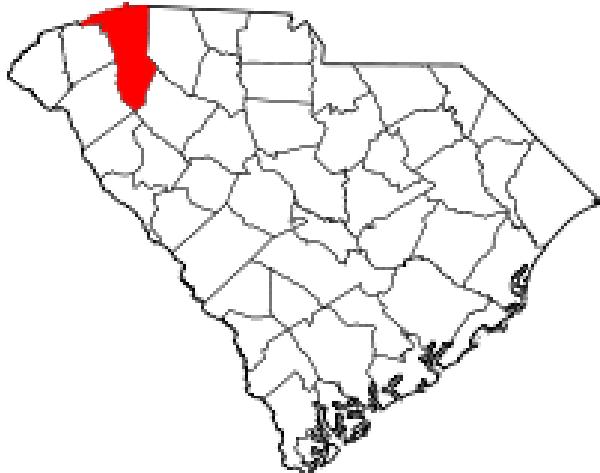


HISTORY OF GREENVILLE COUNTY



The origins of the name Greenville County are uncertain, but the county was probably named for Revolutionary War general Nathanael Greene (1742-1786) or for an early resident, Isaac Green. This area of the state was the territory of the Cherokee Indians until 1777. Scott-Irish and English settlers began moving into the area soon after the Cherokee ceded the lands to the state. The first white settler was Richard Pearis, an Irishman, who came from Virginia about 1765 as a trader. The county was created by the State's General Assembly on March 22, 1786. The Greenville District was part of the larger Washington District from 1791 to 1800. The county seat was originally named Pleasantburg, but in 1831 the name was changed to Greenville. The village of Greenville was chartered by state law on December 17, 1831. On

February 14, 1907, the city surrendered its charter and accepted incorporation under general law.

Because of its location in the foothills of the Blue Ridge Mountains, Greenville County became a popular summer retreat for lowcountry planters in the early 1800s. The area flourished as a resort, connected even in early days by what then were considered good roads leading toward western North Carolina and Tennessee, and toward Charleston and Atlanta. With abundant streams and rivers, Greenville County encouraged textile manufacturers to begin operating in the area as early as the 1820s. The falls of the Reedy River were soon utilized to furnish power for iron works, corn and cotton mills.



In 1853, the Atlanta and Charlotte Air-Line railway opened with a direct path through Greenville, thereby facilitating the movement of the textile industries from the North to the South. As a result, Greenville became known as the Textile Capital of the World, a distinction that prevailed through the last quarter of the twentieth century.

In more recent decades, the County has expanded on its reputation as an attractive site for corporate headquarters relocation and international business investment. Greenville County is known as a business and high technology manufacturing center, and as a regional center for industrial technology, engineering, health and commerce.



ORGANIZATIONAL FORM OF GOVERNMENT

Greenville County is organized as a Council-Administrator form of local government, which combines the political leadership of elected officials with the professional experience of an appointed local government administrator. Under the Council-Administrator form, power is concentrated in the elected Council, which hires a professional administrator to implement its policies. This appointee serves at the pleasure of the Council and has responsibility for preparing the budget, directing day-to-day operations, hiring and dismissing personnel, and serving as the Council's chief policy advisor. County Council is composed of twelve members, which are elected in single member districts to a four-year term.

ORGANIZATIONAL STRUCTURE

Greenville County government is organized into seven basic financial areas of service delivery. Each group is organized according to its functional area and services provided.

Administrative Services - This area of county government is comprised of the County Administrator's Office, County Council Office, and County Attorney's Office.

General Services – This area of county government is responsible for the financial management and technological operations of County government including budget preparation. Also included in this area are property assessment, tax collection, procurement, financial operations, information technology, GIS services, fleet management, human resource services, including benefit and compensation administration and employee training. In addition, this area serves as liaison to three departments governed by commissions: Human Relations, Registration and Election, and Veterans Affairs.

Community Development and Planning - This area of county government is responsible for infrastructure related functions, including engineering and road maintenance, solid waste, and stormwater management. Also included in this area are planning and code compliance, animal care services, and county property management.

