 - Emergency must be declared in Fiscal Court meeting and reflected in the minutes
- 

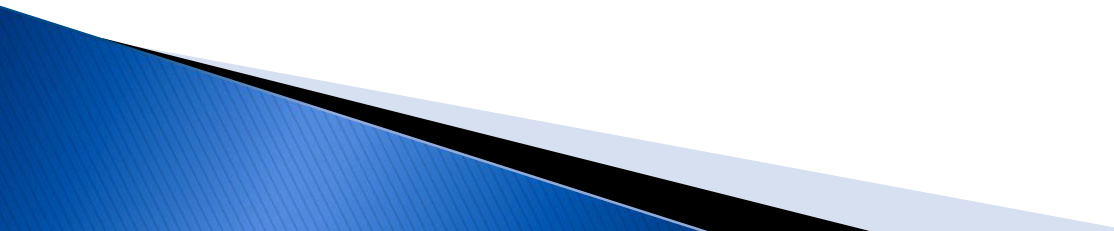
Tax Rate Calculation Process

County PVA sends assessment information to DOR

DOR certifies assessment and gives to DLG

DLG calculates compensating and 4% real property rates and mails information to county

County has 45 days from date of DOR certification to set real rate as well as calculate and set personal rate



County Property Tax Rates

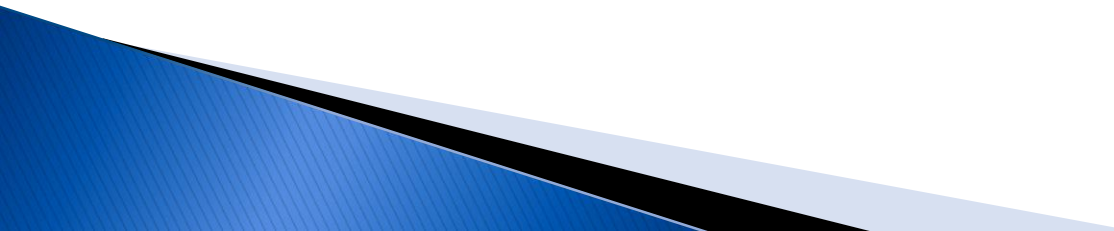
Pages 80 - 81

Two Tax rates are calculated by DLG

1. Compensating Rate

Generates approximately the same revenue as the previous year exclusive of new property.

Rounded to next higher one - tenth of one cent.



County Property Tax Rates

2. 4% Rate increase

Generates four percent more revenue than compensating rate

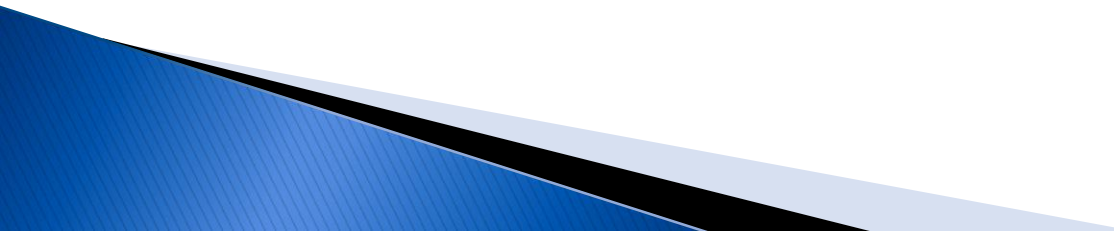
Requires hearing process

Rounded down to next one-tenth of one cent

Rates higher than four percent
are subject to recall

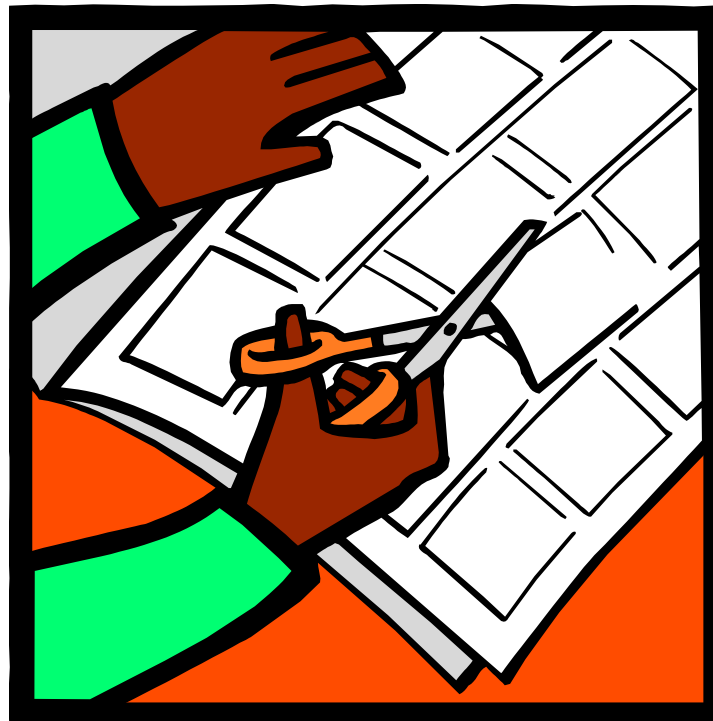
County Property Tax Rates

Hearing Process (KRS 68.245)

- Required for any rate above the compensating rate
 - Advertise at least twice in two consecutive weeks in newspaper with largest circulation in the county, OR;
 - Mail notice of hearing to every property owner in the county
- 

County Property Tax Rates

Sample Advertisement on page 81



Newspaper Advertisements

KRS Chapter 424



Qualifying newspaper

Time and periods of publication

Rates — 7-point type on solid leading and shall not exceed the lowest non-contract classified rate paid by advertisers

Review of Important Dates

By April 1

Submit proposed jail budget to Fiscal Court

By May 1

Judge/Executive must submit entire
proposed county budget to Fiscal Court


Important Dates...

By June 1

Fiscal Court must meet to consider budget

Throughout June

Review the County's Administrative Code and make any necessary policy changes by the end of the month.



Important Dates...

**THE FINALIZED BUDGET MUST BE
IN PLACE BY JULY 1, 2020.**

Preparation is the key to success.



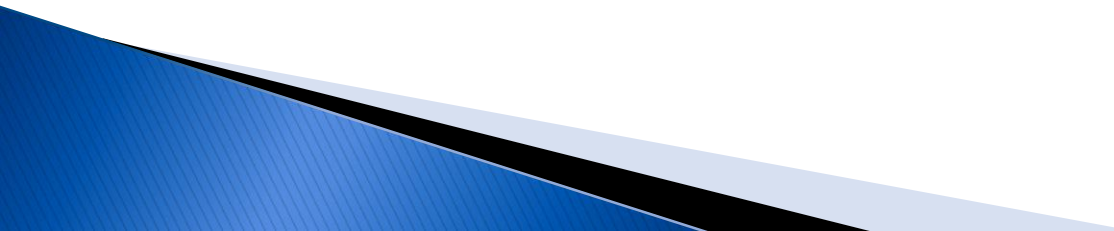
County Debt

- Short-Term Borrowing Act
- Governmental Leasing Act
- County Debt Capacity



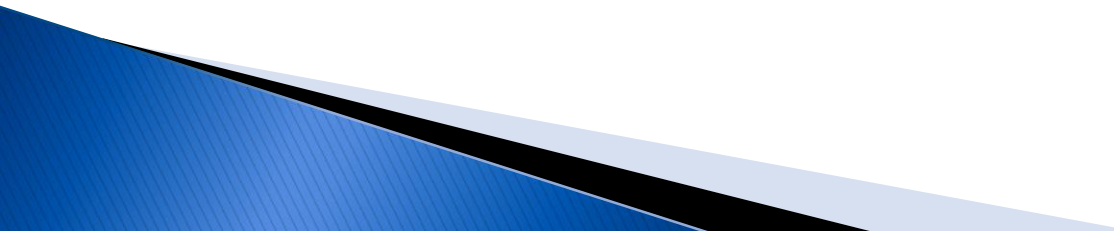
Short-Term Borrowing Act

Pages 82 - 89

- Requires notification to the state local debt officer (SLDO) PRIOR to borrowing
 - SLDO approval not required
 - Budget must be amended to reflect the receipt and repayment of the borrowed money (Use receipt code 4911)
- 

