

CITY OF CARSON		POLICY/PROCEDURE
NUMBER: 3.39		SUBJECT  BUDGET TRANSFERS
ORIGINAL ISSUE 11/17/80	EFFECTIVE 11/17/80	
CURRENT ISSUE 6/10/81	EFFECTIVE 6/10/81	CATEGORY  III. FINANCE AND ADMINISTRATION
SUPERSEDES NEW		
STANDARD MANAGEMENT PROCEDURE		
<p>I. <u>PURPOSE AND SCOPE</u></p> <p>A. To establish the procedure and assign responsibilities for processing and authorizing budget transfers.</p> <p>B. To assure that budget transfers are processed and approved in conformance with City Council Policy 1.1, "Budget Transfers."</p> <p>C. To assure that budget transfers "from" and "to" accounts/ programs are complete, correct and properly funded.</p> <p>II. <u>GENERAL</u></p> <p>A. The budget development process requires and allows time for departments to analyze budget needs, and to budget funds for all planned programs and activities.</p> <p>B. The approved budget should be adhered to as a sound business practice, and budget transfers or changes should be avoided. Special emphasis should be placed upon detailed planning and analysis to assure that all expenses are initially budgeted to minimize the need for budget changes.</p> <p>C. Categories of Budget Transfers</p> <p>1. Budget Transfers Which Shall Be Approved By City Council</p> <p>a. Transfers between funds, departments or divisions.</p> <p>b. Transfers affecting capital assets.</p> <p>c. Transfers changing the basic purpose of the budget item or program. Examples of this are:</p> <p>1) Transfers between salaries and O &amp; M which affect the table of organization.</p>		

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- 2) Transfers which establish a new program/account, or delete an existing program. A new program/account is one having a four (4) position alphabetical program/account or higher. For example, KCAA, KCA or KC.
  - 3) Any budget transfer which the City Administrator designates as requiring City Council approval.
2. Budget Transfers Which May Be Approved By The Director Of Finance and Administration
- a. The Director of Finance and Administration may, at his discretion, approve any transfer not enumerated in Para C above.
  - b. This specifically includes transfers within a division or section level account or program, and may involve transfers between or within salaries accounts and programs, or O & M accounts and programs.
  - c. Transfers approved by the Director of Finance and Administration shall be implemented administratively and do not require further approval.
  - d. Transfers for which the category or level of approval is not clear shall be referred to the City Administrator for resolution.
- D. Transfers requiring City Council approval shall be submitted as agenda items to the City Administrator after approval of the Budget Transfer Request.
- E. All requests for budget transfer shall be submitted to the Director of Finance and Administration on form 11126, "Budget Transfer Request" and shall include the following information.
1. Complete fund, account, program and dollar amount for "from" and "to" accounts.
  2. A narrative justification or reason for the budget transfer.
- F. The Director of Finance and Administration will review each request and:
1. Determine the category and level of approval required.
  2. Verify availability of funding, and fund, account, program and dollar amount involved.

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- G. Prior to submitting a budget transfer request, close coordination with Finance and Administration should be coordinated to predetermine correct funding elements and approvals and to facilitate efficient processing of the request.
- H. No charges shall be approved until the affected budget transfer has been processed and approved, as set forth hereinabove.

### III. PROCEDURE

#### A. Department

1. Carefully evaluate the need for a budget transfer to assure the action is justified.
2. Coordinate, as needed, with the Director of Finance and Administration during preparation of transfer documentation.
3. Prepare form 11126, "Budget Transfer Request" as set forth hereinabove, assuring that funds, accounts, programs and amounts are complete and correct, and that the reason for the transfer is included.
4. Submit the "Budget Transfer Request" to the Director of Finance and Administration. Retain the Department copy.
5. Prepare a Council agenda item if City Council approval of the budget transfer is required, as indicated by the completed "Budget Transfer Request" form after Finance review.
  - a. The agenda item may be submitted with the request if the need for Council approval has been predetermined.
  - b. Agenda documents should always include the "from" and "to" impact by fund, account and program as depicted on the approved budget transfer form.

#### B. Finance and Administration

1. Review each request for budget transfer to confirm that "from" and "to" fund, accounts, program and dollar amount to be transferred.
2. Assure that written justification for the transfer is included on the request.
3. Determine and confirm the availability of budgeted unencumbered funds to support the transfer.

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4. Determine the level of review required and check the appropriate block on the budget transfer form.
5. Sign the form if the transfer is complete and correct.
6. Review, initial and process the related agenda item as applicable.
7. Distribution of the Budget Transfer Request copies:
  - Original - Finance and Administration
  - Copy 1 - Accounting
  - Copy 2 - Acknowledgment to the Department
  - Copy 3 - Department Record Copy
8. Maintain records of all budget transfers including a listing showing fund, account, program, dollar amount and impact on balances and appropriations.
9. Assure that budget transfers are promptly posted to the City accounting system and included in budget performance report balances.

#### IV. EXCEPTIONS

There shall be no exceptions to this procedure unless authorized by the Director of Finance and Administration.

#### V. AUTHORITY

By authority of the City Administrator.

  
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E. FREDRICK BIEN  
CITY ADMINISTRATOR