



Financial Governance Framework

Purpose

The City of Sidney has adopted a series of financial policies to ensure responsible stewardship of public funds, transparency in decision-making, and appropriate oversight by the City Council.

These policies establish clear expectations regarding how City funds are budgeted, approved, and spent. Together, they create a structured framework that balances operational efficiency with accountability to the public.

Core Financial Governance Principles

Council Oversight

The City Council establishes financial policy, adopts the annual budget, and approves certain expenditures and contracts as required by City policy and Montana law.

Administrative Responsibility

City administration is responsible for managing day-to-day operations, implementing the adopted budget, and ensuring purchases and contracts comply with City policies and legal requirements.

Transparency and Accountability

All expenditures must be properly documented and conducted in a manner that maintains public trust in the City's financial management.

Financial Policy Structure

The City's financial governance framework is supported by the following policies:

Procurement and Purchasing Policy

Establishes the legal framework and guiding principles for the City's procurement activities and ensures compliance with applicable Montana procurement laws and competitive bidding requirements and it establishes procedures for purchasing goods and services.

Contract Approval Authority Policy

Clarifies which contracts require City Council approval and establishes who is authorized to execute agreements on behalf of the City.

Capital Asset & Equipment Purchase Policy

Requires City Council approval prior to the purchase of capital assets or equipment exceeding \$5,000, even when such purchases are included in the adopted budget.

Budget Authorization vs. Expenditure Authorization Policy

Clarifies that adoption of the annual budget establishes spending limits but does not constitute approval of individual purchases or contracts unless specifically stated.

Vacancy Savings & Unbudgeted Expenditure Policy

Establishes that salary savings resulting from vacant positions may not be used for unbudgeted purchases without prior City Council approval and requires Council approval for unbudgeted expenditures exceeding \$5,000.

Purpose of the Financial Framework

Together, these policies:

The City of Sidney is an equal opportunity employer and provider.

- Provide clear expectations for staff and elected officials
- Promote responsible use of public funds
- Ensure transparency in financial decisions
- Maintain appropriate oversight by the City Council
- Support compliance with Montana law and best practices in municipal governance

Policy Review

This policy shall be reviewed yearly, prior to the budget process, by the City Council and City administration to ensure continued compliance with Montana law and best practices in municipal financial management.