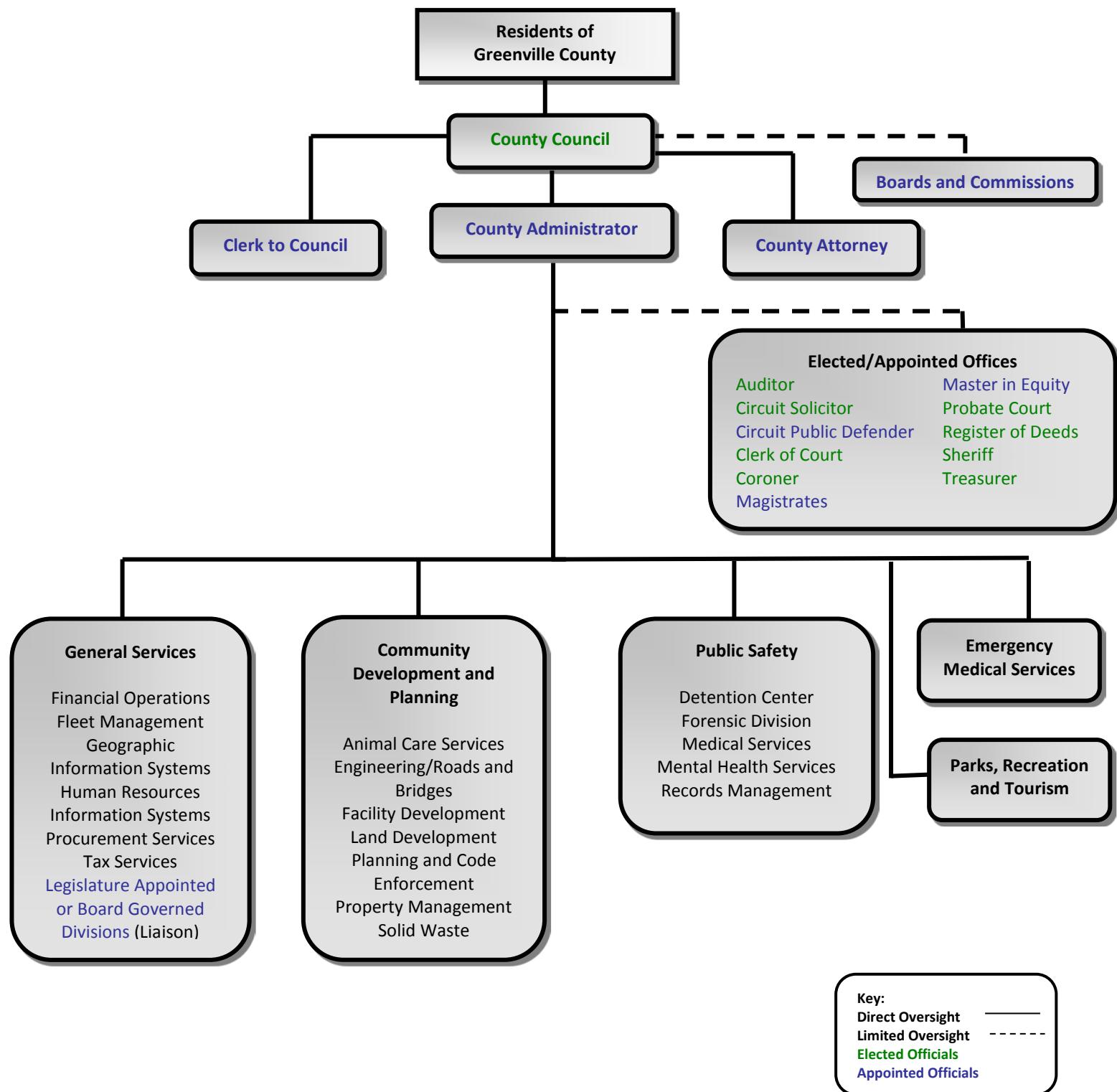
Public Safety – This area of county government is comprised of several law enforcement related functions, including the Detention Center, the forensics division and crime lab, maintenance of criminal records, and indigent defense. The Emergency Medical Services Division is also included in this area.

Judicial Services – This area of county government is comprised of elected and appointed officials whose function relates to the judicial or court system. Offices in this area include the Circuit Solicitor, Clerk of Court, Probate Court, Magistrates, Master in Equity, and Circuit Public Defender.

Fiscal Services – This area of county government is comprised of elected officials whose function relates to other fiscal areas of government not directly under the purview of the County Administrator. This includes the County Treasurer, County Auditor, and County Register of Deeds.

Law Enforcement Services – This area of county government is comprised of elected and appointed officials whose function is to provide basic law enforcement services. This includes the Sheriff, Coroner, and Medical Examiner.

COUNTY OF GREENVILLE ORGANIZATIONAL CHART



GREENVILLE COUNTY, SOUTH CAROLINA COUNTY COUNCIL



Joe Dill
District 17



Liz Seman
District 24



Joseph Baldwin
District 18



Lottie Gibson
District 25



Sid Cates
District 20



Dan Rawls
District 26



Jim Burns
District 21



Butch Kirven
District 27



Xanthene Norris
District 23



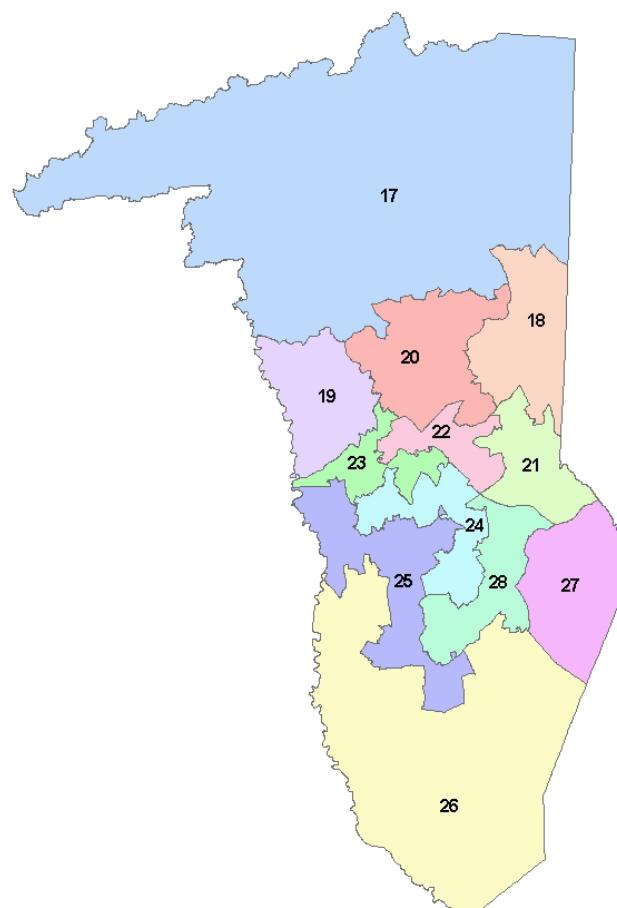
Bob Taylor, Chair
District 22



Willis Meadows, Vice Chair
District 19



Fred Payne
District 28



COUNTY OF GREENVILLE ADMINISTRATIVE AND APPOINTED STAFF

Joseph Kernal, County Administrator

John Hansley
Deputy County Administrator, General Services

James Dorriety
Assistant County Administrator, Public Safety

Paula Gucker
Assistant County Administrator, Community Development and Planning

Diane Cagle, Chief Magistrate
Theresa Kizer, Clerk to Council
John Mauldin, Circuit Public Defender
Charles Simmons, Master in Equity
Mark Tollison, County Attorney

ELECTED OFFICIALS

Scott Case, Auditor
Parks Evans, Coroner
Debora Faulkner, Probate Judge
Jill Kintigh, Treasurer
Steve Loftis, Sheriff
Tim Nanney, Register of Deeds
Paul Wickensimer, Clerk of Court
W. Walter Wilkins, Circuit Solicitor

DESCRIPTIONS OF FUNDS AND FUND TYPES

The accounts of the County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in these funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUNDS

The **General Fund** is the general operating fund of the County and accounts for all financial resources except those required to be accounted for by another fund. This fund is used to account for most of the day-to-day operations of the County, which are financed from property taxes and other general revenues.