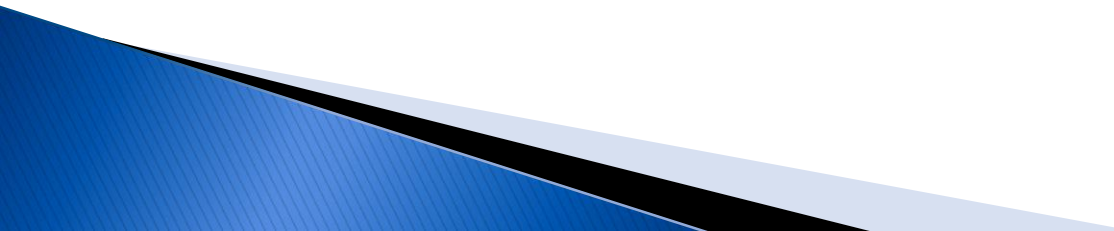
Short-Term Borrowing Act

Pages 82 - 89

- Must be repaid by the end of the fiscal year in which the money was borrowed
(Use expenditure code 7500)
 - Must be reported on the liabilities section of the quarterly financial statement
- 

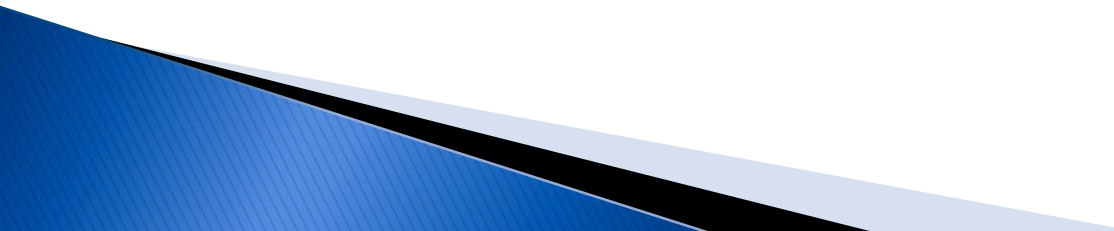
Governmental Leasing Act

Pages 85 - 89

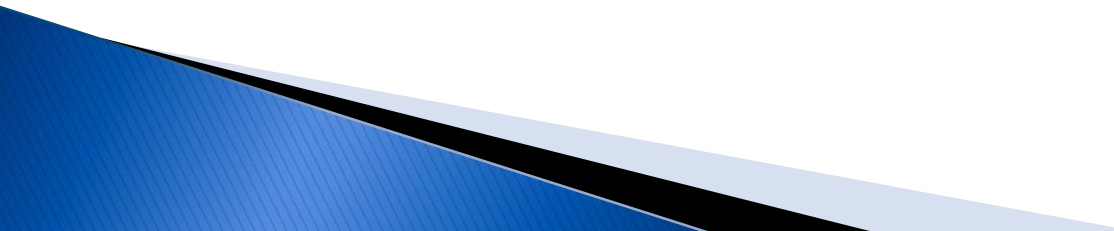
- Notification of lease issues with a principal amount of \$200,000 or less is not required but is requested.
 - Notification to SLDO of lease issues with a principal amount exceeding \$200,000 is required.
 - All lease issues exceeding a principal amount of \$500,000 must also have a public hearing and the approval of the SLDO.
- 

Governmental Leasing Act

Pages 85 - 89

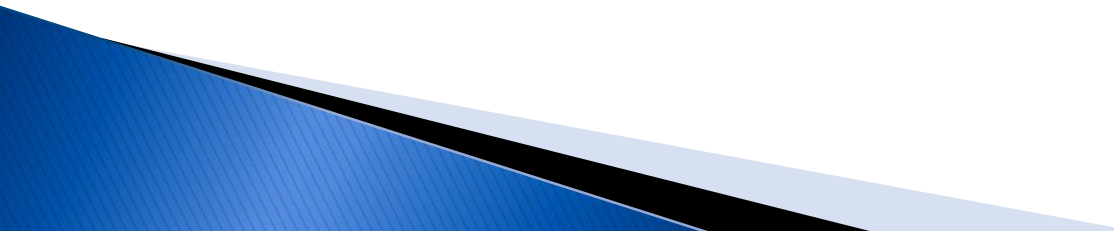
- All lease issues (regardless of amount) are reported on the liabilities section of the quarterly financial statement.
 - SLFO will approve standing orders for debt service payments.
 - Use receipt code 4912 when bringing these receipts into the budget.
- 

County Debt Capacity

- Section 158 of the KY Constitution limits a county's debt capacity to **2%** of the value of taxable property within the county
 - Capacity is determined from the most recent assessment of taxable property as certified by the Department of Revenue.
- 

County Debt Capacity

If you would like to see a copy of your county's debt capacity as it currently stands, contact your DLG county representative and one can be emailed to you.



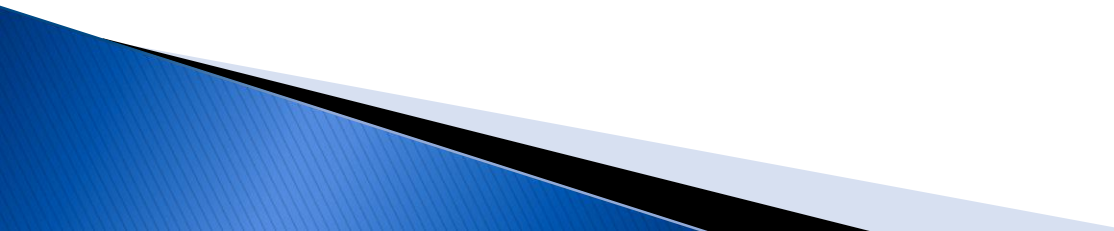
Break



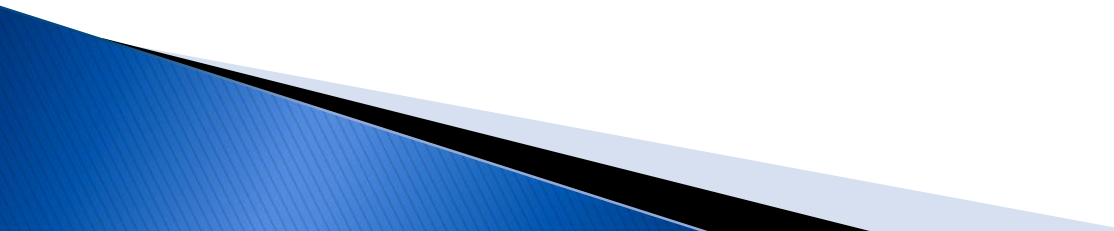
GASB 87 – Lease Disclosures

- ▶ GASB 87 standard is required of the GAAP reporting counties. These counties will be responsible for preparing to meet the standard.
- ▶ DLG is adopting a similar reporting requirement for all Regulatory counties, following the spirit of GASB 87
 - This new DLG reporting form will not serve as a substitute for the GASB 87 requirement
 - This will make any future transition to a GAAP standard for those counties, much easier.

