



Fiscal Year 2025-2026 Annual Budget

FISCAL POLICIES



Hernando County, Florida

Hernando County, FL Board of County Commissioners Fiscal Year 2025-2026 Annual Budget

Board Policy Overview

What is a Board Policy?

A Board policy is a statement officially adopted by the Hernando County Board of County Commissioners (BOCC) at a public meeting that establishes one or more general institutional goals and/or stipulates the stance that the BOCC directs county government and board departments in maintaining or the pursuit of approved general goals. Administrative regulations and standard practice guides flow from BOCC policies. These policies should not be confused with internal, operational policies adopted by many departments. All BOCC policies are calendared for routine review and possible revision by sponsoring units/departments every five years.

What is the process for developing Board Policies?

Policies may be initiated by any department, citizen or commissioner. Staff members develop and provide oversight of policy and its implementation.

List of Policies

The following is a list of policies currently on the BOCC website: [BOCC Policies](#).

Some of the relevant financial policies are also displayed on the subsequent sections.

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Hernando County, FL

Board of County Commissioners

Fiscal Year 2025–2026 Annual Budget

Budget Policy No. 29-01

The Budget Policy No. 29-01 outlines the budget related terms, objectives, and processes. It is the overarching policy document that guides the budget process.



BOARD OF COUNTY COMMISSIONERS

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BUDGET POLICY NO. 29-01

PURPOSE:

The following policy statements are put forth to clarify the formal position of Hernando County as to the preparation, adoption, application, and control of the annual budget.

OVERVIEW:

The establishment of financial policies enables the legislative body, management, and the community to monitor its performance. It also helps in aligning long-range financial planning with day-to-day operations, while providing for financial emergencies and improving fiscal stability. This contributes to the credibility, and public confidence, of the organization. To the credit rating industry and potential investors, such policies and statements show a commitment to sound financial management and fiscal integrity. Sound fiscal policies that are realistic and consistent provide useful guidance for the long-term programming of services and facilities. They also provide a set of assumptions that allow for more accurate budget and tax decisions.

Budgets are vital tools for establishing public policy and maintaining control over the management of public resources. A budget specifies the resources expected to be available to cover the estimated expenditures for carrying out governmental programs and services. The annual operating budget is a financial document projecting revenues and setting forth expenditures to provide services for the fiscal year. The capital budget covers outlays for the acquisition or construction of major long-lived assets, and the resources employed for purchase of those assets. The capital budget reflects the County's Capital Improvement Program (CIP), which schedules projects over a five-year period.

The Board of County Commissioners set short-term and long-term goals, which are reflected in the budget. These goals are pursued through programs or services that the public sector can provide more efficiently than the private sector. To promote economic efficiency, the budget should allocate resources to the programs and services that generate the greatest benefits and result in the incremental benefit being greater than the incremental cost.

BASIS OF BUDGETING:

The Hernando County budget is prepared in accordance with Generally Accounting Principles (GAAP). The accounts of the County are organized on the basis of funds and department groups, each are considered a separate accounting entity. Departments track specific activity on a financial statement; whereas, the fund level detail consolidates departments under the umbrella of that fund on a single balance sheet. The General Fund (GF) is the main fund associated with governmental related activity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted

for, in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled.

The County adopts budgets for all Governmental Funds and Expendable Trust Funds on a modified accrual basis. Revenues are recognized when they are both measurable and available. Expenditures are recognized when the related liability is incurred. The budgets for Proprietary Funds are adopted on an accrual basis. Revenues are recognized when they are earned and become measurable. Expenses are recognized when they are incurred. For an expense to be incurred the item purchased must be received or the service purchased must be performed. Fund balance allocations (residual unappropriated liquid assets resulting from prior years' operations) are budgeted and included as revenue.

COST ALLOCATION:

The Board of County Commissioners has adopted a Cost Allocation Plan for central services. The practice is to work toward a goal of allocating all costs, wherever practical, to the department receiving the benefits. This involves allocating costs of central services, which include Board of County Commissioners, Clerk Finance, Clerk Records, County Administration Office, Facilities Maintenance, Human Resources, Legal Department, Office of Management and Budget (OMB), Purchasing and Contracts, and Technology Services. In addition, both building use and equipment use allowance are allocated.

INTERFUND LOANS:

Definition – Interfund loans are loans from one County fund to another County fund for a specific purpose, with a requirement for repayment.

Purpose – Interfund loans are temporary short-term borrowing of cash and may be made for the following reasons:

- Interfund loans may be used to offset timing differences in cash flow and to offset timing differences between expenditures and reimbursements.
- Interfund loans may be used to alleviate a temporary cash flow deficiency.

Terms and Conditions – Interfund loans should not be used to solve ongoing structural budget problems. Interfund loans shall not be used to balance the budget of the borrowing fund; nor shall they deter any function or project for which the fund was established.

The term of the interfund loan may continue over a period of no more than one year (for grant purposes) but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund.

Interfund loans may only be made from funds not set aside to meet debt service or legally restricted covenants.

Interest must be paid on any interfund loan not used for grant purposes; rates will be determined based on most recent short-term borrowing rates.

Determination of need will be based on OMB coordinating with Administration and the Clerk's Financial Services to determine fluctuating cash flow amounts.

GENERAL BUDGET POLICY STATEMENT:

Hernando County's budget conforms to all the laws of the State of Florida as they relate to the adoption, amendment, and control of the budget. In addition, all policies set forth in this document are designed to provide for and enhance the financial stability of the County.

Budget Development

Each year, the annual budget establishes the level of funding for each of the County's various funds and departments. The goals and objectives, activities and service levels, are dictated by the level of funding and controlled by the budget. The budget serves as an operational guideline for County staff, and instructs the departments about staffing levels, operating appropriations amounts, and capital expenditures allowed.

The first step in the development of the annual budget is to establish goals by working with the County Commissioners at a Planning and Goal Setting Workshop. Area specific economic data will be gathered and used to prepare revenue and expenditure forecasts. Trends, patterns, indexes, property valuation, growth, etc. will be compiled, analyzed, and applied in the preparation of detailed projections. These forecasts become guidelines for the basis of policy decisions developed to achieve the overall goals of the Board, while developing a financially sound budget.

Budget Guidelines

The budgetary process is oriented toward the full use of the system. Where possible, the County will continue to integrate performance measurements and/or productivity indicators that will allow for continued efforts to measure and improve County programs.

The Hernando County budgeting procedures attempt to identify distinct functions and activities performed by the County to allocate adequate budget resources to perform these functions and activities, at a specified level of service.

The County will assume a status quo budget from year-to-year, with only increases based upon justification or need. The budget will be reviewed with the Board and will focus on the following:

- ☐ **Program Changes** – An increase in the service level will be detailed and defined as an

enhancement. Where a decrease, or reduction, in service level is proposed, it will be detailed for the Board as a defined reduction to a program.