The **Special Revenue Funds** are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government.

The **Debt Service Fund** reports current financial resources restricted for the payment of principal and interest for long-term debt.

The **Capital Projects Fund** reports financial resources restricted for the acquisition and construction of major capital projects by the County except those financed by the Enterprise and Internal Service Funds.

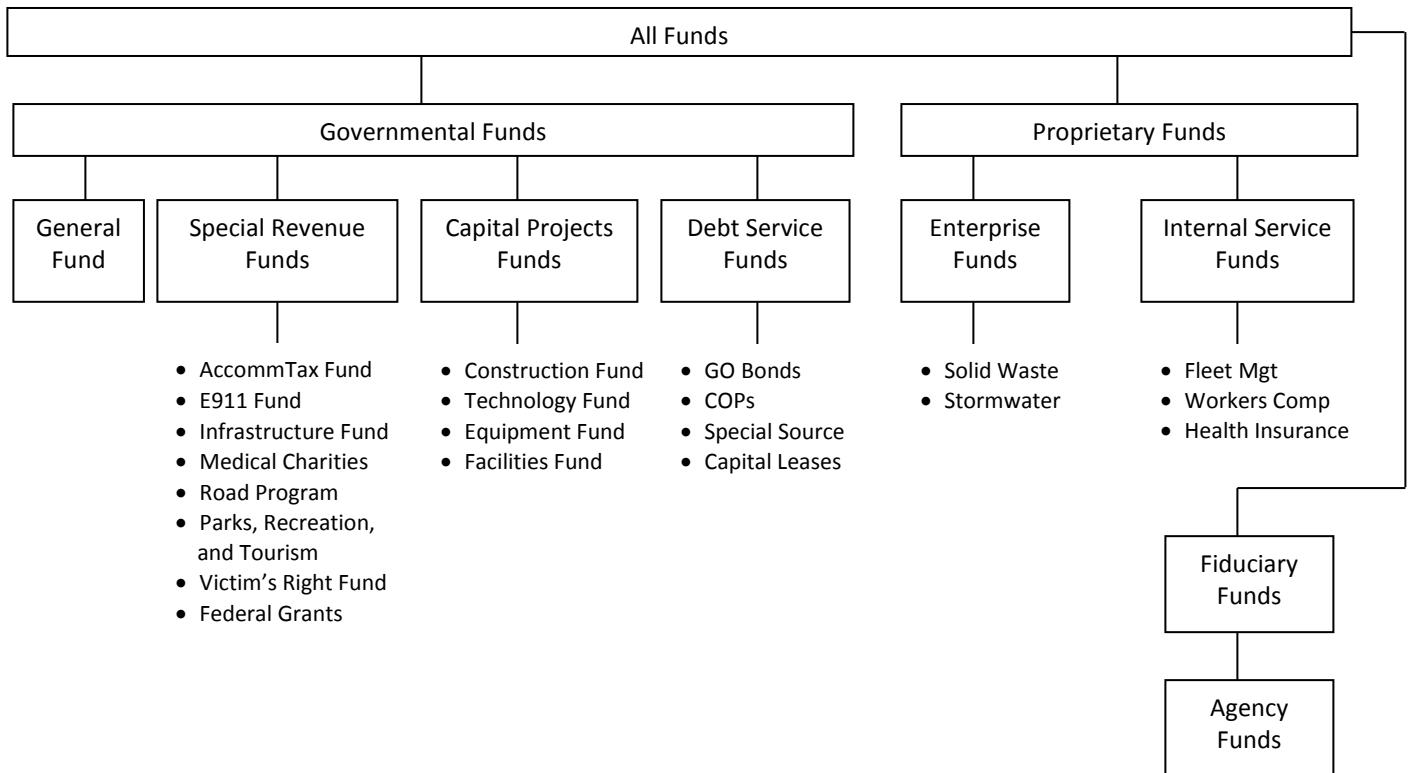
PROPRIETARY FUNDS

Proprietary funds are used to account for activities, which are similar to those found in the private sector. The County's proprietary fund types are its enterprise funds and internal service funds.

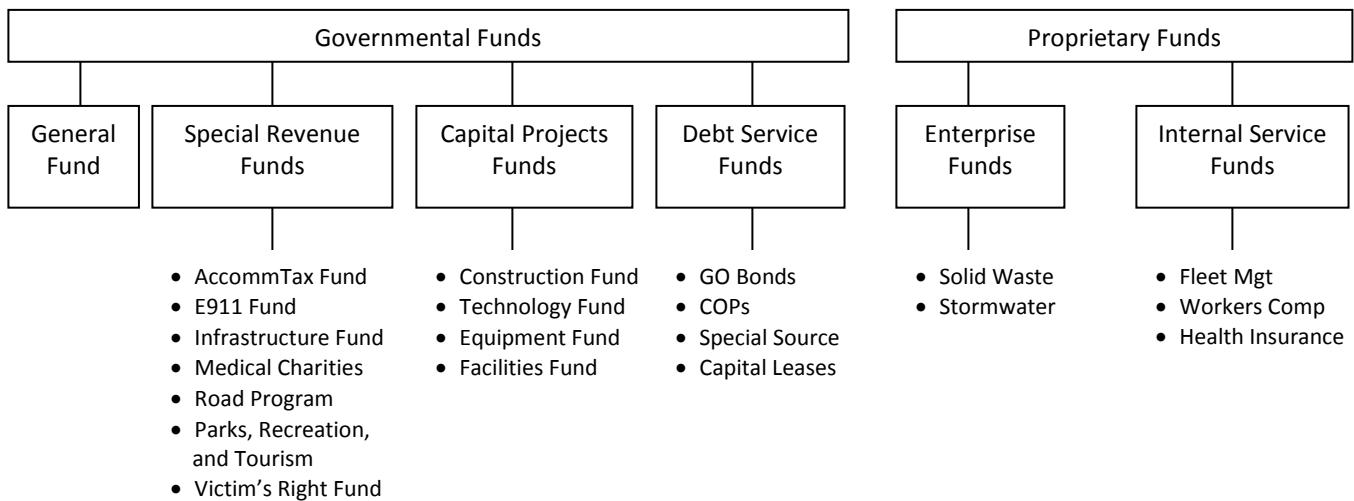
The **Internal Service Funds** account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises where the determination of net income is necessary or useful for sound financial administration and where the costs of providing such services are typically recovered to a varying extent through user charge.