Leases Covered Under GASB 87

- Any lease where there is a right to use an Asset in an exchange-like transaction.
 - The county may serve as lessee of the item (resulting in a disbursement of funds by the county) or they may be lessor (resulting in a receipt of income to the county).
 - Does not involve the conveyance of title of the asset at the close of the term.
 - As Lessee, the county will not retain ownership of the asset.
 - As Lessor, the county will not cede ownership of the asset to another.
- 

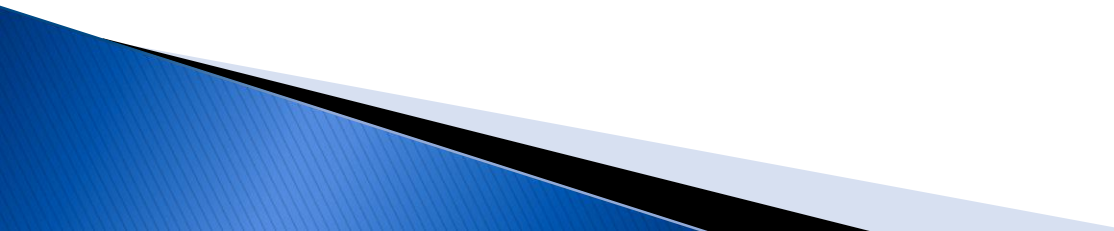
GASB 87 Leases Covered (Cont.)

- Typically, these will be leases of equipment or space (either fixed or virtual) for term of more than one year.
 - Be sure to include the base term of the lease as well as any extension periods if you are reasonably sure that they will be exercised.
 - If the term is 60 months with an additional 24 on the table, and you are reasonably certain that it will be extended, then report that extension.
- 

GASB 87 – Reporting

- ▶ Exemptions-
 - Short term leases (less than 12 months)
 - Service components of contracts
 - As Lessor – leases of tangible assets that are considered investments (real estate)
- ▶ Reporting threshold – set by the county but should be a point low enough to capture all the important leases but exclude the small stuff.
 - Should be set high enough to capture all relevant expenditures.
 - The decision of the threshold limit is yours.

GASB 87 Reporting – Where do I start?

- ▶ Review all leases to see if they meet the standard. If unsure, check with DLG
 - ▶ Speak with department heads to include any lease you may have missed
 - ▶ Consider the application of any new lease that you may enter or sign onto.
 - ▶ Consider the threshold you wish to use. Does it include relevant obligations or revenues?
 - When in doubt, report it.
- 

GASB 87 Form & Examples

County as Lessor (Receipt)	<u>Example Issue</u>
Lease Agreement	County Ag Extension Office
Effective Date	9.1.2019
Asset Type	Office Space in Old Jail Bldg.
Does lease grant control/right to use?	Yes
Length of Term (years)	5
Is there an option to Terminate?	Yes
Is it a reasonable certainty it will be?	No
Number of years to exercise option?	2
Is there an option to Extend Lease?	Yes
Is there a reasonable certainty of it?	Yes
Number of years to exercise option?	4
Frequency of Payments	Monthly
Amount of Payment	\$1,000.00
Total Value of Contract Agreement	\$60,000.00
Amount of Payments Received to Date	\$3,000.00
Number of Payments Outstanding	57
Value of Payments Outstanding	\$57,000.00
Value of Payments in This Fiscal Year	\$6,000.00

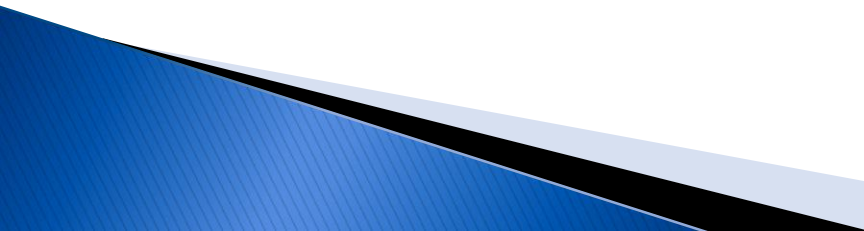
GASB 87 Form & Examples

County as Lessee (Disbursement)	<u>Example Issue</u>
Lease Agreement	<i>Copiers - Countywide</i>
Effective Date	<i>5.1.2019</i>
Asset Type	<i>Office Equipment</i>
Does lease grant control/right to use?	<i>Yes</i>
Length of Term (years)	<i>3</i>
Is there an option to Terminate?	<i>NO</i>
Is it a reasonable certainty it will be?	<i>N/A</i>
Number of years to exercise option?	<i>N/A</i>
Is there an option to Extend Lease?	<i>Yes</i>
Is there a reasonable certainty of it?	<i>Yes</i>
Number of years to exercise option?	<i>1 year additional</i>
Frequency of Payments	<i>Monthly</i>
Amount of Payment	<i>\$657.34</i>
Total Value of Contract Agreement	<i>\$23,664.24</i>
Amount of Payments to Date	<i>\$5,258.72</i>
Number of Payments Outstanding	<i>28</i>
Value of Payments Outstanding	<i>\$18,405.52</i>
Value of Payments in This Fiscal Year	<i>\$3,944.04</i>

GASB 87 & SEFA

- ▶ To make this easier, we will include the GASB 87 Disclosure as a tab on a combined excel worksheet. There will be one download from DLG's Counties Page and then you complete both pages.
- ▶ Email both Excel Worksheets to your County's Local Government Advisor by August 1st.
 - Or... Email them with your 4th Quarter Signature Page if that is easier to remember.

GASB 87 Reporting – Why Are We Doing This Again?

- ▶ The GASB 87 rule allows for easier disclosure of governmental liabilities and revenues for the public as well as credit rating agencies.
 - ▶ Currently this only applies to GAAP counties. However, in a few years, compliance with GASB 87 could be required by all credit rating agencies. In which case, counties will either comply or be subject to high bond interest and costly issuance fees, due to poor credit ratings related to lax reporting standards.
 - ▶ DLG wants to create a culture of reporting according to the GASB standards, even if not following every single detail. We know that by requiring this form, any future transition to a GASB standard will be easier for the county.
 - ▶ Lastly, because The State Local Finance Officer says so.
- 

County Elected Officials Training Incentive Program

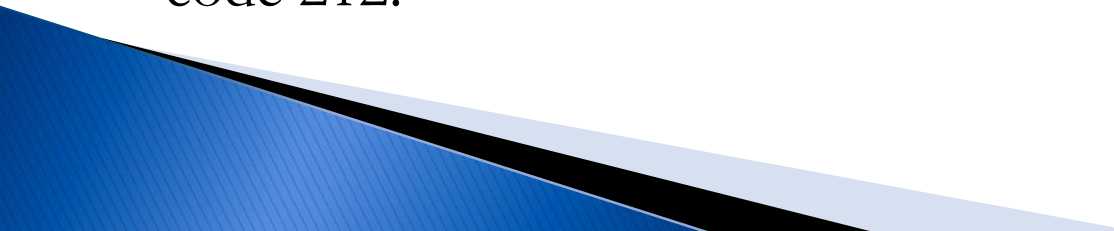


Things You Should Know About The Training Incentive Program

- Created by the 1998 Kentucky General Assembly with the passage of HB 810. It was implemented in January 1999.
- Authorizing Statue for the program is KRS: 64.5275 (6)
- Administrative Regulations governing the program are:
109 KAR 2:020