- **New Programs** – Proposed new programs will be identified as an enhancement and require detailed justification. Analysis is to include long-term fiscal impacts. When requesting a new program, all expenditures must be justified, and a viable revenue source be identified to offset the cost.
- **Staffing** – Staff increases will be limited to programs where growth and support specifically require the addition of staff. Reduction of staff will be done when there is no adverse effect on approved service levels.

General Budget Policy

The Board will annually adopt a balanced budget as the County's yearly operating and capital plan. The budget will balance expenditures with revenues and be adopted according to the established timetable of the Truth in Millage Act (TRIM).

The County budgets revenues and expenditures on a fiscal year that begins on October 1st and ends on the following September 30th.

The goal of the County will be to pay for all recurring expenditures with recurring revenues and use nonrecurring revenues for nonrecurring expenditures. If a deficit seems forthcoming, the Board will reduce appropriations or increase revenues.

Therefore, it will be necessary for Officials and Department Heads to review and control expenditures such that the rate of expenditure does not exceed the approved budget.

The budgeted expenditures and reserves of each fund (including reserves for contingencies, balances to be carried forward, and all other purposes) will equal the sum of projected beginning balances for the fiscal year and all revenues that can be reasonably expected to be received during the fiscal year. In other words, the revenues and expenditures must be equal to present a "balanced budget." Current revenues must equal current expenses.

An effort will be made to keep costs to their absolute minimum, so as not to substantially increase the local tax burden.

In accordance with Florida Statutes 129.01(2)(b) and s. 200.065(2)(a), the budgeted receipts must include 95% of all receipts reasonably anticipated from all sources, including taxes to be levied, provided the percent anticipated from ad valorem levies is as specified in s. 200.065(2)(a), and is 100 percent of the amount of the balances estimated to be brought forward at the beginning of the fiscal year. The appropriations must include itemized appropriations for all expenditures authorized by law, contemplated to be made, or incurred for the benefit of the County during the year and the provision for reserves authorized by Florida Statutes 129.01(2)(c).

Authorization of expenditures of County funds will be adopted annually by the Board at the account level (line item).

The budget will provide for adequate maintenance of capital facilities, equipment and for the required replacement of equipment, as established by replacement standards.

The County will continue to identify areas for evaluation efforts, by staff, committees, or consultants, to judge the effectiveness and/or efficiency of County services.

OMB must review all agenda items that affect the budget before being placed on the agenda.

The Annual Budget, being an intricate part of maintaining the financial stability of the County and acting as the Financial Plan directing the County in both long-range planning and everyday operations, it is essential that timely reports are generated to inform the Board of County Commissioners and Management Staff of the County's financial progress. OMB will submit to the Board and the County Administrator on a quarterly basis, an overview report of budget to actual, both revenue and expense for all Funds and/or Departments. Any significant changes will be described in detail with any necessary recommended corrective action. Should OMB realize a financial problem exists or trends warrant closer analysis, the Director of OMB is required to inform the Board and County Administrator, as soon as the situation is detected.

Budget Fund Balance Policy

Prior to the end of the fiscal year, each department/division will make a good faith estimate of all encumbrances carried forward into the new fiscal year. These estimates will be incorporated into the new year budget prior to its final adoption. Once the actual encumbrance is brought forward, those accounts will be adjusted accordingly from the estimated amount.

Fund balances anticipated at the end of a fiscal year will be budgeted as the beginning fund balance for that fund for the upcoming fiscal year.

By definition, a Balanced Budget is one in which anticipated revenues to be collected in one fiscal year are equal to or greater than total anticipated expenditures for that fiscal year.

The committed but "unencumbered" balance of agreed to multi-year and revolving projects and/or contracts anticipated not to be completed by September 30 must be re-budgeted in the subsequent fiscal year.

Cash balances remaining in any fund at year-end will stay in that fund for subsequent years. Upon completion of the fiscal year audit, any increase and/or decrease to fund balance will cause adjustments to revenue and/or reserve accounts. Additional funds should not be used to increase expenditures within the budget.

The County shall strive to maintain a fund balance of 18.5% in the General Fund and sufficient

fund balances in all other funds to allow for adequate cash flow from one budget year to the next.

Budget Revenue Policy

Hernando County will maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one-revenue source.

User fees and charges are established, as permitted by law, at levels related to the cost of providing that service including indirect costs.

OMB will estimate its annual revenues with an objective, analytical process.

The use of revenues pledged to bondholders will conform with every respect to the bond covenants that they have been committed.

The Board and historic collection rates will dictate fee revenue amounts for purposes of budget preparation using fee schedules adopted.

County staff, in conjunction with OMB, will continue to aggressively pursue grant funds. Revenues and expenditures will be budgeted for current grants at grant award levels, along with any grant matches and anticipated program income. A budget resolution for the entire grant award, including any local matches, will be created for new grants at time of award acceptance. (If special circumstances to deviate from this process exist, allowance must be approved by OMB prior to award acceptance.)

Capital Improvement Budget Policy

Hernando County maintains a Capital Improvement Plan (CIP) that covers a five-year period and is updated annually. Capital Improvements, as they pertain to the CIP, are defined as physical assets, constructed or purchased, that has a minimum useful life of 10 years and a minimum total cost of \$50,000. Proposed projects are ranked by the departments ahead of the budget review at the administration and BOCC level. The available funds are allocated accordingly. As part of that process, a portion of the expenditure budget account(s) may be used as a contingency value during construction, but not during design.

Each year, the County will prepare a five-year capital improvement program identifying public facilities and/or equipment by service type and location with estimates of corresponding revenues to pay for such items. The Capital Improvement Program (CIP) will be according to guidelines established by the Capital Improvement Element (CIE) of the Comprehensive Plan.

The CIP will be updated annually.

To show the need for a capital project, the CIP will show all funded and unfunded items for the five-year period.

If funding for the operation of the new project is not available when the estimated completion date is identified, the project should not be funded until a verifiable funding source for operations can be determined.

Should a project be delayed for any reason, an inflation factor (to be determined by the department developing the project) should be added to the cost of the project.

The annual budget will include all capital items identified in the CIP for completing the first year of the five-year program where funding is available.

The County will maintain all assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs.

The County will determine the least costly financing method for all new projects.

To maintain levels of service to the citizens of Hernando County, a continued stream of funding needs to be associated with the Capital Improvement Fund. Until a dedicated funding source can be established, the Board will direct staff on the amount of funding to be transferred from the General Fund each year for capital projects and an amount for Reserve for Future Capital Projects. Accumulated funding in the Reserve account can only be used for projects included in the Facilities Master Plan and requires a supermajority vote of the Board. Any unused capital funds at the end of each fiscal year will be deposited into the Reserve account.

Budget Reserve Policy

The County will set aside reserves to address unforeseen and unexpected events and to offset unexpected downturns in revenues from budgeted estimates. Sufficient levels of reserves should ensure continued orderly operation and tax structure stability.

Hernando County's reserve policy will conform to the limits stated in Florida Statute 129.01(2) (c).

