

**131.1 SUBJECT: BUDGETARY CHANGES~~APPROPRIATION TRANSFER REQUESTS – OPERATING PROCEDURES~~**

**:1 OBJECTIVE:**

To formally structure the procedures associated with changes requested to items incorporated in the annual budget, including appropriations and staffing authority; to establish categories of appropriation and staffing requests; to define levels of final approval responsibilities for these requests; and to provide operational guidance as to the process for submitting such requests.

~~To formally structure the procedures associated with the reallocation of budget monies or the initial budgeting and subsequent reallocation of previously unbudgeted monies; to establish three (3) categories of appropriation transfer requests; to define three (3) levels of final approval responsibilities; and to provide operational guidance as to the form and process for submitting Budget Revision requests~~

**:2 AUTHORITY:**

This procedure amended by City Council September 15, 2003, Item A5; re-formatted April 2004.

**:3 DIRECTION:**

Chief Administrative Officer, as an appointed official, serves at the pleasure of, and receives direction from the Mayor

**:4 METHOD OF OPERATION:**

**A. Definitions**

1. Budget Review Committee (BRC) - Committee established and chaired by the Chief Administrative Officer (CAO) for the purpose of ~~maintaining~~establishing centralized control and oversight of changes to the budget after adoption~~budgetary control.~~

The BRC consists of four (4) permanently assigned voting members, one (1) additional voting member as designated by the Mayor, and non-voting technical advisors. Members and advisors may appoint a designee to act on their behalf, through written notification of the chair before the meeting(s) such designation applies to.

Voting Members:

Chief Administrative Officer  
Chief Financial Officer  
Chief of Staff  
City Attorney  
One member appointed by the Mayor

Technical Advisors:

Budget Division Manager  
Others, as requested by the BRC

~~The BRC consists of three (3) permanently assigned voting members, the Chief Administrative Officer, Management, Budget and Accounting Director and the Chief Financial Officer. There are two (2) additional voting members as designated by the Mayor, and non-voting technical advisors. The non-voting technical advisors are the Human Resources Bureau Chief, Purchasing and Materials Management Director and the Chief Information Officer.~~

~~1. Unbudgeted Monies—Anticipated or unanticipated monies, such as special grants, which have not been previously budgeted.~~

~~2. Budget Amendment - After adoption of the annual budget, any change to appropriations which reflects either of the following characteristics shall be considered a Budget Amendment:~~

~~a) An increase or decrease to the total appropriations of a fund.~~

~~b) An increase or decrease to the total appropriations of a department, project, or grant, except in the case of Project/Grant Closeout.~~

~~After adoption of the annual budget, any budgetary transaction which reflects an increase or decrease to the fund total will be considered a Budget Amendment. This definition includes, but is not limited to, grants, donations, reimbursements, insurance settlements, and increased receipts from enterprise funds or proprietary funds for a particular purpose.~~

~~a) There are two (2) basic types of Budget Amendments:~~

~~*Amendment by Resolution*—The budget or any item thereof may be amended by resolution of the City Council at any regular or special meeting thereof, by a two-thirds (2/3) majority of the members of the Council present and with the approval and consent of the duly elected mayor, except as provided in Section 2.69 of the City Code, and except for the provisions stipulated in Section 2.70 (Administrative Amendment) of the City Code.~~

~~b) *Administrative Amendment*—Funds received from an anticipated source not previously included in the budget, including but not limited to grants, donations, gifts or reimbursement for damage, may be appropriated and expended following required approvals as outlined below. The fund total provided for in the budget will be increased accordingly.~~

~~c) Increased receipts from enterprise or proprietary activities received for a particular purpose may be appropriated and expended for that purpose following required approvals as outlined below. The fund total provided for in the budget will be increased accordingly.~~

~~2. *Budget Revision Request*—There are two (2) basic types of budget revision requests:~~

~~a) *Budget Transfer*—Any request (other than Contingency Requests) to transfer between budgeted line items.~~

~~*Contingency Request*—Specific requests to use yet undesignated funds.~~

~~3. Budget Revision - After adoption of the annual budget, any change to appropriations which does not alter the total appropriations of a fund,~~

department, project, or grant shall be considered a Budget Revision, unless otherwise classified.