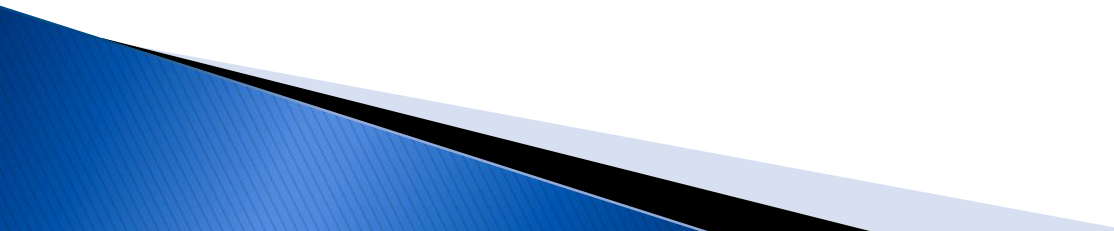
What You Should Know About the Training Incentive Program

Funding for the program is LOCAL

- The moneys used to pay the training fringe benefit comes from County funds.
 - DLG's role in the payment process is to notify the official of their completion and authorize the County to make the incentive payment.
 - There are specific line items in each County's Budget for the officials training fringe benefit. Each line should have the minor code 212.
- 

Participation in the Program

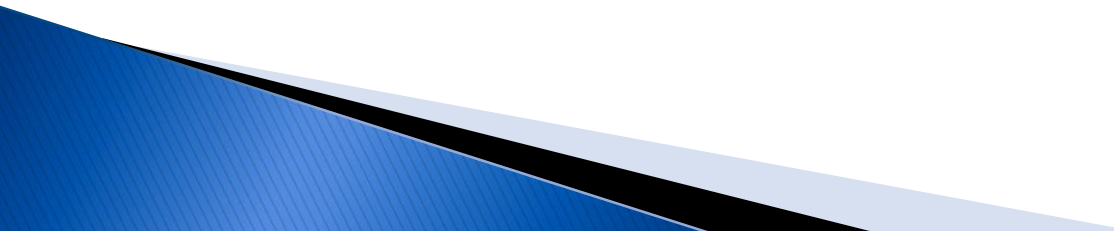
Who Can Participate:

- Members of the Fiscal Court
(Judge/Executives, Magistrates or Commissioners)
 - County Clerks
 - Sheriffs
 - Jailers
- 

County Policies Regarding Travel & Training Reimbursements

Each county determines its own policies regarding the reimbursement for travel and training expenses. While incentives earned are mandated county expenses, the cost of travel and tuition related to training are not statutorily mandated.

This policy should be stated in the county's Administrative Code.



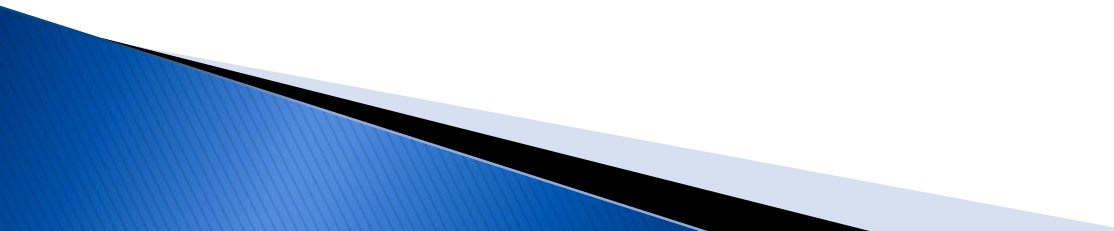
Obtaining Training

Training Recommendations:

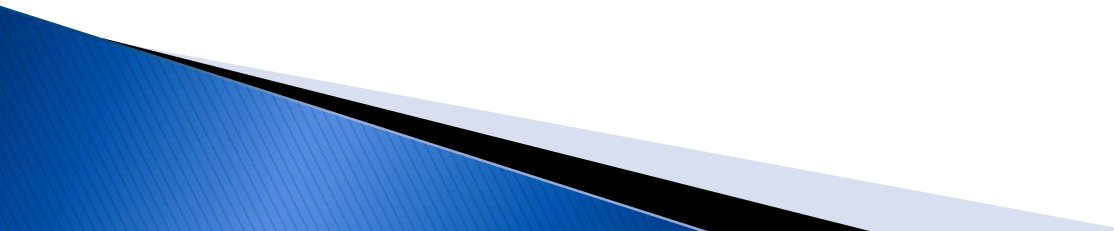
Most counties have limited funds available, so don't waste your training dollars.

Officials should vary selections to include conferences as well as traditional classroom settings.

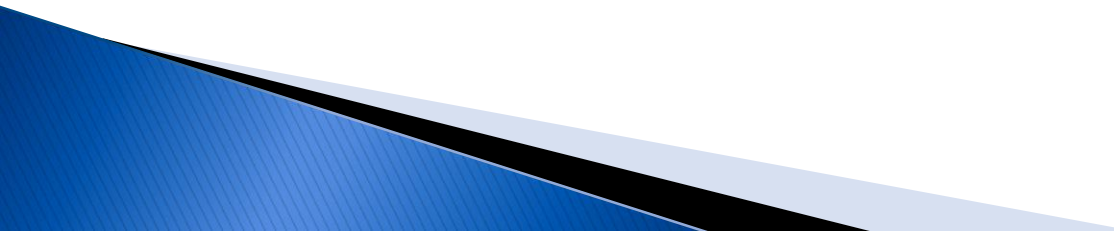
You need to select training that is relevant to your duties as an elected official.



Approvable Training Topics:

- Legal / Legislative Issues
 - Budget Preparation
 - Computer & Software Training
 - Election Training – County Clerk
 - Human Resources Training
 - Transportation/Road – Fiscal Court
 - Corrections – Jailers
 - Insurance/Tax/Fringe Benefits
 - Federal and State Grant Training
- 

Sources for Obtaining Training:

- Associations – KACo, KCJEA, KMCA
 - Government Agencies – DLG, Transportation, UK Transportation Center
 - Area Development Districts
 - Independent Conferences and Training Groups
- 

Reporting Your Attendance

- Proof of an official's training attendance should be submitted to our office within **60 days of completing the training**. (109 KAR 2:020 Section 3(8))
- Always make sure your “Name”, “County” and “Office” are legible on your attendance form before submitting it.
- Completion documentation can be submitted by the official or the training provider by mail, fax or e-mail (no pictures).
- **Ultimately it is the responsibility of the official to make sure their attendance information has been turned into DLG in a timely basis.**

Acceptable Forms of Attendance Documentation

When attending a training event your proof of attendance should be submitted in the same document form as all other officials.

Some of the acceptable forms are:

1. Sign-in Sheets
2. Attendance Logs/Reports
3. Individual Certificates
4. Individual Proof of Attendance Forms

Pictures are not acceptable forms



Pay Attention To The Instructions!!!