Reserves in the General Fund will be calculated at 18.5% and will consist of four (4) categories: Reserve for Contingencies, Reserve for Emergencies, Reserve for Stabilization and Reserve Balance Forward. Each of these reserves shall be established at a minimum level based on a percentage of the total approved General Fund budget less reserves, transfers, debt and grants. All Other Fund Reserves will be budgeted in amounts necessary to preserve the financial stability of the individual Fund.

The following describes in further detail each of these reserves:

- **General Fund Reserves for Contingencies:** Reserves for Contingencies should be used for one-time expenditures that do not exceed \$100,000. The reserve shall be established at 0.5% of the total General Fund's operating budget less reserves, transfers, debt and grants. For clarification, the operating budget does not include any capital expenditures for reserve calculations. The Board, as needed, should use these reserves

for reallocation during the year to provide for small increases in service, delivery costs and unanticipated needs of a nonrecurring nature that may arise throughout the year. While these funds are intended to cover unanticipated budget issues, it is in no way intended to cover poor departmental management of appropriated funds. Use of the Reserves will be by simple majority of the Board in an amount up to \$25,000 and any amount needed to cover costs associated with Federal and/or State mandates. Any amount over \$25,000 must be approved by a supermajority of the Board.

- ☐ **General Fund Emergency Reserve:** The County will establish a General Fund Emergency Reserve for those cases where expenditures are in excess of \$100,000 and the use of such funds are for one-time emergency expenditures (i.e. hurricanes). The reserve shall be established at 3.5% of the total General Fund's operating budget in any one year less reserves, transfers, debt and grants and will only be used if approved by a supermajority vote by the Board of County Commissioners. For clarification, the operating budget does not include any capital expenditures for reserve calculations.
- ☐ **General Fund Stabilization Reserve:** The County will establish a General Fund Stabilization Reserve for those cases where expenditures are in excess of \$100,000 and the use of such funds are for one-time loss of a major revenue source and/or a severe downturn in the local economy. The reserve shall be established at 3.5% of the total General Fund's operating budget in any one year less reserves, transfers, debt and grants and will be used if approved by a supermajority vote by the Board of County Commissioners. For clarification, the operating budget does not include any capital expenditures for reserve calculations. To maintain Hernando County's financial stability, it is imperative that sufficient reserves be established to carry the County through in financial downturn or emergency.
- ☐ **Reserve for Cash Forward:** As with many counties, Hernando County relies heavily on Ad Valorem Taxes to fund its General Fund. These funds are not substantially collected until after December 1st. A Reserve for Cash Forward will be budgeted in any fund that requires monies to be carried forward into the following year to support operations until sufficient current revenues are received. The General Fund will maintain a minimum of 11% of the total operating budget in any one fiscal year less reserves, transfers, debt and grants for this reserve. For clarification, the operating budget does not include any capital expenditures for reserve calculations.
- ☐ Insurance reserves will be established at a level consistent with purchased insurance policies, adequately indemnify the County, and its officers and employees against loss.
- ☐ Additional reserves may be set aside to cover specific expenditures, where the probability of the expenditure is sufficient to plan for, but estimated costs are unknown (i.e., legal cases).
- ☐ Appropriations from a reserve for future construction and improvement may be made only by resolution of the Board for the purpose, or purposes, for which the reserve was

made.

- ☐ Balance forward is used to fund reserves. If reserves needed exceed balance forward, expense budgets will need to be reduced. If balance forward exceeds reserves needed, the Board will determine how the one-time remaining funds are to be used.

Reserve Replacement Policy

In order to maintain a stable financial position, it is imperative that once reserve levels are established and met, a policy exists that if these reserves are used for any reason, there is a methodology in place for the recovery and replacement of these reserves. In order to maintain flexibility and not hinder the flow of operations, the replacement of reserves should consist of a two-step process.

- ☐ If the reserve funds used are less than 1% of the total fund budget, they will be required to be replaced in the following budget cycle. Example: Total General Fund Budget equals \$100 million and reserves used were \$600,000 or 0.6%. The entire \$600,000 would be replaced in the following year.
- ☐ If the reserve funds used exceed 1% of the total fund budget, then in each of the succeeding years, a minimum of 1% of the total fund budget for that year will be budgeted to replace the reserves until returned to the established levels. Example: Total General Fund Budget equals \$100 million and reserves used were \$3 million or 3%. \$1 million would have to be replaced each year until the full \$3 million was replaced.

BUDGET MODIFICATION:

Hernando County has two (2) methods of budget modification. The annual budget can either be modified by resolution or budget amendment.

Budget modifications follow the rules set forth in Florida Statute 129.06.

The purpose of this process is to adjust fund amounts to reflect the level of revenues reasonably anticipated to be received and to balance expenditures to these revenues according to state law and sound financial practices.

A budget resolution is processed for Board approval to recognize an unanticipated excess amount of an anticipated revenue and revenue from an unanticipated source. A resolution is also required when transferring revenues between funds. In general, a budget resolution with Board approval is required anytime the overall budgeted fund increases or decreases.

Hernando County has two (2) levels of budget amendments.

- ☐ Any transfer relating to reserves or that will increase staffing levels must have Board approval. This also includes any transfer of positions from one department to another.

Any grant matches remaining after a grant has been closed or canceled by its sponsor requires a budget amendment from same department/division to move funds to reserves and must be Board approved.

- ☐ The Budget Officer or his/her designee must approve any transfers affecting personnel costs, capital projects/equipment, and/or all other forms of budget changes (changes by line item) within the same fund.

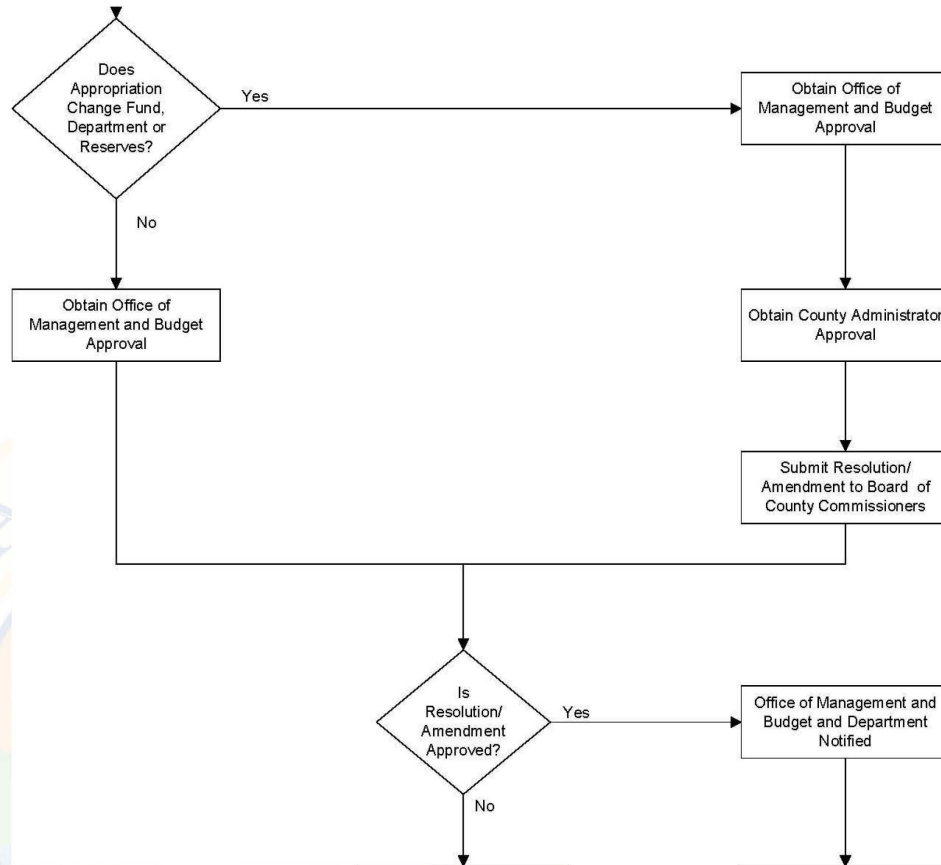
All requests for budget modifications must be submitted on a form entitled “Budget Amendment” and signed by the Department Head. They are then sent to the Office of Management and Budget (OMB) for review and approval. If required, they are sent onto the next level for further approval.