FUND STRUCTURE



Adopted Budgets for the Following Funds



FUND/DEPARTMENT RELATIONSHIP

The County of Greenville's organizational structure consists of departments performing various activities necessary for the operation of the County, while the County's finances are reported in funds. The following table portrays the County's departments and the funds they use.

Department	General	Special Revenue Funds					Capital Projects Funds	Enterprise Funds		Internal Service Fund
		E911	Medical Charities	Parks & Recreation	Road Program	Victims Rights		Solid Waste	Stormwater	
County Council	X									
County Administrator	X									
County Attorney	X									
<i>General Services</i>										
Financial Operations	X									
Fleet Management							X			X
Geographic Information Systems	X							X		
Information Systems	X							X		
Management and Budget	X									
Procurement Services	X									
Real Property Services	X									
Tax Collector	X									
Human Relations	X									
Human Resources	X									
Registration and Election	X									
Veterans Affairs	X									
<i>Community Development and Planning</i>										
Animal Care Services	X									
Planning and Code Compliance	X									
Engineering	X					X		X		
Floodplain Management										X
Land Development							X			X
Property Management	X									
Soil and Water										X
Solid Waste							X	X		
<i>Public Safety</i>										
Detention Center	X							X		
Emergency Medical Services	X									
Forensics	X							X		
Indigent Defense	X									
Medical Charities			X							
Records	X							X		
<i>Parks, Recreation, and Tourism</i>				X				X		
<i>Elected and Appointed Offices</i>										
Auditor	X									
Circuit Solicitor	X									
Circuit Public Defender	X									
Clerk of Court	X									
Coroner	X									
Magistrates	X									
Master in Equity	X									
Probate Court	X									
Register of Deeds	X									
Sheriff	X	X								
Treasurer	X									

BUDGETARY AND FINANCIAL MANAGEMENT SYSTEMS

Statutory Requirements of a Balanced Budget

Greenville County employs formal budgetary integration as a management control device during the year and generally adopts a biennium budget for all fund types other than fiduciary types. The County follows the procedures identified in the "Budget Process" section to establish the budget for each fiscal year, which runs from July 1 through June 30 of the following year. State law requires that all political subdivisions of the State adopt balanced budgets. Further, each county council is required to adopt annually and prior to the beginning of the fiscal year operating and capital budgets for the operation of county government (South Carolina Code of Laws, Section 4-9-140).

Budget Amendments

Changes affecting the total appropriations in any fund must be ordained by County Council. Council may make amendments to the budget in the same manner as prescribed for enactment of ordinances. Supplemental appropriations may be made by Council to allocate funds to a department or agency for a specific purpose not anticipated when the original budget appropriation was approved.

Budgetary Control

Though the legal level of appropriation is the fund, budgetary controls are exercised at lower levels of detail as well. The Management and Budget Office is authorized to transfer amounts between line-item accounts within a department or non-department account for the purpose of providing continuing county services approved by Council in the budget ordinance. Department directors are authorized to allocate appropriations within and between object accounts and departmental activities, with the exception of personnel services and contracts, as they deem appropriate in order to meet the objectives of the budget. Interdepartmental transfers, involving funds from one department or non-department account to another department or non-department account, must be approved by County Council. Transfers of funds from the non-departmental personnel services' accounts can be made by the Management and Budget Office to reflect merit increases and market adjustments as approved in the budget process by County Council without further action of Council.

All appropriations lapse at year-end, except those established for capital projects or grants that survive the fiscal year. These appropriations are made for the duration of the project acquisition or construction period or for the life of the grant. Capital project accounts are closed at year-end to facilitate reporting of project activity during the financial reporting period. Unexpended portions of capital project appropriations are administratively restored in the subsequent year. Grant activity is reported in a manner consistent with the single audit act.

Fund Accounting

Fund Accounting is a method of segregating accounts according to the purposes for which resources are expended and/or generated. The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/equity, revenues, expenditures/expenses, and transfers. The various funds are grouped into broad fund categories and generic fund types as discussed on the following pages.

BUDGET BASIS OF PREPARATION

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The County prepares its budget on a basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP), with the exception of encumbrances. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP). However, when comparing the General Fund budget to prior years in the five-year general fund projection schedule, the conversion to GAAP for all preceding years is used.

All **Governmental Fund Types** (General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds) are accounted for using the modified accrual basis of accounting. In the modified accrual basis of accounting, revenues are recorded when they become measurable and available as net current assets. Primary revenues, including property taxes, intergovernmental revenues, and interest are treated as susceptible to accrual under the modified accrual basis. Other revenue sources, such as licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are not treated as susceptible to accrual and are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, which is recorded when due, and (2) the non-current portion of accrued compensated absences, which is recorded in the general long-term account group.

All **Proprietary Fund Types** (Internal Service Funds and Enterprise Funds) are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred, if measurable.

RELATIONSHIP BETWEEN BUDGET AND ACCOUNTING

During the year, the accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored monthly via accounting system reports. Accounting adjustments are made at fiscal year-end to conform to GAAP.

The major differences between the adopted budget and GAAP for Governmental Fund Types are: (1) encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP); (2) certain revenues and expenditures, (i.e., compensated absences) not recognized for budgetary purposes are accrued (GAAP).