Return Forms to: Department for Local Government, 1024 Capital Center Drive, Suite 340, Frankfort, KY 40601, E-mail scott.sharp@ky.gov

Date:	August 14- 16, 2018	Location:	Galt House, Louisville, KY
-------	---------------------	-----------	----------------------------

Tuesday August 14				
Time	Session	Speaker	Hrs	Initial
1:15 - 2:30	Developing KY's Workforce	Secretary Scott Brinkman & Cabinet Secretaries	1.25	
3:00 - 3:45	Cracker Barrel Sessions with Cabinet Officials	Multiple Cabinet Officials	0.75	

Concurrent Sessions				Initial 1 Only	Initial
4:00 - 4:45	Kentucky Opportunity Zones	Jessica Burke	0.75		wt
	Hot Topics in the Alcohol Industry	Commissioner Christine Trout Van Tatenhove & Marc Manley			wt
	Coal and Mineral Severance Funds: Program Updates	DLG Staff			wt
	You Can't Sell From an Empty Wagon	Tess Fay			wt
	KY Health Medicaid 115 Waiver	Deputy Secretary Kristi Putnam & Veronica Cecil			wt

Wednesday August 15							
Workshop Blocks .75 Hours Each							
8:30 - 9:15 Attend 1 Only	Initial	9:30 - 10:15 Attend 1 Only	Initial	10:30 - 11:15 Attend 1 Only	Initial	11:30 - 12:15 Attend 1 Only	Initial
KY Innovation		Building a Skilled Workforce		Floods in KY		Military Affairs	
Enlarging KY's Workforce	wt	KIA Update	wt	Community Traumatic Events	wt	Re-entry Best Practices	wt
Kentucky Wired		Federal Funding Opportunities		Economic Dev Efforts		KOHS Grant Program	
Bridging KY		Pre-Project Planning Tips		Public Service Commission		If I Had a Million \$	
KY Response to Hepatitis A		KY Transport Cabinet		Personnel Updates		Secrets of Econ Dev	
12:30 - 1:45	Luncheon Presentations			Lt. Col. Amy Mundell & Governor Matt Bevin		0.75	

Workshop Blocks .75 Hours Each					
2:00 - 2:45 Attend 1 Only	Initial	3:00 - 3:45 Attend 1 Only	Initial	4:00 - 4:45 Attend 1 Only	Initial
KY Aviation Industry		New & Improved KY Dam Lock		KY Div of Surplus Property	
CDBG Grant: Winchester's Success Story	wt	Ask the Attorneys	wt	Fed Grant Opportunities	wt
Strong Internal Controls		Regional Economic Development		Public/Private Partnerships	
Counting KY in the 2020 Census		Update on Grants, Regulations & Forms		New Madrid Planning & Exercise	
		Making the Most of Social Media		Engineers Can Make It Happen	

Concurrent Session Initial Accordingly		Hrs	Initial
2:30 - 3:45	Understanding HB114: Economic Development Discussion for TVA Co.	1.25	wt

Thursday August 16				Hrs	Initial
8:00 - 10:30	Active Aggressive Shooter	Kentucky Office of Homeland Security		2.5	

Notice To All County Officials, This Document is Subject To Open Records Request

Certification: By signing below I certify that I attended the training event described above and that I am entitled to claim credit for the duration of time listed in each session in compliance with KRS 64.5275(6)

Possible Hrs
11.25

DLG Use Only


Print Name: Wendy Thompson

Office:

County:

Signature:

Your Training Record

- Reflects what you have certified that you attended on your Proof of Attendance Forms (POAs). So fill them out accurately!
 - If you need to leave the session to make a phone call, please make it very brief or mark on your POA for the amount of time you left the session.
 - Your record is Subject To Open Records Requests!!! As are all of your Proof of Attendance Forms.
- 

How Much is an Incentive?

The amount of 1 incentive unit is \$100 which adjust annually for changes in the Consumer Price Index (CPI).

2020 CPI: 2.3%

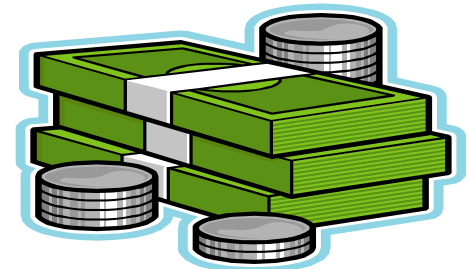
2020 Incentive Unit Values Are:

1st unit = \$1,078.15

2nd unit = \$2,156.30

3rd unit = \$3,234.45

4th unit = \$4,312.60



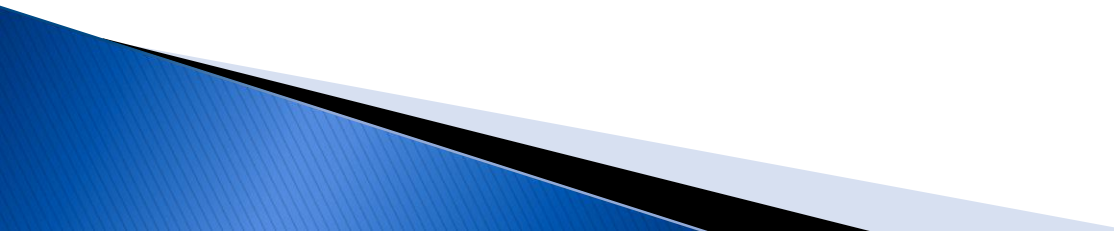
How Do I Earn an Incentive?

An incentive unit is comprised of the completion of 40 hours of approved training.

One incentive can be earned per calendar year by attending training and/or carrying over hours from the previous year.

Carryover hours are limited to a maximum of 40 hours that can be carried from one year into the next consecutive year of your term.

The maximum amount of incentive units that an official can accumulate is capped at four units. To maintain incentive units, you must consecutively accumulate an incentive each calendar year.



When Will I Receive My Incentive Payment?

Once you reach your 40 hours, DLG will mail notice to the Official, the County Judge/Executive, the County Treasurer, and the State Auditors Office.

Remember, the incentive payment is issued from County funds

- It must be budgeted
- It is subject to fiscal court review
- It is subject to all State & Federal withholdings

Payment can not be issued until the authorization letter has been received.

Incentive payments are not allowed on Standing Orders.



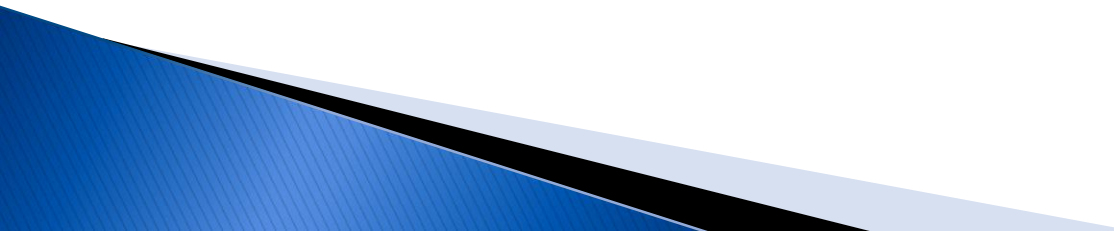
Incentive Payment Process For Fee Officials (County Clerks & Sheriffs)

County's with population of less than 70,000

The incentive can be paid from the fee account or by the fiscal court.