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BUDGET RESOLUTION AND AMENDMENT PROCESS

Department Determines Needed Change
Office of Management and Budget and Department
Notified Clerk Notified to Process Changes



BUDGET PROCEDURE POLICY:

Budget formulation, adoption, and execution involve year-round interaction of many people at various levels within the County. The purpose of this process is to identify service needs, develop strategies for meeting these needs, and development of detailed revenue and expenditure plans to carry out the strategic plans. The budget process incorporates the following procedures and activities.

- ☐ The development of the budget preparation information.
- ☐ An annual meeting with the Office of Management and Budget (OMB) staff, County Administrator and the Board of County Commissioners to set goals and priorities for the coming fiscal year (adoption of a tentative annual budget calendar).
- ☐ Distribution of budget information to all operating units at a kickoff meeting with the County Administrator. This meeting will serve as a forum to answer questions on budget procedures and to inform department heads of budget policies and priorities for the coming budget year.
- ☐ OMB reviews and tabulates all operating budgets, capital improvement projects, and revenue projections. Each submission is analyzed for accuracy, content, and compliance with the previously determined priorities and policies.
- ☐ OMB meets with each department to review their budgets in detail and adjust as needed. These meetings give each department head the opportunity to discuss and defend the amounts requested in their individual department budget submission.
- ☐ The County Administrator and OMB meet with each department to review and evaluate individual budgets. These meetings provide a forum for the explanation of revisions determined by OMB, and for any additional revisions by the County Administrator.
- ☐ Constitutional Officers submit their budgets per statutory guidelines.
- ☐ A tentative balanced budget is generated and distributed to the Board by July 15 of each year.
 - ☐ The Board reviews budget requests during budget workshops.
 - ☐ The Board certifies proposed millage rates to the Property Appraiser.
- ☐ Public hearings are held to adopt the proposed budget, millage rates, and Capital Improvement Program.
- ☐ October 1, implementation of the adopted budget and Capital Improvement Program.

A finalized budget is published on County website.

Adopted: March 28, 2000

Amended: September 27, 2011

Amended: December 16, 2014

Amended: August 27, 2019

Amended: April 28, 2020

Amended: March 11, 2025 - summarized below:

- Updated reference to capital accounts being excluded from budget reserve calculations;
- Referenced a CIP contingency amount available at the department level; and
- Other formatting and minor changes.



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Hernando County, FL Board of County Commissioners Fiscal Year 2025-2026 Annual Budget

CAPITAL ASSETS

POLICY NO. 07-04

PURPOSE:

To provide for the safeguarding of fixed assets and to provide County personnel with accounting guidance applicable to the several categories of fixed assets.

DEFINITION:

Terms relating to the accounting for fixed assets are defined in the following paragraphs.

Capital Assets.

Fixed assets are tangible assets of significant value having a useful life that extends beyond one year. The fixed assets included in this accounting system are land, buildings, improvements, infrastructure, equipment, leasehold improvements and intangible assets as further defined. The terms 'fixed assets' and 'capital assets' may be used interchangeably throughout.

Land.

Land includes the investment, fee simple in real estate other than building and/or improvements.

Buildings.

Buildings include all local government owned buildings except those whose condition prevents their serving any present or future useful purpose. Permanently installed fixtures to or within the building, such as lighting fixtures and plumbing are considered a part of the building. The costs of major improvements to a building, such as additions and renovations, should be capitalized and recorded as a part of the building asset value.

Improvements.

Improvements are physical property of a relatively permanent nature. Examples include storage tanks, parking areas and park facilities.

Infrastructure.

Infrastructure includes capital expenditures relating to roads, curbs and gutters, streets, sidewalks, shoulder safety, drainage systems and lighting systems.

Equipment.

Equipment includes moveable property of a relatively permanent nature and of significant value, such as mobile equipment, office equipment, data processing equipment, machines, tools and office furniture and fixtures. "Relatively permanent" is defined as a useful life span of one year or longer when it is applied to equipment to be inventoried. The County may consistently exercise the option to include other items which it desires to maintain accounting control over. Exceptions to the "significant value" definition and the one-year life rule should be applied consistently.

Intangible Assets.

Intangible assets include software, easements, and right of ways. An intangible asset can only be recognized as an asset if it is identifiable, meaning it can be sold, transferred, licensed, rented, exchanged, or it arises from contractual or other legal rights as per Governmental Account Standards Board.

Leasehold Improvements.

Costs used to increase the service capacity of a leased asset, such as additions, alterations, remodeling, or renovations.

Maintenance.

Maintenance is defined as expenditures that neither materially add to the value of an asset nor appreciably prolong its life. Rather, maintenance keeps an asset in ordinary efficient operating condition. As such, maintenance costs should not be capitalized.

Betterments.

Betterments consist of the replacement of a unit of an existing asset by an improved or superior unit, usually resulting in a more productive, efficient or longer useful life. Significant betterments are considered as fixed assets and should be added to the value of the asset that is improved. Replacement of a part of an existing asset by another of like quality is not betterment, even though the useful life is maintained or extended.

Land Costs.

The acquisition cost of land includes all expenditures relating to its procurement, such as:

- Purchase price
- Appraisal and negotiation fees
- Title search fees
- Surveying fees
- Costs of consents
- Payment of damages
- Clearing land for use
- Demolishing or removing structures
- Filing costs

Building and Other Improvements.

The acquisition cost of buildings, improvements, leasehold improvements and infrastructure includes all expenditures in connection with its procurement, such as:

- Purchase price or construction costs
- Fixtures attached to the structure
- Architect's fees
- Costs of permits and licenses
- Payment of damages
- Insurance costs during construction
- Interest incurred for the purpose of the project – interest on debt

Equipment Costs.

