

		Policy 501.04.15 Budget Amendment			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	2
Issue Date:	8/6/2024	Revision Date:		Review Date:	
Special Instructions:					

I. PURPOSE

The municipality is committed to maintaining a balanced budget that reflects the priorities and needs of the community. Amendments to the budget shall only be made in accordance with this policy and subject to the approval processes herein described.

The purpose of this policy is to establish a systematic procedure and set forth divisions of responsibility for the amendment of the municipal budget to ensure fiscal responsibility, transparency, and adherence to legal requirements. This policy is designed to guide the process of adjusting the approved budget in response to unforeseen financial circumstances or to reallocate resources in alignment with municipal priorities.

II. SCOPE

This policy applies to all departments, agencies, and entities within the municipality. It covers all forms of budget amendments, including increases or decreases in budget allocations, transfers of funds between accounts, and changes resulting from revised revenue forecasts.

III. GUIDELINES

It shall be policy that budget amendments/adjustments require approval at the following levels:

- A. Level 1 adjustments of operating appropriations up to \$5,000 from one account to another within the department's budget. Level 1 adjustments may be made at the discretion of the Department Head.
- B. Level 2 (a) adjustments of operating appropriations \$5,001 and over from one account to another within the department's budget. Level 2 (b) adjustments are for substitutions of capital items or adjustments of operating to capital appropriations up to \$25,000 from one account to another within a department's budget. Level 2(c) adjustments are transfers up to \$25,000 between departments. Level 2 (a) (b), and (c) adjustments shall require the approval of the City Manager.

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- C. Level 3 amendments are for adjustments of operating or capital appropriations needing additional funding from contingency funds that are under 10% of the total funds originally appropriated for an individual department. Level 3 amendments shall require the approval of the City Manager and the Finance Committee.
- D. Level 4(a) amendments are for adjustments of operating or capital appropriations needing additional funding from contingency funds that are over 10% of the funds originally appropriated for an individual department. Level 4(b) amendments are for new programs in a department that were not originally budgeted through an increase in expenditures with an offsetting increase in revenue for that program (such as grant funding or donations). Level 4 (c) amendments are for substitutions of capital items or adjustments of operating to capital appropriations \$50,001 and over from one account to another within a department's budget. Level 4 (d) amendments are for adjustments of operating or capital appropriations needing funding from the general fund balance. All level 4 amendments shall require approval of the City Manager, respective department's standing committees and Common Council.

IV. PROCEDURE

Initiation of Amendment: A budget amendment (Level 4) may be initiated by department heads, the City Manager, or the Common Council. A detailed proposal, including the justification for the amendment, its financial impact, and how it aligns with municipal priorities, must be submitted.

- A. **Review and Analysis:** The proposal will undergo a thorough review and analysis by the Finance Department to ensure its accuracy, compliance with legal requirements, and alignment with fiscal policies.
- B. **Public Notification and Input:** Prior to approval, the proposed amendment will be made available to the public. A period for public comment will be provided to ensure transparency and community involvement in the budgetary process.
- C. **Approval Process:** The final approval of any budget amendment requires a majority vote by the Common Council. Certain amendments may also require the City Manager's approval, in accordance with municipal law.
- D. **Implementation:** Upon approval, the amendment will be formally incorporated into the municipal budget. The Finance Department will make the necessary adjustments to financial records and inform all affected departments.

V. REPORTING

All approved budget amendments will be documented and reported in the municipality's annual financial report. The municipality will ensure that information regarding budget amendments is accessible to the public to promote transparency and accountability.

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Category

Group Classification

General Government		
	51100	Legislative Support
	51200	Court
	51300	Legal
	51400	General Administration
	51450	Information Technology
	51500	Financial Administration
	51540	Insurance/Risk Mgt.
	51600	Facilities Maintenance
Public Safety		
	52100	Police Administration
	52110	Police Patrol
	52120	Police Investigation
	52140	Comm Service Program
	52500	Emergency Preparedness
	52600	Communications/Dispatch
	59240	Fire Department (Transfer)
Public Works		
	53100	Public Works Administration
	53230	Shop/Fleet Operations
	53300	Street Maintenance
	53320	Snow & Ice
	53420	Street Lights
Cultural/Recreation/Education		
	53270	Parks Maintenance
	55200	Parks Administration
	55210	Recreation Administration
	55300	Recreation Programs
	55310	Senior Citizen's Program

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	55320	Community Events
	55330	Comm. Based – Coop Projects
Conservation Development		
	52400	Neighborhood Services & Planning
Contingencies		
	51110	Contingencies
Transfers*		
*Each transfer is separate	59230	Debt Service (Fund 300)
	59220	Community Development (Fund 900)
	59220	Library (Fund 220)
	59220	Solid Waste (Fund 230)
	59240	Capital Projects (Fund 450)
Sinking Funds*		
*A combination of total sinking fund transfers	59220	Sick/Severance (Fund 260)
		Health Insurance Fund
	59220	SIR (Fund 271)
	59220	Other Funds (Non-sinking such as Media Services or Forestry)
	59220	DPW Equipment Revolving (Fund 215)
	59220	Police Department Equipment Revolving (Fund 216)
	59220	Building Repair (Fund 217)
	59220	Street Repair (und 280)
	59220	Elections (Fund 214)
	59220	Shared Ride Taxi (Fund 235)
	59240	Birge Fountain (Fund 452)