4. Project/Grant Closeout – Changes to the budget which transfer remaining appropriations from a closed or completed project or grant to Fund Contingency within the same fund. This does not incorporate the repurposing of said funds.
- ~~4. Capital Outlay Funding Request – Any request for capital outlay not previously authorized in the budget, including new capital or redesignation of capital outlay funding generated through savings or in lieu of a previously approved item.~~
- ~~5. Projects – Designation of projects is a cost accounting method to specifically track all costs associated with a particular activity. Projects can be funded by one or more accounts and cut across programs, departments and/or funds.~~  
~~*Technology Management – Any office automation system which involves the processing of data or communications material. These systems provide management timely decision making information and include, but are not limited to, data processing, word processing, telecommunications, electronic mail, and printing equipment.*~~
5. Position Amendment – After adoption of the annual budget, any change to staffing which alters the authorized position count of a fund or department shall be considered a Position Amendment. This encompasses the creation or deletion of a position when not done as part of an approved Position Revision, as well as position transfers crossing funds or departments.
6. Position Revision – After adoption of the annual budget, any change to staffing which does not alter the authorized position count of a fund or department shall be considered a Position Revision. This encompasses simultaneously adding and dropping a position in the same fund and department, as well as reclassifying existing positions. Specific classification decisions are subject to HR review and revision.
7. Fund Contingency – Budgeted appropriation authority in a fund that is not designated for any specific use, and not allocated to a specific project or grant.
8. Notes on organizational hierarchies – In the context of changes to items incorporated in the annual budget, city departments shall be defined as represented in the respective annual budget resolution.

B. Scopes of Authority

After implementation of the annual budget, all requests to change items incorporated in the annual budget, including appropriations and staffing authority, ~~any appropriation, personnel structure, project, capital request or contract change orders~~ must be submitted to Management and Budget for appropriate routing and approvals. All requests for action must be routed according to ~~through~~ the following hierarchy, with ~~all~~ final approval authority ~~responsibilities~~ being delineated as follows:

1. The Budget Division Manager Management, Budget and Accounting Director ~~is responsible for~~ has final approval responsibility for ~~of~~ the following:
  - a) Any Budget Revision, except those which transfer appropriations from Fund Contingency.
  - b) All appropriation transfers made as part of Project/Grant Closeout.
  - a) ~~Any budget transfers involving \$2,500 or less. No budget transfer requests may be made from salary and wages or employee benefits line items to operating or capital accounts without BRC approval.~~
  - b) ~~Expenditures from the Law Enforcement Trust Fund including all capital outlay redesignations.~~
  - e) ~~All project requests where funding is available in the correct account(s) and all transfer requests within approved projects.~~
  - d) ~~All project requests involving project close-out and/or transfer of remaining balances to fund contingency.~~
  - e) ~~All contract change orders not requiring funding in excess of established contract contingencies.~~
  - f) ~~All budget transfers (with the exception of capital outlay funding redesignation) within a bureau or office.~~
  - g) ~~All budget transfers within the same fund between the same line item.~~
  - h) ~~All requests for capital equipment items in projects with concurrence as noted in 2.c. and 2.d. if necessary.~~
  - i) ~~All transfer requests into travel account amounting to \$1,000 when the funds come from within the same department and fund.~~
2. The Chief Administrative Officer is responsible for final approval of the following:
  - a) ~~Any budget transfers greater than \$2,500, and less than or equal to \$5,000.~~
  - b) ~~Requests to hire a new employee over 10 percent above the minimum of the salary range.~~
- 3.2. The Budget Review Committee has final approval responsibility for ~~of~~ the following:
  - a) Any Budget Revision which transfers appropriations from Fund Contingency.
  - b) All Position Revisions
  - a) ~~Budget transfers in excess of \$5,000 except as authorized in 1.f., 1.g., and 1.h., and 2., above.~~
  - b) ~~All requests for new projects requiring an appropriations transfer greater than \$5,000.~~
  - e) ~~Software packages costing in excess of \$2,500. (Requests for software packages costing \$2,500 or less may be reviewed and approved by the~~

~~Chief Information Officer, as appropriate, with the concurrence of the Management, Budget and Accounting Director.)~~

- ~~d) Acquisition of accessory or related hardware. Requests for software and hardware will be submitted to Technology Management Bureau via a Technology Management Equipment Request form. The Systems and Networks Service Manager will forward a written evaluation/recommendation to the requestor, who will then submit a request to Management and Budget for approval.~~
- ~~e) Reclassifications (requires completion of a Position Evaluation Request form).~~
- ~~f) All contract change orders requiring funding in excess of established contract contingencies.~~
- ~~g) All transfers into travel accounts in excess of \$1,000 when the funds come from any account other than existing "Travel Expense & Training" lines within the same department and fund. Under normal circumstances, Departments must use all departmental travel budgets before requesting transfers from other accounts. Justification for not first using all departmental travel funds must be provided as part of the transfer request.~~
- ~~h) All requests for transfers from salary accounts to operating or capital accounts.~~