Enterprise Fund differences include (1) encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP); (2) certain items (i.e., principal expense and capital outlay) are recorded as expenditures for budgetary purposes as opposed to adjustment of the appropriate balance sheet accounts (GAAP).

BUDGET PROCESS

Greenville County's budgeting process is designed to provide a vision of direction, communication and accountability for the fiscal year and the future. In the development of the budget, Greenville County uses long-range policy and financial planning to guide its decision-making. The intent of the financial planning concept is to maintain stable service levels by accumulating cash reserves in growth periods and utilizing those reserves when revenue declines. To assist in financial planning, Greenville County utilizes long-range business planning. The County's Operating and Capital Budgets (FY2014 and FY2015) place in motion, via local ordinance, the financial plan to achieve the County's vision, goals and objectives. The budget also serves as an instrument to communicate these plans to the public. The different phases of the budget process and the timeframe in which budget preparation takes place is outlined below.

BUDGET PLANNING PHASE	The budget planning phase is the foundation of assessing the County's current financial conditions and the needs of County departments and agencies. Financial trend analysis is an integral part of the County's decision-making process which includes both short and long range economic and financial forecasts. The Management and Budget Office conducts an assessment and evaluation of these trends beginning in August. These preliminary assumptions result in the County's forecasted fiscal capacity and provide a financial framework upon which operating and capital budget targets can be developed.
BUDGET DEVELOPMENT PHASE	Based upon the developed operating targets, departments develop their budget requests. Each Department is responsible for analyzing, planning and budgeting for their department. This phase began in January with departments being asked to establish goals and objectives for the upcoming budget year; provide performance indicators for objectives; review target levels of the budget in accordance with services provided; and develop any expansion requests for funds needed above and beyond the target budget assigned. Departmental proposed budgets for FY2014 and FY2015 were submitted to the Management and Budget Office by February 5, 2013.
POLICY DEVELOPMENT PHASE	The Council met during February 2013, to discuss priorities and set goals and directives for the budget. The Council uses a retreat to facilitate this process.
BUDGET REVIEW PHASE	The review process, from February to April, involves analyzing budget requests by the Office of Management and Budget and the County Administrator and modifying the budget to meet the priorities and policies of Council. Department directors and division managers are consulted throughout the process to answer any questions and provide information. Target budgets are reviewed for valid justification and to ensure that the amount requested was within the base funding level. Expansion budget requests are culled based on need assessments.
BUDGET ADOPTION PHASE	The County Administrator's budget recommendation was presented to the County Council on May 21, 2013. Budget ordinances for the years of the biennium run concurrently first reading and second reading. A budget workshop with the Council was held May 28, 2013. A formal public hearing for each fiscal year budget was held prior to third reading to allow citizens the opportunity to address the Council regarding the recommended budget. Third reading for the FY2014 budget was June 18, 2013. Section 4-9-140 of the South Carolina Code of Laws requires that "county council shall adopt annually and prior to the beginning of the fiscal year operating and capital budgets for the operation of county government . . ." Therefore, third reading for the FY2015 budget was July 16, 2013.

BUDGET IMPLEMENT PHASE Departments are accountable for budgetary control throughout the fiscal year. The Office of Management and Budget monitors and analyzes revenues and expenditures throughout the year. Expenditure and revenue patterns are examined on a weekly basis. The Office of Management and Budget also provides quarterly financial reports disclosing the County's actual revenue, expenditures, and fund balance performance as compared to the budget plan.



FINANCIAL POLICIES

PURPOSE

Primary among the responsibilities of the government of Greenville County to its citizens is the care of public funds and wise management of county finances while providing for the adequate funding of the services desired by the public and the maintenance of public facilities. These financial management policies, designed to ensure the fiscal stability of the government of Greenville County, South Carolina, shall guide the development and administration of the annual operating and capital budgets. These financial policies address revenues, cash management, expenditures, debt management, risk management, capital needs, and budgeting and management.

OBJECTIVES

- To protect the policy-making ability of County Council by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- To enhance the policy-making ability of County Council by providing accurate information on program costs.
- To assist sound management of County government by providing accurate and timely information on financial condition.
- To provide sound principles to guide the important decisions of the County Council and of management which have significant fiscal impact.
- To set forth operational principles which minimize the cost of government, to the extent consistent with services desired by the public, and which minimize financial risk.
- To employ policies which prevent undue or unbalanced reliance on certain revenues, which distribute the costs of county government services as fairly as possible, and which provide adequate funds to operate desired programs.
- To provide essential public facilities and prevent deterioration of the County's public facilities and its capital plant.
- To protect and enhance the County's credit rating and prevent default on any debts.
- To insure the legal use of all County funds through a good system of financial security and internal controls.

ACHIEVING THESE OBJECTIVES

To achieve and maintain the aforementioned objectives, the General Services Department's Division of Management and Budget, at the direction of the County Administrator's Office, working with the County Council, will conduct an annual analysis of projected financial condition and key financial indicators. It is the focus of this analysis to:

- Identify the areas where the county is already reasonably strong in terms of protecting its financial condition;
- Identify existing or emerging problems in revenue sources, management practices, infrastructures conditions, and future funding needs;
- Forecast expenditure and revenue for the next 5 years, taking care to consider such external factors as state and federal actions, the bond market, and management options being explored and used by other local governments, as well as internal management actions taken during the last budget cycle and being examined for application.

REVENUE POLICIES

Statements dealing with taxes and the means whereby the county raises revenue to fund operations.

Revenue Policy #1: Fund Balance

To maintain an "AAA" County credit rating and meet seasonal cash flow shortfalls, the budget shall provide for an anticipated undesignated fund balance between 25% and 35% for the general fund, of estimated annual revenues. The fund balance shall be exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies.