The acquisition cost of equipment includes all expenditures in connection with its procurement, such as:

Purchase price or construction costs, before trade-in allowance, less discounts
Freight or other transportation costs
Installation costs

Software Costs.

The acquisition cost of software created by the government itself (internally generated), by a contracting party acting on the government's behalf, or the purchase of "off-the-shelf" software.

General Asset Accounts.

The grouping together of assets that share common characteristics, are placed in service in the same fiscal year, and are depreciated as if they collectively represent one asset. Examples include library resources and radio read meters.

Statutory Requirements.

State issued laws and rules addressing local government Capital Assets as follows:

Florida Statutes Chapter 274
Florida Statutes Section 274.01
Florida Statutes Section 274.02
Department of Financial Services Rule 69I-73

Custodian.

Each department is responsible for the assets assigned to that department and will act as custodian of the property. As specified in FS 274.03, each custodian shall be responsible to the governmental unit for the safekeeping and proper use of the property entrusted to his or her care.

PROCEDURE:

A. Fixed Asset Accounting Transaction

1. Statutory requirements regarding Local Government Owned Tangible Personal Property shall be adhered to.
2. The Clerk of Court and Comptroller's Department of Financial Services will create and maintain proper subsidiary ledgers to record fixed asset acquisitions, deletions, and changes for all Constitutional Officers with the exception of the Sheriff's Office per Florida Statutes.
3. The Clerk of Court and Comptroller's Department of Financial Services will balance the subsidiary ledgers to the general ledger on a regular basis.

B. Capitalization Threshold

The following capitalization thresholds have been established. They are in accordance with Government Finance Officers Association recommended practice, "Establishing Appropriate Capitalization Thresholds for Capital Assets".

Equipment	\$5,000
Land	Capitalize all

Buildings	\$10,000
Improvements	\$10,000
General Asset Accounts	\$100,000 Annually per group
Infrastructure	\$150,000
Software	\$150,000
Easements	\$150,000
Right of Way	\$150,000
Leasehold Improvements	\$150,000

C. Physical Tagging of Fixed Assets

1. Asset control numbers will not be assigned to land, building, improvements, leasehold improvements, infrastructure, or intangible assets. Asset control numbers will be assigned to equipment with a cost greater than or equal to \$1,000.
2. Asset control decals will be consecutively numbered tags supplied by the Clerk of Court and Comptroller's Department of Financial Services. All Board departments and Constitutional Officers with the exception of the Sheriff will use these tags.
3. The asset control tag will be physically attached to the item of equipment at the time of its addition to the subsidiary ledger. The Clerk of Court and Comptroller's Department of Financial Services will be responsible for coordinating the tagging of equipment.

D. Depreciation

Depreciation is recorded for fixed assets in accordance with Generally Accepted Accounting Principles. Fixed assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20-40 years
Improvements	20 years
Improvements –	
Water/Sewer Lines	50 years
Infrastructure	
Roads	50 years
Pavement Management	15 years
Surface Treatment	5 years
Culverts	50 years
Drainage	50 years
Sidewalks	50 years
Signals	20 years
Stormwater	50 years
Shoulder Safety	50 years
Intangibles	per contractual provisions
Leasehold Improvements	life of the lease or life of the improvement, whichever is shorter
Equipment	5-15 years
General Asset Accounts	based upon group characteristics

E. Land Control

The Clerk of Court and Comptroller's Department of Financial Services will maintain a current land ledger and will keep all original deeds of county owned land.

F. Buildings, Improvements, Leasehold Improvements, and Infrastructure Control

The Clerk of Court and Comptroller's Department of Financial Services will maintain a current building, improvement, leasehold improvements and infrastructure ledger.

G. Equipment Control

1. Each department is responsible for the equipment assigned to that department. The Clerk of Court and Comptroller's Department of Financial Services will add all new equipment purchased with County funds to the appropriate department's inventory. All equipment additions, transfers and other changes shall be reported to the Finance Office by the department electronically via the County managed asset notification system.
2. The Clerk of Court and Comptroller's office will conduct an annual inventory of equipment in accordance with Statutory Requirements. Any discrepancies between the subsidiary ledger and the actual inventory shall be explained by the department and, if unreconciled, will be reported to the Board of County Commissioners.
3. At fiscal year end, the Clerk of Court and Comptroller's Department of Financial Services will send detail listings of equipment to the Constitutional Officers to verify.

Replaces: Policy No. 01-08
Reference: July 28, 1981
Adopted: September 18, 1991
Amended: September 24, 2002
Amended: August 23, 2011
Amended: May 8, 2012
Amended: September 25, 2018



Hernando County, FL

Board of County Commissioners

Fiscal Year 2025-2026 Annual Budget

Grant Management Policy 15-01

I. **Purpose:** The purpose of this Policy is to establish and clearly define the objectives, responsibilities, internal controls, and authority to efficiently maintain compliance with the administration and management of grant awards received by the Hernando County Board of County Commissioners (BOCC).

II. **Policy:**

a. *Applicability-* This Policy is applicable to all federal, state, and other grant funding received by Hernando County government. This includes but is not limited to Departments under the direction of the County Administrator, agencies/entities administering on behalf of Hernando County and grants administered by the BOCC for other agencies/entities.

b. *Delegation of Authority-*

i. Implementing Department- Responsibility for administering the grants and maintaining compliance rests within the Department where the grant is implemented. Each Department under the BOCC shall be responsible for proper administration of its own grant projects, and shall designate a "Project Manager" and "Project Administrator" to manage the grant activities to ensure compliance with all grant terms and requirements. The Project Manager and Project Administrator will be required to communicate and involve the Grants Team from the start of the application to close-out.

1. The "Project Manager" (PM) is the person responsible for the management of the grant project; the PM is also responsible for providing all required information necessary for the Project Administrator to complete all required paperwork and reimbursement requests. The Project Manager is accountable for all reimbursement requests and reports prepared by the Project Administrator prior to submittal.
2. The "Project Administrator" (PA) is responsible for ensuring compliance with the grant terms and requirements pertaining to programmatic and financial grant compliance.

Grants Team- The Grants Team includes the Grants and Operations Performance Coordinator (Office of Management and Budget), the Grants Coordinator (Office of Management and Budget), the Grant & Revenue Manager (Clerk of Court and Comptroller-Financial Services)

The collective goal of the Grants Team is to support departments and offices in the successful acquisition and management of grant awards. To this end, each of the members of the Grants Team is assigned as the primary point of contact for a specific phase or purpose in the Grant Lifecycle.

