

		Policy 501.04.15 Budget Amendment			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	5
Issue Date:	8/6/2024	Revision Date:	7/2025	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 clear divisions of responsibility for the amendment of the municipal budget, ensuring fiscal responsibility, transparency, and adherence to all applicable 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. Additionally, it supports public transparency by providing a clear framework through which residents and stakeholders can understand and follow the rationale and process behind budget modifications.

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. While the procedures outlined in this policy are to be followed uniformly across all funds and departments, it is important to note that only amendments involving General Fund allocations are subject to the requirement of a Class I public notice, as stipulated by applicable legal guidelines. This ensures both consistency in internal financial management and compliance with public transparency obligations specific to the General Fund.

III. GUIDELINES

A department's budget is a financial plan that outlines projected revenues (if applicable), anticipated expenditures, and the allocation of resources for a specific department within an organization over a defined period—typically a fiscal year.

Fiscal Budget

For the purposes outlined here, each department is assigned a unique department code. For example, Legislative Support is considered a distinct department but falls under the broader budget classification group known as General Government. These classification groups are used for public reporting purposes.

As a result, budget adjustments between departments within the same classification group do not require a formal budget amendment. However, if a transfer occurs between departments in different classification groups—such as a transfer from Insurance/Risk Management to Police Patrol—an amendment is required.

Conversely, a transfer between Police Patrol and Fire/EMS would not require an amendment, as both departments fall under the Public Safety classification group.

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

- A. Level 1 (a) adjustments of operating appropriations up to \$5,000 from one account to another within the department's budget. Level 1 (b) adjustments of operating appropriations \$5,001 and over from one account to another within the department's budget. Level 1 (c) 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 1(d) adjustments are transfers **up to \$25,000** between departments but in the same budget classification group (**see Appendix A**). Level 1 (e) adjustments are transfers **over \$25,000** between departments but in the same budget classification group (**see Appendix A**). Level 1 (a) adjustments shall require the approval of the department director. Level 1 (b) (c), and (d) adjustments shall require the approval of the City Manager. Level 1 (e) adjustments shall require the approval of the Finance Committee.
- B. Level 2 amendments are for any adjustments between budget classification categories (**see Appendix A**). All level 2 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 2) 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.

Fiscal Budget

- 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.

Appendix A

Budget Grouping Classification

Budget Classification Group		Department
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

Fiscal Budget

	55200	Parks Administration
	55210	Recreation Administration
	55300	Recreation Programs
	55310	Senior Citizen's Program
	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)