- Should the fund balance fall below 25% of revenues, the County Administrator shall prepare and submit a plan for expenditure reductions and/or revenue increases to the County Council via the Finance Committee.
- In the event the fund balance is above 35%, the difference may be used to fund the following activities:
 - one-time capital expenditures which do not increase ongoing County costs;
 - other one-time costs; and
 - ongoing or new County programs, provided such action is considered in the context of council approved multi-year projections of revenue and expenditures.
- Generally, the fund balance levels are dictated by:
 - cash flow requirements to support operating expenses;
 - susceptibility to emergency or unanticipated expenditure;
 - credit worthiness and capacity to support debt service requirements;
 - legal or regulatory requirements affecting revenues, disbursements, and fund balances; and
 - reliability of outside revenues.
- If, at the end of a fiscal year, the fund balance falls below 25%, then the County shall rebuild the balance within one year.

Revenue Policy #2: Contingency

- The general fund budget shall provide for a contingency equivalent to 2% of estimated annual operating revenues. This contingency shall only be used when one of the following conditions arises and shall be restored in full within the next two fiscal years: (1) to mitigate damage caused by a natural disaster and (2) to address an urgent event that jeopardizes the safety of the public.
- Contingencies should be planned to avoid large tax rate increases from one year to the next. Where correction of a fund balance deficit causes the contingency to fall below 2% of operating revenue, a gradual correction of the problem over a two-year period is preferable to a one-time jump in tax rates.

Revenue Policy #3: Sources of Revenue

- The County will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any one-revenue source and ensure its ability to provide ongoing service.
- Restricted revenue shall only be used for the purpose intended and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated as such.
- Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and County Council priorities, and whose operation and maintenance costs have been included in operating budget forecasts.
- A balance will be sought in the revenue structure between the proportions of elastic and inelastic revenues. All sources of revenue authorized by the South Carolina Code of Laws will be sought to achieve the desirable balance.
- Revenue Sources will be examined during the biennial budget process. A five (5) year proforma will be developed to ensure that projected future revenues meet projected future expenditures.
- Each time a new revenue source or a change in the rate of an existing source is considered, the effect of this change on the balance of elastic and inelastic revenue will be thoroughly examined by the Department of General Services prior to inclusion in the proposed budget.
- In preparing the proposed budget, the Management and Budget Division, shall make recommendations to the County Administrator regarding options to reduce the County's reliance on property tax revenue.

Revenue Policy #4: Revenue Collection

- The County shall strive to achieve a current property tax collection rate of not less than 98%.

Revenue Policy #5: Fees-Licenses, Permits, Misc. Items

- All fees established by Greenville County for licenses, permits, fines, and other miscellaneous charges shall be set to recover the County's expense in providing the attendant service. These fees shall be reviewed biennially and shared with the Council's Finance Committee every other November in order that a biennial adjustment to reflect changes in the Municipal Cost Index, as reported by American City & County, may

occur by the first of March following. A revenue manual listing all such fees and charges of the county shall be maintained by the Management and Budget Division and updated concurrent with the biennial adjustment.

- A fee shall be charged, unless otherwise directed by County council, for any service that benefits limited interests within the community, except for human needs type services to persons with limited ability to pay.
- When hazardous materials are spilled and the assistance of Emergency Medical Services and/or Emergency Preparedness or the Sheriff is required to deal with the situation, the County shall require reimbursement for expenses incurred.

Revenue Policy #6: Fees-Utilities (Stormwater)

- Utility user charges for Stormwater management shall be segregated from the General Fund in a Stormwater Utility (enterprise) Fund and will be cost of service based (i.e., set to fully support the total direct, indirect, and capital costs) and established so that the operating revenues for the management of Stormwater are at least equal to its operating expenditures and annual debt service obligations. The user rates shall be designed so that a portion covers replacement cost for any stormwater facilities. The amount charged above and beyond the operational budget must be reviewed by the Committee on Finance prior to mailing.

Revenue Policy #7-a: Building Inspections Fees

As a multi-year goal, the Building Standards Division will strive to recover 100% of the Division's direct and indirect costs by generating revenues through special programs, special levies, fees, charges, donations and/or designated use of County-operated facilities and special equipment.

- The Building Standards and Management and Budget Divisions shall conduct a biennial comprehensive review of rates and through the County Administrator's Office recommend to the County Council any alterations or adjustments necessary in specific fees and/or charges to reflect service demand changes, the ability of users to support the demand, and concerns for other County operations. Every effort shall be made to index/limit rate increases to, but not exceed, the rate of inflation and new construction.

Revenue Policy #7-b: Emergency Medical Services

- The Emergency Medical Services and Management and Budget Divisions shall conduct a biennial comprehensive review of rates and through the County Administrator's recommendation to the County Council via the Finance Committee any alterations or adjustments necessary in specific fees and/or charges to reflect service demand changes, the ability of users to support the demand, and concerns for other County operations. Every effort shall be made to index/limit rate increases to, but not exceed, the rate of inflation.
- Through an aggressive volunteer recruitment program, the Division shall seek to minimize the cost to the county.
- Solicitation of funds through non-traditional sources, and various other modes shall be encouraged. Funds collected for any special purpose shall be earmarked for that purpose.

Revenue Policy #8: Grants/Intergovernmental Funds

- The County shall aggressively pursue all grant opportunities; however, before accepting grants, the County will consider the current and future implications of both accepting and rejecting the monies.

Revenue Policy #9: Gifts, Donations and Bequests

- Prior to acceptance, all gifts, donations and/or bequests given to the County for the use of any of its departments or divisions will be evaluated by the appropriate parties to determine what, if any, obligations are to be placed upon the County. Gifts and bequests will be considered as "over and above" basic County appropriations.
- Gifts and donations shall be used solely for the purpose intended by the donor. Unrestricted gifts will be expended in the manner and for the purposes authorized by County Council.
- "Gift Fund" expenditures shall carry the approval of the County Council before execution by County staff.

