

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET ADOPTION POLICY**

I. ~~BACKGROUND AND PURPOSE~~

The Board of Retirement annually adopts a budget covering the expenses of administering the retirement system. The administration expenses incurred in any year will be charged against the earnings of the retirement fund and will not exceed twenty-one hundredths of one percent (0.21%) of MCERA's actuarial accrued liability, unless authorized by a separate vote of the Board of Retirement.

The purpose of the Budget Adoption Policy is to establish the process by which the MCERA annual budget is adopted by the Board of Retirement.

II. ROLES

1. The preparation and presentation of the budget is the responsibility of the Retirement Administrator.
2. The recommendation for the adoption of the annual budget is the responsibility of the Audit and Budget Committee.
3. The adoption of an annual budget is the responsibility of the Board of Retirement.

III. POLICY GUIDELINES

General Provisions

1. The Retirement Administrator will present to the Board of Retirement a proposed budget for the next fiscal year that supports the initiatives set out in the Strategic Plan. The Budget will be presented for review and recommendation by the ~~Budget and Audit~~Audit and Budget Committee during April and for adoption by the Board during the month of May.
2. The format of the proposed budget will organize expenditures within MCERA into the following categories:
 - a. Personnel;
 - b. Administrative;
 - ~~b.c.~~c. Board Expense
 - ~~e.d.~~d. Disability;
 - ~~d.e.~~e. Building Expenses (625 Kings Court);
 - e.f. Technology;
 - ~~f.~~ Investments;
 - g. ~~g.~~ _____
 - g.h. Such other functions that may be adopted by MCERA in the future.
3. The Retirement Administrator is granted the authority to determine which purchases not exceeding \$5,000.00 are to be treated as capital expenses and which are to be

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET ADOPTION POLICY

expensed in the year of purchase and shall be reported to the Board in a timely manner.

4. The Retirement Administrator is granted authority to shift funds not to exceed a limit of \$10,000 within a category to accomplish the goals set forth in the Strategic Plan and shall be reported to the Board in a timely manner. Funds may not be moved from one category to another without approval of the Board of Retirement.
5. The Retirement Administrator may request that the Board amend the budget for the current fiscal year by presenting reasons for the budget amendment, its expected impact, and the cost of the amendment for the remainder of the budget year.
6. The Retirement Administrator shall endeavor not to exceed expenditure levels specified in the approved or amended budget.
7. The Retirement Administrator shall provide quarterly budget reports to the Board of Retirement.

IV. POLICY REVIEW

The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

V. POLICY HISTORY

This policy was adopted by the Board of Retirement on February 20, 2013.

This policy was amended by the Board of Retirement on January 19, 2016.