Grant Management Policy 15-01

3. The Grants and Operations Performance Coordinator is responsible for coordinating grant application and award notification also known as the pre-award and award phases of the grants lifecycle.
 4. The Grants Coordinator is responsible for the award and post-award phases of the grants lifecycle. The Grants Coordinator is responsible for monitoring program compliance, oversight of grant programs, coordination of grant procurement compliance as well as administration of the Grant Management System (GMS).
 5. The Clerk of Court and Comptroller, Department of Financial Services, is responsible for the safekeeping of financial records prepared by the BOCC to ensure compliance with federal and state accounting and financial reporting requirements for all departments under the BOCC. The Grant & Revenue Manager or similar position within the Clerk's Department of Financial Services is responsible for the post-award of the grants lifecycle, including but not limited to, reviewing grant related expenditures and financial grant reporting. The Grant and Revenue Manager also ensures that all grants are properly accounted for on the annual Single Audit Schedule of Expenditures of Federal Awards and State Financial Assistance, which is prepared by the Department of Financial Services.
 - iv. The Grants Team is responsible for an electronic centralized Grant Management System (GMS) to provide for a uniform tracking of all grants from application, through award and closeout. All Departments must use the GMS for grant reporting and monitoring. The Grants Team is tasked with implementing and monitoring compliance in accordance with this Policy.
- c. *Approvals-*
- i. Application- All applications for grant awards should be coordinated with the Grants Team prior to submitting the application to the funding agency. Internal approvals are as follows:
 1. Applications for Competitive grant awards will be coordinated with the Grants and Operations Performance Coordinator prior to proceeding. Applications for competitive awards should be evaluated for program effectiveness and benefits prior to application.
 2. Applications for grant renewals, reoccurring awards, or formula grants should be coordinated by the Project Manager with the Office and Management and Budget through the Grants Coordinator or the Grants and Operations Performance Coordinator. Applications for

Grant Management Policy 15-01

grant renewals, reoccurring awards, or formula grants shall be evaluated for program effectiveness and benefits prior to application.

3. All applications require approval of the Senior Management in chain of command for the implementing department prior to submission of an agenda item to the County Administrator and BOCC for approval to submit the application.
4. The Project Administrator must submit an agenda item and all application documentation for review, processing and placement on the BOCC agenda for approval. The agenda item must include the total project cost, the grant funding amount (specified as federal, state, or other source) and the required local match amount and percent (if any). Additionally, the agenda memo shall explain the purpose of the grant and request authorization for the submission of the application.
5. In the case of time restraints, where applications amount to less than the threshold(s) established by Section 287.017 F.S. Category Two, as amended*, or at the County Administrator's discretion, approval of applications is allowable with concurrence from the Grants Team and the Office of Management and Budget. After approval by the County Administrator, or the County Administrator's designee, an agenda item will be submitted to the BOCC for concurrence at the next available meeting. In the event the BOCC disapproves the application, the funding agency will be immediately notified to withdraw the application.
6. Where possible grant applications shall include charges for indirect costs to the maximum allowed in accordance with the specific grant rules.

* Also see Hernando County Purchasing Manual Section 12.2 (current version)

- ii. Award- All grant awards and associated resolutions must be reviewed by Legal and OMB prior to being submitted to the BOCC for approval and signature on the corresponding documents. The current BOCC Chairman or approved designee will be the authorized authority on behalf of the County to sign the grant documents.
- iii. Modifications- All amendments/revisions to the grant agreement require the approval of the BOCC. Legal review is required prior to proceeding for BOCC action. Minor amendments/revisions that don't require updates to the grant agreement can be processed administratively, but must be reviewed and approved by the Grants Coordinator prior to submitting to the funding agency.

Grant Management Policy 15-01

- iv. Close-out- Grant close-out occurs at the implementing Department level in accordance with all requirements and procedures in the grant agreement.
- v. Pass-thru & Sub-recipient- All sub-recipient awards must be approved by the BOCC. Oversight will be the responsibility of the sponsoring Department. A sub-recipient agreement will be brought to the BOCC concurrently (if possible) with the grant award after Legal review.

d. Administration/Implementation

- i. Training- The Grants Team along with implementing Department staff is responsible for training new employees who work on grant awards. Employees responsible for the management of grant-funded projects will attend both formal and informal training. The Grants Team may also conduct individualized training for a Department or key staff. There will also be mandatory training provided by the Grants Team.
- ii. Budgeting- Grants are to be budgeted in accordance with the current Budget Policy (No. 29-01). Grants should not be budgeted until officially awarded by the funding/granting agency. Budget Resolutions and Budget Amendments should follow current County OMB Guidelines. If prior approval is required by the granting agency for a budget modification, this should be received before submitting the modification to OMB for processing.
 - 1. Each Department is responsible for processing grant matches after reimbursement is received from the granter and shall be done at the same frequency as the grant requirements for reporting (monthly, quarterly, annually, etc.).
- iii. Reporting & Reimbursement Requests- Reports are to be submitted timely to all granters. Unless a different frequency is required by the granter, reimbursement requests should be submitted at a minimum quarterly within 45 days of the end of each quarter. A quarterly report will be completed by the Grants Coordinator from GMS identifying untimely reports. This report will be provided to the Director of Office of Management and Budget and the respective Senior Management for the implementing department(s).
- iv. Recording Keeping- Ultimately, the responsibility of all grants related documentation rests within the implementing Department administering the grant. The County's Grants Management System (GMS) must be used as the central repository for all grant related records. All grant records should be kept for the retention period specified in the grant agreement. All Departments should maintain an electronic department file for each grant inclusive of all essential documentation requirements including all information that cannot be included in the GMS (such as personal identifiable information - SSN, DOB, etc...) and maintain those records for the required retention period.

Grant Management Policy 15-01

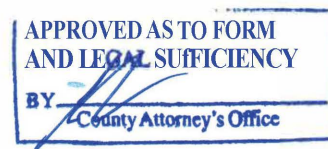
- v. Procedures- By incorporation of reference, administration of grant awards governed by this Policy must follow the processes and procedures outlined in the current Grants Manual. Unless specifically noted in the Grants Manual, all other County Policies & Procedures are to be followed accordingly.
 - vi. Monitoring/Reviews/Audits- All grant related monitoring reviews and audits shall be coordinated with the Grants Team. All corrective actions are to be reviewed by the Grants Team and approved by the implementing Department's Senior Management prior to submittal to the reviewing agency. Once a department receives final determination/opinion of an audit, they are required to submit an agenda item of note to the BOCC.
 - vii. Fixed Assets - All fixed assets, as outlined in Capital Assets Policy #07-04, that are reimbursed/purchased with grant funds:
 - 1. Shall be documented properly upon receipt.
 - 2. Shall be disposed of in accordance with the Fleet Surplus Policy and applicable grant requirements.
 - viii. Accounting- All federal and state grant awards subject to a single audit, or of a significant transaction class, will be accounted for in its own designated grant department in the County's financial system. Additionally, each grant will be given its own unique revenue account. Only allowable and eligible grant and match/sharing related expenditures and revenues should be recorded in the grant department. Exceptions to this rule must be approved by the Grants Team.
 - ix. Fraud Reporting - All grant awards are subject to the Fraud Policy of Hernando County and to further include the following:
 - 1. Anti-Fraud awareness training conducted at least annually.
 - 2. Notification to the appropriate federal or state agency in cases of confirmed fraud related to grant funds.
 - x. Conflict of Interest - All grant awards are subject to the Conflict of Interest Policy of Hernando County and to further include the following:
 - 1. Notification to the appropriate federal or state agency in cases of any potential conflict of interest.
 - 2. All violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a Federal award must be immediately reported to the appropriate funding agency.
- e. *Establishment of a Grants Committee*- To further promote the effectiveness and efficiency of the County's grant process and policy, a Grants Committee may be established to regularly meet and discuss grant related matters. Recommendations for changes should be discussed by the Committee for final resolution and recommendation. The Committee may consist of the Grants Team,

Grant Management Policy 15-01

representatives from Constitutional Offices, Director of Financial Services, County Administrator or designee, County OMB Director, etc.