Revenue Policy #10: Operating Transfers

- To the maximum extent feasible and appropriate, General Fund transfers to other funds shall be defined as payments intended for the support of specific programs or services. Amounts not needed to support such specific program or service expenses shall revert to the General Fund's fund balance, unless Council direction establishing the transfer for other items is enacted.
- Where it is necessary to make a one-time advance of General Funds to another operating fund, this action shall occur under the following conditions:
 - The advance is reviewed, prior to the transfer of funds, by the Finance Committee.
 - All excess cash balances in the fund shall be invested for the benefit of the General Fund, not contrary to applicable Federal and State law and regulations, as long as the advance is outstanding.
 - Should the fund accumulate an unexpected unencumbered balance, this excess shall be used first to repay the advance.
 - At the time of closing out the fund, all assets of the fund revert to the General Fund, not contrary to any other applicable Federal, State or local law.
- For short-term cash deficits in non-General Fund operating funds during the course of the year, short-term loans are preferred to advances, except in cases where the receiving fund is legally precluded from paying interest on loans, or where loan transactions would be too numerous and costly to be cost effective.

OPERATING BUDGET POLICIES

Statements dealing with the expenditures of the operating budget

Operating Budget Policy #1: Operating Budget – Pay-As-You-Go

- The County shall attempt to conduct its operations on a pay-as-you-go basis from existing or foreseeable revenue sources. The control of costs will be emphasized. Achieving pay-as-you-go requires the following practices: current operations, maintenance and depreciation costs to be funded with current revenues, direct and indirect costs of services must be fully identified, and sound and expenditures forecasts must be prepared.
- The County Administrator, through the General Services Department shall biennially prepare a full cost allocation plan to provide accurate, complete estimates of service costs.
- Notations as to costs attributable to mandates of other governmental agencies shall be clearly shown in the annual budget.

Operating Budget Policy #2: Budget Balance

- The County budget shall balance operating expenditures with operating revenues. The General Fund shall not be balanced with appropriations from the General Fund fund balance if to do so would drop the fund balance below 25% of operating revenue.
- Management and Budget will conduct a Service Evaluation Inventory in conjunction with the biennial budget process to determine whether service areas should be sunset or enhanced. Services must directly serve and/or benefit citizens or facilitate direct service delivery of activities or functions. Mandated services will be funded at mandated levels. Levels in excess of mandated services will be eliminated or reduced unless there is a clear human service need. The County Administrator will present all recommendations during the budget process for council's consideration.

Operating Budget Policy #3: Budget Performance Reporting

- The County Administrator shall submit a quarterly report comparing actual revenues and expenditures with budgeted revenue and expenditures.
- Where practical, County Departments shall develop and employ performance measures and/or benchmarks with selected counties to be included in the budget.

Operating Budget Policy #4: Maintenance, Repair & Replacement

- All equipment replacement and maintenance needs for the next five years will be projected and the projection will be updated each year. A maintenance and replacement schedule based on this projection will be developed and followed.
- Replacement of capital outlay items shall be timed at fairly stable intervals so as not to spend excessively in one year and restrictively in the next.

Operating Budget Policy #5: Maintenance of Capital Assets

- The budget should provide sufficient funds for the regular repair and maintenance of all County of Greenville capital assets. The budget should not be balanced by deferring these expenditures.
- Future maintenance needs for all new capital facilities will be fully costed out.

Operating Budget Policy #6: Personnel Services

- Greenville County shall strive to pay prevailing market rates of pay to its employees. Prevailing market rate is defined to include both salary and fringe benefit levels.
- When establishing pay rates, such rates should not exceed the normal percentage increase in General Fund revenue.
- In conjunction with the biennium, the County shall conduct a comprehensive total compensation survey of both private and public sector employers, including Greenville County municipalities and other area local governments and state and federal agencies approved by County Council. This survey shall be the basis for determining prevailing market rates.
- The County's work force, measured in FTE (full time equivalent) shall not increase more than 1% annually without corresponding changes in service levels or scope.
- In establishing pay rates, a cost analysis or rate increase will be conducted and shall include the effect of such increases on the County's share of related fringe benefits and unfunded liabilities (including non-salary related benefits).
- Long-term costs of changes in benefit packages shall be estimated and fully disclosed to the Council before implementation and annual wage adjustments are affirmed.
- In conjunction with the biennium budget salaries of Greenville County Council shall be adjusted by the average performance increase received by the regular County employees for the preceding twenty-four month period. Annual wage adjustments shall be awarded through a "pay for performance" system. The percentage increase shall be recommended by the County Administrator during the budget process and approved by County Council before implementation.

CAPITAL IMPROVEMENT POLICIES

Policies relating to the five-year capital improvement program and special funds necessary to address particular needs of the Greenville County community

Capital Improvement Policy #1: Capital Improvement Program

- A five-year Capital Improvement Plan shall be developed and presented annually by staff in accordance with the Capital Improvement Program Policies, and approved by the County Council. This plan shall contain all capital improvements from all funds and departments of county government. The first year of the plan shall constitute the next year's capital budget.
- A high priority shall be placed on replacement of capital improvements when such improvements have deteriorated to the point of becoming hazardous, incur high maintenance costs, are negatively affecting property values, and/or are no longer functionally serving their intended purposes.
- Capital improvements constructed in the County shall be based on construction standards, which minimize construction costs, while assuring that accepted useful life minimum maintenance costs would result.

Capital Improvement Policy #2: Intergovernmental Assistance

- Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and whose operations and maintenance costs have been included in operating budget forecasts.

Capital Improvement Policy #3: Capital Improvement Financing

- Within the limitation of existing law, various funding sources may be utilized for capital improvements. Capital projects shall not be dictated by the nature of funding available except to the extent that the projects meet an initial test of being required to achieve County goals and to the extent that projects must be placed in priority dictated by the nature of funds available.
- Upon completion of capital projects, General Services shall certify any unspent funds from the project, and such funds shall revert to the Capital Project Reserve as appropriate. Unspent capital project funds shall be reported to the County Council through the Quarterly Operating Report. The County Administrator shall include in the biennial budget and capital improvement program recommendations to dispose of unspent capital project funds. In no case shall projects incur a funding deficit without the express approval of the County Council.
- Interest earnings from capital improvement financing sources shall be separately accounted for and attributed to each active capital improvement project on a monthly basis, unless otherwise governed by the bond documents.

