

Budget Line Transfer and Amendment Process

Purpose:

To provide a structured and controlled method for departments to reallocate funds within the budget when attempting to allocate an expense to a line item that is over budget.

Scope:

This procedure applies to all departments within the organization that seek to amend the budget to cover expenses that exceed the allocated amount for a specific line item.

Procedure:

1. Identify the Overbudget Line Item:

- The department identifies the line item that is over budget and determines the amount needed to cover the excess expense.
- If funds are not within budget, a budget amendment must be approved by resolution. The budget shall be adopted at the fund/department level, which is the legal level of budgetary control. The current year's budget may be adjusted to reflect changes in the local economy, changes in priorities or services needed, and receipt of unbudgeted revenues and for unanticipated expenditures.

2. Determine Source of Funds:

- The department identifies potential line items within their budget where funds are available and can be reallocated to the overbudget line item. The reallocation should not negatively impact the department's ability to meet its objectives.

3. Complete the Budget Transfer Form:

- The department completes the Budget Transfer Form, including:
 - **Line Item Over Budget:** Description and account number of the overbudget line item.
 - **Amount Needed:** The amount required to cover the overbudget expense.
 - **Source of Funds:** Description and account number of the line item(s) from which funds will be reallocated.

- **Justification:** A detailed explanation of the need for the budget amendment and the impact of reallocation on the department's operations.
- **Department Head Approval:** The department head must sign the form indicating their approval of the proposed budget transfer.

4. **Submit to Finance for Review:**

- The completed Budget Transfer Form is submitted to the Finance Department for review. Finance will:
 - **Review the Budget Transfer:** Assess the validity and necessity of the amendment.
 - **Check Availability of Funds:** Confirm that the proposed source of funds is available, and that the reallocation is feasible.
 - **Approve or Deny:** Finance will approve or deny the transfer. If denied, the department will need to revise the form or identify alternative solutions.

5. **Submit to City Manager for Final Approval:**

- Upon Finance approval, the form is forwarded to the City Manager for final approval. The City Manager will:
 - **Review the Request:** Ensure the line transfer aligns with the overall budgetary strategy and organizational priorities.
 - **Approve or Deny:** The City Manager will approve or deny the request. If denied, the department must revisit the budget or seek alternative funding.

6. **Execute the Budget Transfer:**

- Once approved by both Finance and the City Manager, the department may proceed with the reallocation of funds.
- The Finance Department will update the budget to reflect the approved changes.

7. **Record Keeping:**

- The approved Budget Transfer Form, along with any supporting documentation, will be retained by the Finance Department for audit and review purposes.

8. Reporting:

- The Finance Department will report all budget amendments to the City Council or appropriate governing body during the next budget report cycle.

Document: Budget Amendment Form (See Form Below)

Form Sections:

- **Line Item Over Budget:** (Include fields for description, account number, and amount needed)
- **Source of Funds:** (Include fields for description, account number, and amount to be transferred)
- **Justification:** (Provide space for a detailed explanation)
- **Approval Signatures:**
 - **Department Head:**
 - **Finance Department:**
 - **City Manager:**

This process ensures that all budget amendments are made transparently, with proper oversight and alignment with organizational financial strategies.

**CITY OF FOREST PARK
FY2024-2025 BUDGET AMENDMENTS**

DEPARTMENT: _____
FUND: _____

DATE: _____

Amendment Number _____

TRANSFER FROM: FINANCE

Dept.	Account Number	Account Name	Transfer Amount	Original Budget	Amended Budget	Expenses To Date	Current Balance	Amended Balance
0								
TOTAL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

TRANSFER TO:

Dept.	Account Number	Account Name	Transfer Amount	Original Budget	Amended Budget	Expenses To Date	Current Balance	Amended Balance
TOTAL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

JUSTIFICATION:

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Department Director: Date: _____	Finance: Recommend Approval: Date: _____	City Manager: Recommend Approval: Yes / No Date: _____	Date Incode Updated: Date: _____ Action: _____
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