County's with population of 70,000 or greater

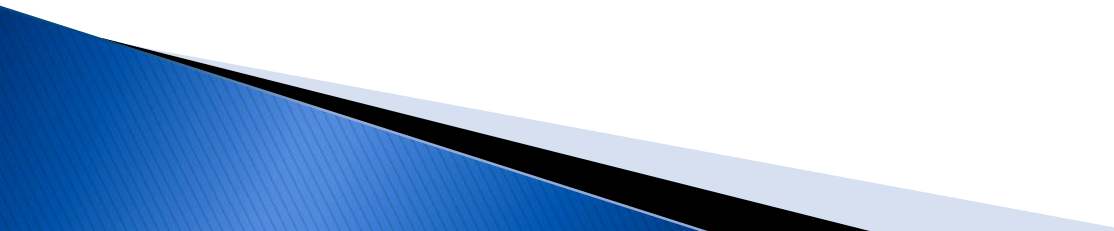
Notice will be mailed to the County Fees Office in the Finance and Administration Cabinet which will then send the payment to the official.



When Are Incentive Letters Issued

On average, DLG issues incentive letters twice a month (around the 15th and the 30th). However, there are times when the period between incentive letters are once a month.

Letters are not issued during the months of May and June while fiscal courts are working on their budgets.



Incentive Letter

October 23, 2018

Ms. Wendy Thompson
Franklin County Magistrate
1234 Country Road.
Frankfort, KY 40601

Dear Ms. Thompson:

Congratulations on the completion of your 40 hour training unit for calendar year 2011. Pursuant to KRS 64.5275(6) you are required to be paid an annual incentive per calendar year for each training unit completed up to a maximum of four incentive payments. The value of an incentive payment for 2011 is \$919.65.

Our records show that you have successfully completed 1 unit(s) and are due 1 incentive payment(s) of \$919.65 for a total of \$919.65. Please make the disbursing officer aware that incentive payments are not exempt from state or federal withholding requirements.

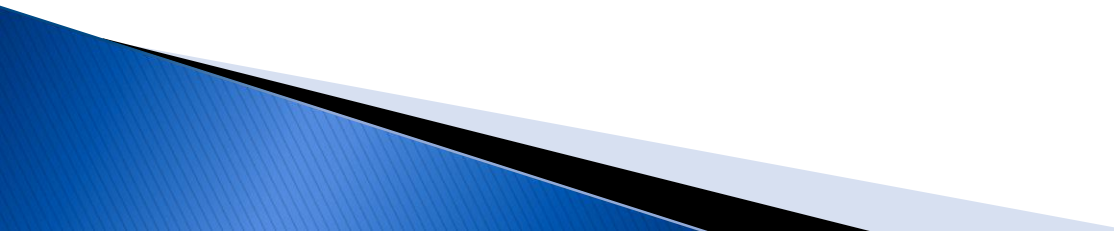
Enclosed is a summary of your training record to date. If you have questions, please contact me at (800) 346-5606.

Sincerely,

Wendy Thompson
Training Coordinator

CC: State Auditor's Office
Franklin County Judge Executive
Franklin County Treasurer

How To Access Your Training Page

- Go to the DLG website <http://kydlgweb.ky.gov>.
 - You will see a list of links that take you to the different areas of our agency.
 - Second row, 3rd button is the County Officials Training Program Link.
- 

LOCAL OFFICIALS TRAINING PROGRAM



Reports and Forms

Below are reports and forms that officials participating in the County Elected Officials Training Program will utilize. To view the corresponding report or forms click the heading of each section.

[County Elected Officials Training Program Participation Form](#) (Adobe 125 KB)

Elected or appointed officials who wish to participate in the County Elected Officials Training Program will need to complete and submit the County Elected Officials Training Program Participation Form before they will be included in the program. Newly elected or appointed officials who wish to participate in the County officials training program will need to complete this form and submit it to our office in order to be enrolled in the training incentive program.

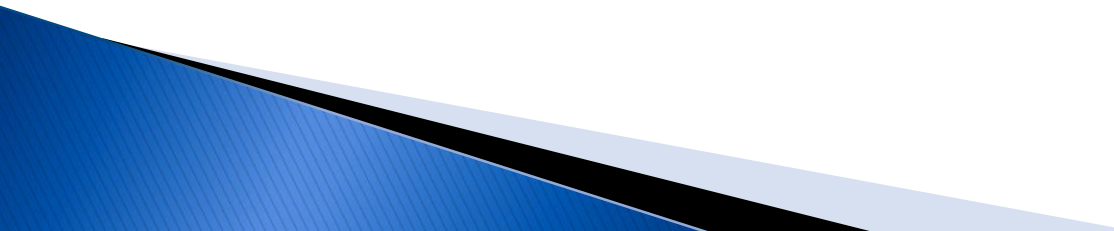
[Individual Training Records](#)

By clicking the link above, program participants may view their individual training record online by entering their name, county, office or any combination thereof.

[Training Approval Request Form](#) (Adobe 136 KB)

For training events not listed in the Upcoming Approved Training Events, approval may be requested by completing and submitting the Training Approval Request Form, along with a detailed event agenda listing all training times and indicating any breaks and meals during the training event. To complete this form click the link in the heading listed above this section.

For questions concerning the County Elected Officials Training Program please contact [Wendy Thompson](#), Training Coordinator.



County Officials Training Program

To search for an Official, choose your county and click the <submit> button.

Search Criteria

County:

Submit

If your status is "NP" (non-participant) and you would like to participate, please fill out a [Participation Form](#) (Adobe - 123KB).

County Officials Training Program

To search again, click [here](#)

Search Criteria

County:

Franklin

If your status is "NP" (non-participant) and you would like to participate, please fill out a [Participation Form](#) (Adobe - 123KB).

Results

STATUS	NAME	COUNTY	JOB TITLE	
810	Booth, Marti	Franklin	Magistrate	VIEW
NP	Goins, Fred	Franklin	Magistrate	VIEW
810	Hancock, Jeff F	Franklin	County Clerk	VIEW
810	Melton, Pat	Franklin	Sheriff	VIEW
810	Moore, Lambert	Franklin	Magistrate	VIEW
810	Rogers, Rick	Franklin	Jailer	VIEW
810	Sturgeon, Don	Franklin	Magistrate	VIEW
810	Thompson, Wendy	Franklin	Magistrate	VIEW
810	Tracy, Scotty Lynn	Franklin	Magistrate	VIEW
810	Turner, Michael Flynn	Franklin	Magistrate	VIEW
810	Wells, Huston D	Franklin	Judge/Executive	VIEW

County Officials Training Program

Wendy Thompson, Participant

Name: Wendy Thompson
Job Title: Magistrate
County: Franklin
Address1: 1234 County Road
Address2:
CSZ: Frankfort, KY 40601

Salutation:
District:
Category: Participant
eMail:
Phone:
Fax:

view your training record, click here: [Summary of Training Hours Report](#)

If this data is incorrect or out of date, please fill out and submit an [Updated Information](#) form (Adobe - 122KB).
training event not listed in the Relevant Upcoming Classes column that you would like to request approval for, pl
and submit a [Training Approval Request](#) form (Adobe - 154KB). For all other questions, please contact Sco
scott.sharp@ky.gov or (800) 346-5606.