- f. *Compliance* - The County Administrator or Senior Management of their respective departments are responsible for ensuring compliance with the grant management policy 15-01.

Adopted: July 9, 1996
Amended: May 11, 2010
Amended: March 8, 2016
Amended: March 27, 2018
Amended: October 25, 2022



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[County Website](#)



Hernando County, FL

Board of County Commissioners

Fiscal Year 2025-2026 Annual Budget

DEBT MANAGEMENT POLICY

POLICY NO. 41-01

I. PURPOSE

To establish guidelines for the issuance and management of the debt of Hernando County, Florida (hereinafter referred to as to "County"). The County is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of the County and the full and timely repayment of all borrowings.

II. SCOPE

This debt policy applies to all debt issued by the County. Debt issued by state agencies on behalf of the County is not subject to the provisions of this policy.

III. CAPITAL BUDGETING AND DEBT ISSUANCE POLICY

A. Capital Improvement Plan (CIP)

The CIP serves as the planning guide for the construction of public facilities, infrastructure and other capital purchases in the County. The CIP is designed to balance the need for these assets with the fiscal capability of the County to meet those needs. The County shall issue debt to meet these cash flow needs on a short-term or long-term basis, dependent upon the intended use of the proceeds.

B. Long-Term Debt

Long-term debt will be used to finance essential capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of the County. Long-term debt, which includes capital lease financings, should not be used to fund the County's operations. Capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the facilities or equipment.

C. Short-Term Debt

Short-term debt can be used to diversify a debt portfolio, reduce interest costs, provide interim funding for capital projects, provide short term funding for capital assets with a shorter useful life, and to improve the match of assets to liabilities. The County may issue commercial paper, lines of credit, other forms of variable rate debt and synthetic variable rate debt from time to time.

D. Issuance Process

Determination of recommendation for the issuance of both short and long-term debt to the Board of County Commissioners should be made by consensus of the following parties:

County Administrator
County Budget Manager/Director
County Finance Director (Clerk of Court & Comptroller)
Department Director of financed project
Independent Financial Advisor, Bond Counsel, Disclosure Counsel
Other appropriate parties as determined by those listed above

IV. MEASURES OF DEBT LEVELS AND DEBT ISSUANCE LIMITS

1. General Obligation Bonds shall have debt ratios necessary to maintain sound credit ratings.
2. Revenue Bonds shall maintain specific coverage ratios not less than the following:
 - i. Utility System Net Revenues excluding connection fees should be at least equal to 110% of maximum combined debt service, and 120% including connection fees.
 - ii. Public Service Tax Revenues should be at least 135% of combined debt service.
 - iii. Sales Tax Revenues should be at least 125% of debt service.
 - iv. State Revenue Sharing moneys should be at least equal to 110% of maximum combined debt service.
 - v. Local Option Gas Tax Revenues should be at least 150% of the combined maximum debt service requirement.

V. SALE METHODS

The County, upon advice of its Financial Advisor will determine whether the sale of debt shall be via a competitive sale or a negotiated sale on a case-by-case basis after considering such factors as the size and the complexity of the offering and market conditions.

VI. CALL PROVISIONS

Call provisions for the County bond issues shall be made as short as possible considering the impact of shorter call provisions on the interest rate(s) and other factors related to the financing, such as current and expected future interest rate trends and anticipated sources of repayment. The County shall seek to minimize any prepayment premium also considering such factors.

VII. DEBT STRUCTURE

A. Premium Bonds, Discount Bonds, and Capitalized Interest

The County may utilize various debt structures to accomplish its financing goals. These structures may include, but are not limited to, the use of premium bonds, discount bonds, capital appreciation bonds, variable rate and multimodal bonds, and capitalized interest when appropriate.

B. Interest Rate Swaps

The County may consider interest rate swap transactions only as they relate to its debt management program and not as an investment instrument or hedge. Any swap transaction should not include provisions that could impair the outstanding uninsured bond rating of the County.

VIII. VARIABLE RATE DEBT

The County may issue variable rate debt obligations in amounts and in proportion to its fixed rate debt that the County, upon advice of its Financial Advisor, determines are appropriate to achieve the County's goals with respect to its credit rating, risk management, debt management flexibility and debt service costs. The specific amount of variable rate obligations permitted will be set considering cash reserves, market conditions, matching of current and future assets and liabilities, budget procedures and other factors deemed relevant by the County, its Financial Advisor and national credit rating agencies. Variable rate obligations that are swapped to a fixed rate for a term of greater than five (5) years will be considered as fixed rate obligations.

IX. DEBT REFUNDING

The County will monitor outstanding debt in relation to existing conditions in the debt market and may refund any outstanding debt when sufficient cost savings can be realized. Refunding outstanding debt may be considered when the net present value savings between the refunded bonds and the refunding bonds is equal to or greater than 3% for either a current refunding or for an advance refunding. A higher savings threshold may be adopted for when the present value savings could vary from the amount presented at closing (i.e. synthetic refunding, put bonds, swaptions, etc.). Conversely, a lower savings level may be acceptable for certain refunding opportunities (i.e. refunding with a very short duration). The County may also refund existing debt for the purpose of revising bond covenants to meet organizational and/or strategic needs of the County.

X. CREDIT OBJECTIVES

It is the County's intent to maintain and improve the credit ratings on its outstanding bonds. The County will actively seek to adhere to benchmarks and overall debt coverage ratios contemplated in its planning process. The County will also maintain frequent communications with the credit rating agencies and bond insurers.

XI. CREDIT ENHANCEMENT AND LIQUIDITY

Bond insurance, surety policies, letter of credit, liquidity facilities and other credit enhancements or liquidity facilities, may be used when it provides an economic savings and/or enhances investor demand for the County's obligations.

XII. REPORTING AND COMPLIANCE

A. Continuing Disclosure

The County will (1) provide disclosure in connection with the initial sale and distribution of its publicly marketed debt instruments and (2) provide ongoing secondary market information, in compliance with the requirements of applicable federal and state securities laws, rules and regulations.

B. Debt Service Payments

The County will include the appropriations necessary to make the required debt service payments in its annual budget.

C. Compliance with Bond Covenants, Federal and State Law

The County shall comply with all covenants and requirements of bond resolutions, and State and Federal laws authorizing and governing the issuance and administration of debt obligations.

D. Bond Yield Arbitrage Monitoring

The County shall contract for arbitrage calculation services to monitor the earnings on its bond proceeds for each debt series and determine whether a rebate is necessary.