~~4.3. City Council approval must be obtained before BRC action is considered final on the following~~The City Council has final approval responsibility for the following:

- a) All Budget Amendments
- b) All Position Amendments
  - ~~a) The creation of a new position.~~
  - ~~b) All General Contingency requests in all funds.~~
  - ~~e) Departmental reorganization requests.~~
  - ~~d) Budget Amendments: Amendment by Resolution—Amendments of fund totals after adoption will require a resolution of the City Council at any regular or special meeting as required by City Code Sec. 2.69. Administrative Amendment—Approval of BRC Minutes will amend the fund totals for items described in City Code Section 2.70 such as grants, donations, gifts reimbursements and increased receipts from enterprise funds or proprietary funds for a particular purpose.~~
- ~~e)c) Any~~All other items as required by the City Code.

~~5. The Human Resources Bureau Chief is responsible for approval of the following (subject to funding availability verification by Management and Budget).~~

- ~~a) Approval of the hiring of a new employee up to midpoint of the salary range.~~

- ~~b) Recommendation of all pay increases for contract employees with appeals to BRC.~~

C. General Budget Review Committee Procedures

1. Committee meetings will be held as necessary to address pertinent business, with the Budget Division Manager scheduling meetings in concurrence with the CAO as Chair of the BRC, bi-weekly or as determined by the CAO.
2. The Budget Division Manager will establish submission deadlines for requests for action by the BRC, and may approve exceptions to the deadlines as necessary. All requests for action by the BRC should be submitted to Management and Budget by noon on Wednesday of the previous week. The Management, Budget and Accounting Director may authorize emergency consideration.
3. The Budget Division Manager Management, Budget and Accounting Director shall prepare set the each meeting agenda and establish any criteria for adding requests for BRC action to the agenda, withhold those items that require further research or consideration. This criteria is to be developed with the guidance of the CAO and CFO. A reference number will be assigned to agenda items going forward for consideration by BRC.
4. The appeal process for requests denied by the BRC is reconsideration by BRC, only upon the specific approval of the CAO, and meeting the criteria for standard BRC requests.
5. Following adjournment of a BRC meeting, Management and Budget shall prepare meeting minutes, and once completed, submit them for placement on the next available City Council meeting agenda.
- ~~3-6.~~ Council approval of BRC minutes shall constitute final approval of any BRC items requiring City Council approval. BRC items requiring City Council approval will be accompanied by a resolution, if required by Section 2.69 of the City Code, as supporting material to the respective BRC meeting minutes.  
All requests to Council for new positions or use of contingencies must be submitted to the Budget Review Committee for prior action and approval.
- ~~4.~~ The right of appeal from the actions of either the Management, Budget and Accounting Director or the technical advisors will be to the Budget Review Committee.
- ~~5.~~ The route of appeal of the actions of the Budget Review Committee is back to the Budget Review Committee (only upon specific approval of the CAO to resubmit for reconsideration).

~~D. General Procedure for Use of Budget Revision Request Form~~

- ~~1. Requests will be submitted to Management and Budget with Office Heads, Bureau Chief and Department Director electronic signatures, on the appropriate Budget Revision Request Form, for routing and approvals as authorized in this procedure.~~
- ~~2. Management and Budget will assign a number and forward to the appropriate technical advisor where applicable for review and recommendation.~~

~~Recommendations should be provided back to Management and Budget for BRC action within 15 days of receipt of request.~~

~~3. Management and Budget will review all requests and make recommendations based on accepted budget and management principles.~~

~~4. After final approvals, Management and Budget will post all changes and forward copies to the appropriate department, office and bureau.~~

~~Copies of the BRC minutes will be forwarded to the City Clerk/General Administration Director for inclusion on the City Council Consent Agenda.~~

:5 FORMS:

~~None. Budget Revision Request Form.~~

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

Procedure adopted by City Council May 23, 1983, Item 36(J); amended June 4, 1984, Item 12A-8; amended July 23, 1984, Item 17A-3; amended November 10, 1986, Item 18A-29; amended June 6, 1988, Item 15A-13; amended October 30, 1989, Item 22A-2; amended September 17, 1990, Item CA38; amended April 19, 1993, Item VV; amended November 1, 1993, Item 2 MM; amended December 16, 1996, Item 7-PP; amended July 14, 1997, Item 7B; amended January 24, 2000, Item 4LL; amended September 15, 2003, Item A5; re-formatted April 2004.

:8 EFFECTIVE DATE:

This procedure effective ~~September 15, 2003.~~ October 1, 2017