Classes Completed

START DATE	COURSE	
09/20/2018	2018 KY Cooperative Extension Service	VIEW
08/14/2018	2018 Governors Local Issues Conference	VIEW
08/02/2018	2018 Broadband and Your Community	VIEW
06/27/2018	2018 KCJEA-KMCA Joint Conference	VIEW
05/02/2018	2018 Tourism for Counties	VIEW
02/16/2018	2018 Budget Workshops	VIEW
11/08/2017	2017 KACo Conference	VIEW
08/23/2017	2017 Governors Local Issues Conference	VIEW
06/14/2017	2017 KCJEA / KMCA Joint Summer Conference	VIEW
02/08/2017	2017 KCJEA Winter Conference	VIEW

Relevant Upcoming Classes

START DATE	COURSE	
10/23/2018	2018 Strategies for Improving Collection Systems	VIEW
10/23/2018	2018 UKTC Roadside Safety Improvements for Rural Roads	VIEW
10/25/2018	2018 The Changing World of Media & Communications	VIEW
10/29/2018	2018 Microsoft Excel 2016 Part 2	VIEW

County Officials Training Program

Summary of Training Hours

Wendy Thompson, Franklin County Magistrate

2018

EVENT	COMPLETED	HOURS
2018 KY Cooperative Extension Service	09/20/2018	6.50
2018 Governors Local Issues Conference	08/16/2018	11.25
2018 Broadband and Your Community	08/02/2018	6.50
2018 KCJEA-KMCA Joint Conference	06/29/2018	12.25
2018 Tourism for Counties	05/02/2018	6.50
2018 Budget Workshops	02/16/2018	3.00
TOTAL FOR YEAR 2018		46.00

2017

EVENT	COMPLETED	HOURS
2017 KACo Conference	11/10/2017	12.00
2017 Governors Local Issues Conference	08/25/2017	11.50
2017 KCJEA / KMCA Joint Summer Conference	06/16/2017	11.00
2017 KCJEA Winter Conference	02/10/2017	12.25
TOTAL FOR YEAR 2017		46.75

	HOURS CREDITED FROM PRIOR YEAR	HOURS EARNED	UNIT COMPLETED	HOURS NEEDED TO COMPLETE UNIT
Calendar Year 2017	0.00	46.75	Yes	0.00
Calendar Year 2018	6.75	46.00	Yes	0.00

This summary is provided for informational purposes and does not constitute authorization for payment

Is Your Contact Information Correct?

Elected County Officials Training Incentive Program County Officials Updated Information Form

Return Form To:

Department for Local Government

1024 Capital Center Drive, Suite 340, Frankfort, KY 40601

Phone: (800)-346-5606

Fax: (502)-573-3712

e-mail: Wendy.Thompson@ky.gov

DLG

DEPARTMENT
FOR LOCAL
GOVERNMENT

Elected Officials Information on Record

Name: ☐ Mr. ☐ Ms. First: _____ Middle: _____ Last: _____

County: _____ Office: _____

Reason For Information Change

Check the Appropriate Response and List new information

☐ Name Change: First: _____ Middle: _____ Last: _____

☐ Address Change: Street _____ PO Box: _____

City: _____ Zip Code: _____

☐ Contact Change: Phone #: _____ E-mail: _____

Fax #: _____ Web Site: _____

☐ Position Change: Date of Appointment: _____ Special Election: _____

Date Election Certified

New Office Held:

☐ Judge Executive

☐ Magistrate - District # _____

☐ Commissioner

☐ County Court Clerk

☐ County Sheriff

☐ County Jailer

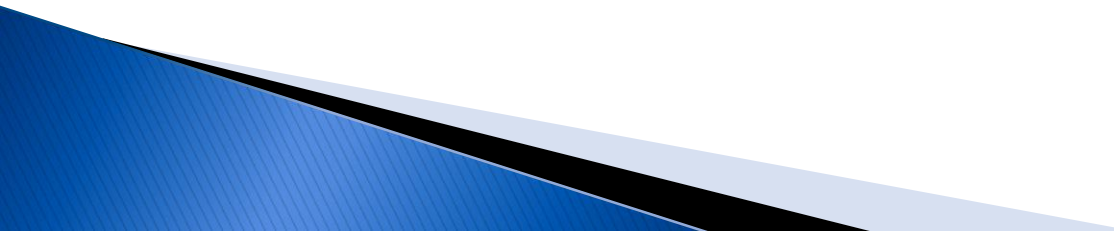
Note: If you have been elected/appointed to a new office you will need to complete a new participation form to participate in the training program.

By signing below I certify that the information provided is accurate to the best of my knowledge.

Officials Signature: _____ Date: _____

How to get a Training Event Approved

If a training event is not listed on your “**Relevant Upcoming Classes List**” it could be because DLG is not aware of the training. To get the training approved we will need the “**Training Hour Approval Request Form**” filled out and submitted to our office along with the “**Detailed Agenda**” for the training event.



Training Approval Request Form



Elected County Officials Training Incentive Program Training Approval Request Form

Training Approval Requested By: _____

Title: _____ Agency: _____

Phone: _____ E-mail: _____

Requester: Please complete both pages of this form, attach a copy of the detailed agenda that lists the start and end times of all training sessions while also indicating any breaks that may be given and submit to: Department for Local Government, 1024 Capital Center Drive, Suite 340, Frankfort, KY 40601 Phone: 800-346-5605 Fax: 502-573-3712 E-mail: Wendy.Thompson@ky.gov

Training Event Information

Training Title: _____

Training Provider: _____

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

Fax: _____ Website: _____

Training Intended For: ☐ Fiscal Court ☐ County Clerk ☐ Sheriff ☐ Jailer ☐ All

Registration Fees: ☐ Yes: Dollar Amount: \$ _____ ☐ No

Enrollment Limitations: ☐ Yes: Maximum Enrollment: # _____ ☐ No

Proof of Attendance: ☐ Individual POA Form ☐ Sign-In/Out Sheets ☐ Individual Certificate

Detailed Agenda Sample

9 – 9:30 a.m.

The Basics of IT

The key terms and basic knowledge an elected official needs to know to understand planning for IT needs.

Potential speakers: KACo staff (Jon Sharp, IT Manager and J. Burnett, IT Director), Center for Internet Security

9:30 – 10 a.m.

The Importance of Cybersecurity

It's not a matter of if, but when – a review of the kinds of cybersecurity threats facing counties, the scale of the problem and the negative impact a cybersecurity attack can have on a county's operations.

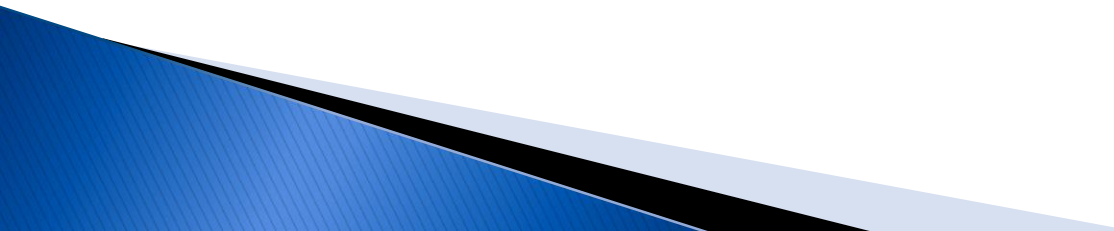
Potential speakers: KACo staff (Jon Sharp, IT Manager and J. Burnett, IT Director), Center for Internet Security

10 – 10:30 a.m.

