

Expense Line Policy - Summary

The Purchasing Policies and Procedures identifies the requirement to ensure funds are available prior to a current purchase/service but there are times when a Department Head recognizes that a future expense will exceed a budget line item. In accordance with the Purchasing Policies and Procedures prior to any action the Department Head must consult with the City Administrator beforehand. The City Administrator may approve the expense line exceedance if all of the following circumstances are applicable:

- The overall expense account groups for the Department that contains the particular line will not exceed the annual budgeted amount, considering remaining expenditures for the year.
- The amount of expense line exceedance falls within the Administrator's level of purchase approval according to the purchasing policy.
- The expense line exceedance is no greater than \$2,000, or 200% above the annual budgeted amount, whichever amount is greater.

In instances where the expense line exceedances do not fall within all of the above criteria, City Council or governing body approval will be required. The City Administrator and the Department will provide the necessary information and reasoning for why the proposed expense is necessary and was not anticipated when the annual budget was approved for the current year.