Adopted: July 16, 2019





Hernando County, FL Board of County Commissioners Fiscal Year 2025-2026 Annual Budget

Purchasing Procedures Overview

For the complete Purchasing Policy Manual click here: [Hernando County Purchasing Policies and Procedures](#)

1. Purpose

The County maintains a central procurement system which promotes efficiency, economy, and fair and open competition in an effort to reduce the appearance and opportunity for favoritism or impropriety, and to inspire public confidence that all purchases and contracts are awarded equitably and economically. The purpose and objectives of this Purchasing Manual (the "Manual") are:

- A. To deal fairly and equitably with all vendor/contractors wishing to do business with Hernando County.
- B. To assure adherence to all purchasing laws, regulations, and procedures.
- C. To maximize competition for all procurements.
- D. To administer the contracting function with internal efficiency.
- E. To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable vendor/contractors meeting the County's needs.

This Manual is to serve as a permanent, up-to-date guide to County procurement policies and procedures.

7. Code of Ethics

Ethics, Generally

Hernando County is committed to a purchasing process which fosters fair and open competition, is conducted under the highest ethical standards, and enjoys the complete confidence of the public. To achieve these purposes, the County subscribes to the following code of ethics:

- A. The County will avoid unfair practices by granting all competitive respondents' equal consideration as required by State, Federal, and County regulations.
- B. The County will conduct business in good faith, demanding honesty and ethical practices from all participants in the purchasing process.
- C. The County will promote positive respondent and vendor/contractor relationships by affording respondent representatives courteous, fair, and ethical treatment.
- D. The County will make every reasonable effort to negotiate equitable and mutually agreeable settlements of dispute or disagreement with a respondent.
- E. The County will avoid involvement in any transactions or activities that could be a conflict between personal interest and the interest of the County.

Employee Ethics

Employees are subject to the Human Resources Policy - Code of Conduct and Florida Statute Section 112.313 as may be revised and amended from time-to-time. All employees, regardless of position, will maintain high standards of ethics and conduct and will avoid the appearance of unethical or compromising practices in relationships, actions, and communications. Procurement staff shall maintain complete independence and impartiality in dealings with vendors to preserve the integrity of the competitive process and to ensure public confidence in all procurement activities.

In addition, the provisions of Section 112.313, Florida Statutes, pertaining to the standards of conduct for public officers and employees, shall expressly apply to all county officials and employees. A violation of Section 112.313, Florida Statutes, pertaining to purchasing or contractual relationships shall also be deemed a violation of this Manual. Violations of these provisions of ethics and standards of conduct will be subject to disciplinary action up to and including termination of employment.

9. Categories, Thresholds and Guidelines

Delegation of Threshold Amounts

- A. The procurement method and authorization authority vary based upon the amount of the purchase. Generally, all purchases for commodities, equipment and services, when the estimated cost thereof equals or exceeds \$50,000, shall be purchased competitively; purchases below \$50,000.00 shall be handled in the manners specified herein, which are designed to maximize competition and ensure the County is receiving a fair price while balancing the need for an efficient use of staff resources. The Board may waive the competitive solicitation requirements when deemed to be in the best interest of the County. (The threshold amount for the procurement of planning and study activity by professionals is \$35,000, pursuant to section 287.055(3)(a)1., Fla.Stat.. See also section below titled "Request for Qualifications, CCNA" below.)
- B. Table 1 establishes the thresholds and procedures to govern procurement of commodities, equipment and services. Additionally, the authority for approving purchases within the established threshold set forth below is hereby delegated to the person(s) with designated signature authority. For purchases utilizing a Purchasing Card, refer to Appendix 1.
- C. All procurements will be procured in accordance with the methods permitted according to the threshold amounts, and as set forth in this Manual.

Change Orders

Change orders and contract amendments must be executed by the authorized individual pursuant to Table 1 who approved and executed the original purchase order or contract, unless the change order or contract amendment increases the total dollar amount to such a level that in accordance with Table 1, it shifts to another authorized individual/entity (the approval authority). In such instances the change order or contract amendment will be required to be approved and executed by the new appropriate authority pursuant to Table 1. Change orders and contract amendments shall not be used to avoid any standard purchasing procedure for procurement by the competitive procedures. The valuation of the procurement will be calculated based upon the value of the initial term of the contract to be awarded. The valuation of contract renewals will be based upon the value of the renewal term.

For purposes of construction contracts, the County department shall not be required to have a change order executed by the individual who approved the original purchase order or contract if such change order(s) includes minor changes in the Work not involving an adjustment to the Contract Amount or an extension to the Contract Time which would cumulatively exceed ten percent (10%) of the Original Contract Time.

10. Table 1 – Process Thresholds

10.1. [Single Written Quotes](#)

Department Director \$0 - \$5,000

Department Director and Chief Procurement Officer \$5,001 - \$10,000

Department Director and Chief Procurement Officer and BOCC N/A

Each category above includes designees of the various parties.

10.2. [Three \(3\) Written Quotes](#)

Department Director \$0 - \$5,000

Department Director and Chief Procurement Officer \$5,001 - \$50,000

Department Director and Chief Procurement Officer and BOCC \$50,000+

Each category above includes designees of the various parties.

10.3. [Requisitions](#)

Department Director \$0 - \$5,000

Department Director and Chief Procurement Officer \$5,001 - \$50,000

Department Director and Chief Procurement Officer and BOCC \$50,000+

Each category above includes designees of the various parties.

10.4. [Non- PO \(Direct\) Payments](#)

Department Director \$0 - \$5,000

Department Director \$5,001 - \$50,000

Department Director \$50,000+

Each category above includes designees of the various parties.

[10.5. Blanket Purchase Order \(Non-Contract\)](#)

Department Director \$0- \$10,000 (Single transaction limit of \$5,000)

Each category above includes designees of the various parties.

[10.6. Contract Amendments](#)

Department Director \$0 - \$5,000

Department Director and Chief Procurement Officer \$5,001 - \$50,000

Department Director and Chief Procurement Officer and BOCC \$50,000+

Each category above includes designees of the various parties.

[10.7. Task Orders](#)

Department Director \$0 - \$5,000

Department Director and Chief Procurement Officer \$5,001 - \$500,000

Each category above includes designees of the various parties.

[10.8. Change Orders](#)

Department Director \$0 - \$2,500

Department Director and Chief Procurement Officer \$2,501 - \$50,000

Department Director and Chief Procurement Officer and BOCC \$50,000+

Each category above includes designees of the various parties.

[10.9. Change Orders where CPO is authorized by BOCC at time of award to approve COs up to budgeted amounts](#)

Department Director \$0 - \$2,500

Department Director and Chief Procurement Officer \$2,501 - \$50,000

Department Director and Chief Procurement Officer \$50,000+ up to budgeted amounts not to exceed 25% of approved contract value. In the event a budget amendment is required, the procedures of the Office of Management and Budget shall apply to the Change Order.

Each category above includes designees of the various parties.