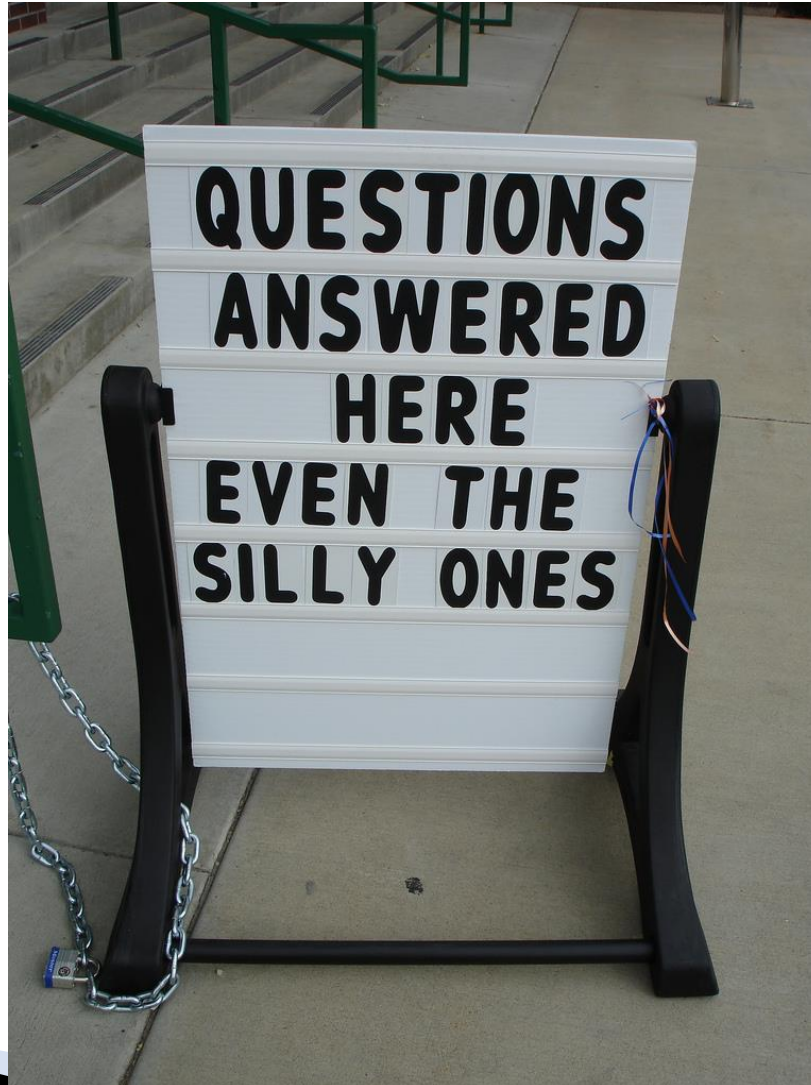
Protecting Yourself against Cyber Threats

The essentials of protecting yourself in the cyber world, including avoiding phishing attempts, malware/ransomware, setting secure passwords, preventing identity theft, etc.

Potential speakers: KACo staff (Jon Sharp, IT Manager and J. Burnett, IT Director), Center for Internet Security



Common Training Questions



I Have Completed My 40 Hours but Haven't Received My Incentive Letter

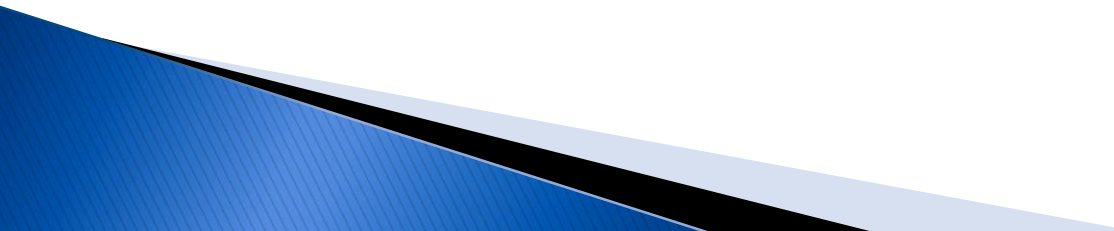
- Make sure your status states 810. If it states NP then we need you to fill out a participation form.
- Have you turned in all of your Proof of Attendance (POA) Documentation? Your State Associations (KCJEA, KMCA, KCCA, KSA, KJA, & KACo) are very good about turning your POA's in for you. However, most training entities do not forward this information to DLG. If you have your POA you can scan and e-mail it to Wendy.Thompson@ky.gov , or fax it to 502-227-8691.
- Have you paid your conference registration fees? Hours will not be added until your account is paid-in-full. 60 day rule still applies from end of training date.
- Sometimes the association conducting the training has to document your attendance in their system before they forward the information to DLG. This could take up to a month after the event has occurred.

The Training Event Didn't Have A Certificate, Sign-in Sheet or a Proof of Attendance Form

This mostly happens with out-of-state training events. If this happens to you, you will need to:

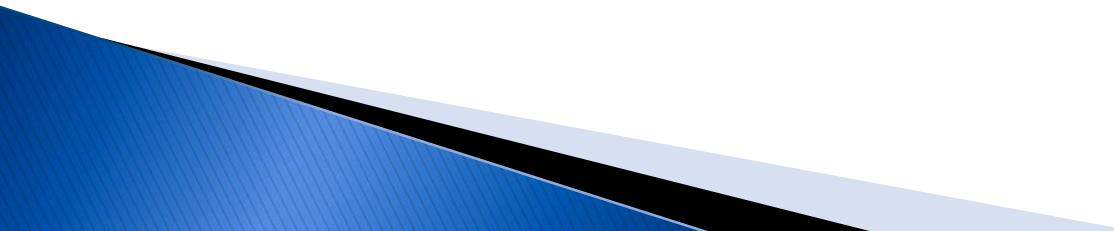
- Keep your agenda and **initial** by each session you attended
- Write a letter on **your county letterhead** stating that you attended the training event listing its name, date, location and that you would like for the event to be considered for training credit.
- Submit the initialed agenda and letter to our office and we will use it as your proof of attendance for the event.

Subject to approval by DLG. Training must be relevant to your duties.



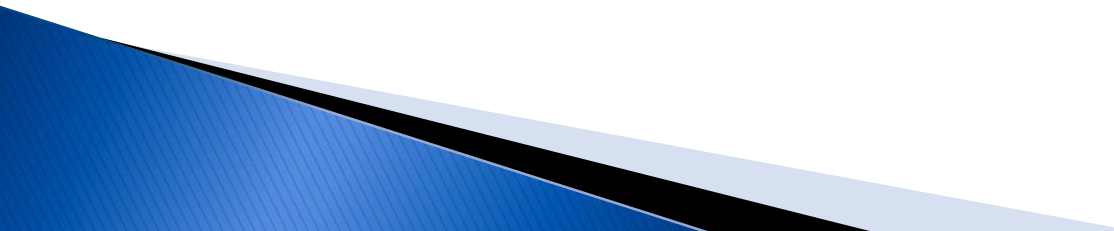
I Carried 40 hours into the New Year When Will I Get My Incentive Letter?

With the carryover provision officials that are **continuing in service** of their office are eligible for their incentive as soon as the new year arrives. Before DLG can issue any incentives we have to:

1. Receive the CPI information from the US Department of Labor, Bureau of Labor Statistics (**typically in the last part of January**).
 2. Use the CPI information to calculate the new years salary levels and incentive values.
 3. Prepare all the incentive letters to go out (**letters are typically received in early February**).
- 

Other Training Questions

If you have any question about the Elected County Officials Training Program please contact Wendy Thompson at:

- Toll Free Phone: 1-800-346-5606
 - Direct to Desk: 502-892-3479
 - Fax: 502-227-8691
 - E-mail: Wendy.Thompson@ky.gov
- 

Department for Local Government

Office of Financial Management & Administration

100 Airport Road, Third Floor

Frankfort, KY 40601

Phone: 800-346-5606 or 502-573-2382

Fax: 502-227-8691

<http://kydlgweb.ky.gov>

