

## BUDGET AMENDMENT POLICY

### POLICY

This policy requires that systematic procedures be used in the development, review, adoption, and monitoring of the budget, and to set forth the general nature of those procedures. The detailed procedures used are to be established by the City Manager. (Adopted by the City Commission, October 3, 1983)

### STATEMENT AND EXPLANATION OF POLICY

The annual budget is the primary short-term financial planning tool for the City. It is used to set forth the City's estimates of resources available to fund services and to specify the way in which to use those resources. Like any plan, the budget requires careful monitoring as the year progresses, so that material variances are identified and action taken to correct them. Further, since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year which do not materially alter the general intent of the City Commission when adopting the budget. This policy is intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Commission.

The basic guideline of the City of Gainesville is to discourage any budget amendment unless required to perform necessary functions and duties assigned to a department or office. However, since circumstances may arise which necessitate funding of unforeseen circumstances; it is necessary to have an established procedure which allows for the transfer funds from one line-item account to another.

### PROCEDURES

1. **Budget Transfers Between Departments and Offices** . A transfer of funds between any Department or Office (e.g. from the Police Department to the Fire Department) will only be made upon recommendation of the City Manager and approval of the City Commission.
2. **Budget Transfers Between Divisions Within A Department** . A transfer of funds between divisions within a department (e.g. from Patrol Division to Crime Prevention) will be made upon the request of the Department or Office Head, recommendation of the Budget & Finance Department and the approval of the City Manager.
3. **Budget Transfers Within A Division or Unit** . A transfer of funds within a Division will be made upon the request and approval of the appropriate Department or Office Head except as noted below (exception accounts):
  - a. All transfers affecting the Personal Services accounts.
  - b. All transfers affecting the Capital Outlay accounts.
  - c. All transfers affecting Allocated accounts. (These accounts will be identified as the budget process evolves.)
  - d. All transfers affecting Debt Service account
  - e. All transfers affecting Grants and Aids and Non-Operating Expenses.

When it is determined by a Department or Office Head that a transfer of funds in an appropriation unit is necessary into or out of the Personal Services accounts, the Budget Amendment form will be initiated by the Department Head and submitted to the City Manager's Office for approval. Upon approval by the City Manager, the Budget Amendment form will be submitted to the Budget & Finance Department for review and processing.

**Applicability and Scope .** This policy applies only to the transfer of funds in non-utility operating budget units. For those departments which report to the City Commission (i.e., City Clerk, City Attorney, City Auditor and Equity & Inclusion), the appointed official may sign the transfer request or approval in lieu of the City Manager. When it is determined that a Budget transfer is necessary between fund entities (e.g. General Fund to Pension Fund) the head of those departments or offices reporting to the City Commission must submit such requests to the City Commission. The City Clerk, City Attorney, City Auditor and Equity and Inclusion Departments will forward an informational copy of all transfers to the Budget & Finance Department.

**Follow-up.** The Budget & Finance Department will return a completed copy of the Budget Amendment form to the originating Department when all action has been taken.

**Delegation of Authority.** In those cases where the City Manager is designated in this operating procedure (except Appropriations of Contingency Amounts) authority is hereby delegated to the Budget & Finance Department's manager to act on behalf of the City Manager giving due consideration to these procedures and to related City Commission actions. The transfer will not be made until the Budget & Finance Department's manager, or designee, certifies that monies are available for such transfer. In no case is a Department or Fund permitted to over expend its budget or to change the general intent of the work plan without prior approval of the City Commission.