
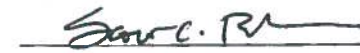




City of Riverside Administrative Manual

Effective Date: 1/2013
Review Date: 1/2016
Prepared by: Finance Department

Approved:


Department


City Manager

SUBJECT:

Budget Execution and Expenditure Control

PURPOSE:

To establish the administrative procedure for executing the City's annual budget in order to insure that expenditures of each City department do not exceed their annual appropriation.

POLICY:

The annual budget, as adopted by the City Council, establishes the total appropriation provided for each City department's operations. To ensure that the expenditures of each City department do not exceed the departmental appropriation, expenditures for each department are legally limited to the amounts authorized by the City Council in the budget document plus subsequent changes individually approved by the City Council.

Within each section, expenditures are limited to those budgeted for each classification having a specific budget code account number within the major functional areas of: personnel services, non-personnel expense, equipment outlay, special projects, and capital improvements. All expenditures must comply with the established purchasing procedures.

Once the month is closed, the Finance Department sends an email to all departments to inform them that the financial records are complete for the month. The departments have access to the accounting system (IFAS) to review the budget status of their departments.

With approval from the Accounting Division and the Budget Office, department heads may transfer available funds between accounts under their jurisdiction. With approval from the Accounting Division only, department heads may transfer available funds between two personnel accounts (41XXXX) or two non-personnel accounts (42XXXX) under their jurisdiction. City Council approval by motion adopted by the affirmative votes of at least five members per City Charter Section 1104 is required for all transfers between departments or funds, and from unappropriated surplus or contingency reserves. All transfer requests must be adequately justified, explaining the conditions creating the need for additional funds in the specified account and the impact of the transfer on the program. The following conditions also apply:

Personnel Services - Expenditures are limited to amounts appropriated. Transfers from personnel services accounts to any other account group (such as personnel services, equipment, capital projects and special projects) must be approved by the Budget Office and will generally be limited to items of a non-recurring nature.

Non-Personnel Expense - Departments may not exceed the approved budget for non-personnel expenditures within each fund in their department. Departments may exceed expenditures within an individual non-personnel account as long as the budget for the entire non-personnel section of the fund has not been exceeded. Transfers from non-personnel accounts to any other account group (such as personnel services, equipment, capital projects and special projects) must be approved by the Budget Office and will generally be limited to items of a non-recurring nature.

Equipment - Expenditures are limited to items identified in the budget document by budget account number. Transfers are not required between items of the same account.

Capital Improvements - Transfers to or from Capital Improvements must be approved by the Budget Office. Projects to be financed from funds provided in various "miscellaneous" budget code accounts will, before execution, be assigned specific work order or project numbers and funds transferred thereto as necessary.

Special Projects - Transfers to or from Special Projects must be approved by the Budget Office.

PROCEDURE:

Responsibility	Action
Finance Department Accounting Division	1. Notifies departments via email each month as soon as financial records are closed. 2. Departments review and monitor budget status.
Department Head	3. (Note: Step 3 applies for Budget Transfers for all accounts, except between two Personnel or two Non-Personnel accounts as specified in this policy.) Submits request on the standard "Budget Transfer Request" Form to the Principal Management Analyst in the Finance Department's Budget Office. Request must contain account numbers, titles and amounts for all accounts from or to which transfers are being made, as well as adequate justification for transfer. Prepares Council report for all transfers between departments or funds.
Finance Department Budget Office	4. Principal Management Analyst determines availability of funds to be transferred and if Council action is necessary. 5. For transfers totaling \$50,000 or less, reviews justification for transfer, approves transfer request, and sends to Accounting Division. For transfers totaling more than \$50,000, reviews justification for transfer, approves transfer request, obtains approval from the Assistant Finance Director or Finance Director, and sends to Accounting Division.
Finance Department Accounting Division	4. Transfers are sent to the Controller for review and approval before input by Accounting.

Attachment:

1. Budget Transfer Request Form

BUDGET TRANSFER REQUEST

*CITY OF RIVERSIDE
FINANCE DEPARTMENT*

DATE: _____

TRANSFER

FISCAL YEAR: _____

TO				FROM			
Key	Object	Fund	AMOUNT	Key	Object	Fund	AMOUNT

Account Title _____

Account Title _____

Department/Division: _____

Reason Code: CBTR (Council Request) DBTR (Dept Request)

Reason for Transfer: _____

Effect of Transfer: _____

DEPARTMENT DIRECTOR SIGNATURE: _____

DATE: _____

City Manager/Finance Use Only

APPROVALS

PRINCIPAL MANAGEMENT ANALYST: _____

DATE: _____

ASSISTANT FINANCE DIRECTOR SIGNATURE REQUIRED

[] Y [] N

VERIFIED THAT COUNCIL ACTION NOT REQUIRED

[] Y

ASSISTANT FINANCE DIRECTOR: _____

DATE: _____

CONTROLLER (OR DESIGNEE): _____

DATE: _____

Batch ID _____

Reference _____

DATE: _____