ACCOUNTING POLICIES

Policies relating to the procedures that the County utilizes in accounting for its financial transactions

Accounting Policy #1: Accounting System and Standards

- The County's accounting and reporting system shall demonstrate the following characteristics:
 - Reliability
 - Accuracy
 - Consistency
 - Readability
 - Timeliness
 - Responsiveness, and
 - Conformity with all legal requirements
- The County's accounting system shall be maintained in such a way so as to conform with the generally accepted accounting principles established by the Governmental Accounting Standards Board, State of South Carolina and Federal laws, and result in an unqualified opinion by the County's independent auditor.
- The County shall annually prepare and publish, no later than December 30 of each year, a comprehensive annual financial report (CAFR) prepared in conformity with generally accepted accounting principles. The CAFR shall include but not be limited to:
 - The introductory section that provides general information on the government's structure and personnel as well as information useful in assessing the government's financial condition
 - The financial section that contains the basic financial statements and RSI (including management's discussion and analysis) as well as the independent auditor's report. In addition, the financial section provides information on each individual fund and component unit for which data are not provided separately within the basic financial statements. The financial section also may include supplementary information useful to financial users.
 - The statistical section that provides a broad range of trend data covering key financial indicators from the past 10 fiscal years (for instance, general government revenues and expenditures, property tax collections, debt burden). It also contains a demographic and miscellaneous data useful in assessing a government's financial condition.
- The Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting shall be pursued annually.

Accounting Policy #2: Bank Account Reconciliations

Policies relating to the maintenance of bank accounts not under the jurisdiction of the County Treasurer.

- Various offices of the County maintain bank accounts not under the jurisdiction of the County Treasurer. To assure accuracy of the records maintained for these accounts and to protect assets of the County, each account not under the jurisdiction of and reconciled by the Treasurer's Office shall be reconciled on a monthly basis. A copy of the bank statements and the reconciliation signed by the department head, elected, or appointed official must be forwarded to the Office of Management and Budget by the 15th of the following month. The Financial Committee shall be updated quarterly of any findings.
- If an account has not been reconciled for a period of three (3) months or longer, the County Administrator or his designee may request a SLED investigation through the appropriate oversight agency or position.

DEBT POLICIES

Policies relating to the long-term financing of the County's Capital Improvement Program

Debt Policy #1: Use of Debt Financing

- The government of Greenville County, South Carolina shall only use long-term debt for capital projects that cannot be financed out of current revenues within the Revenue Policy guidelines for rate increases. Further debt financing shall generally be limited to one-time capital improvements projects and only under the following circumstances:
 - when the project's useful life will exceed the term of the financing;
 - when project revenue or specific resources will be sufficient to service the debt; and,
 - when the project will benefit the citizens of Greenville County.
- Debt financing shall not be considered appropriate for:
 - current operating and maintenance expenses; and
 - any recurring purpose.

Debt Policy #2: Limits on Issuance of Debt

- Outstanding general obligation indebtedness of the County, other than enterprise revenue backed bonds, shall not exceed the percentage of the assessed value of the taxable property within Greenville County as permitted by the South Carolina Constitution.

Debt Policy #3: Self-Imposed/Council Limits on Issuance of Debt

- Except for the enterprise funds, debt service for long-term issues (greater than five years) shall not exceed 15% of the combined operating and capital budgets.
- Refunding bonds may be authorized by the County Council provided such refunding does not result in an increase in the interest rate and does result in a savings over the life of the bonds.
- All bonds will be sold in such a fashion as to achieve lowest overall borrowing cost upon consultation by and between Greenville County and its financial advisor.

Debt Policy #4: Leasing

- Lease purchase shall be considered only when the useful life of the item is equal to or greater than the length of the lease. If the item may become technologically obsolete or is likely to require major repair during the lease purchase period, then the item should be either purchased or placed on a straight lease.

Debt Policy #5: Rating Agency Relationship

- The County shall maintain good communication with bond rating agencies about its financial condition. The County will follow a policy of full disclosure on bond prospectus.

Debt Policy #6: Debt Management Plan

- A Comprehensive Debt Management Plan shall be developed and presented annually by staff, encompassing all debt of the County and including, but not limited to:
 - a detailing of the sources of funding for all debt,

- current and future debt capacity analysis,
- issues to be addressed for sound debt management, and
- reporting as to the County's compliance with its debt policies.
- The Finance Committee shall annually review the Comprehensive Debt Management Plan and any recommendations made therein.

Debt Policy #7: Economic Development Bonds

The County shall strive to promote the economic welfare of the citizens of Greenville County by providing employment opportunities and a diverse industrial base. The County shall utilize the following financing methods for industrial development:

- Industrial Revenue Bonds and Tax Exempt Aviation Bonds as allowed via state statute and the Jobs – Economic Development Authority Act.
- Fee in Lieu of Tax agreements for programs which meet the criteria for industrial revenue bonds as set forth in state statutes.
- Special Source Revenue Bonds for multi-jurisdiction industrial/business parks or fee in lieu of taxes transaction for the acquisitions of land, buildings, and improvements or the expansion of an existing project with a minimum investment as allowed under state statute or deemed to have a positive impact on the community.
- Regular Reports from the Greenville Area Development Corporation will be provided to the Committee on Finance to keep the members abreast of opportunities facing Greenville County.

RISK MANAGEMENT POLICIES

Policies related to managing the financial risks of the County

Risk Management Policy #1: Evaluation and Management of Risks

- The County Administrator shall annually prepare a Comprehensive Risk Management Report, including but not limited to:
 - a summary of organizational compliance with administrative policies to manage the County's risks,
 - an identification of current and potential liability risks or activities potentially impacting the County's finances, and
 - Specific strategies to address the risks identified.
- The Public Safety Committee and the Finance Committee shall annually review the Comprehensive Risk Management Report and any recommendations made therein preparatory to the County Council's consideration of the Biennium Budget.