



Standard Administrative Policy and Procedures Manual

Title: **FINANCIAL POLICY**

Date of Version: **SEPTEMBER 6, 2011**

Section: **BUDGET CARRYOVER POLICY**

Resolution No.: **2011-277**

SECTION 1 – POLICIES

- A. All appropriations carried forward from one fiscal year to the next fiscal year must be approved by the City Manager.
- B. The appropriation must be for an item or service specifically listed in the requesting department's budget. Appropriations for regular and ordinary operating expenditures may not be carried forward. Purchases of items and services not listed in the requesting department's budget are not eligible for carryover.
- C. The amount of the appropriation may not be lower than the lesser of 1) one percent of the activity's budget, or 2) \$2,500.
- D. All appropriations to be carried forward are contingent upon adequate and available resources and fund balance.
- E. Invoices and payments to vendors should not be manipulated, delayed, postponed, split, prepaid, incorrectly billed, or otherwise in order to manipulate and control budget expenditures.
- F. The spend down of budget appropriations at fiscal year end should be avoided in order to prevent problems in cash flow, budget monitoring, and potentially wasteful spending.

SECTION 2 – PROCEDURES

The following procedures should be completed prior to June 30:

- A. A memo requesting budget appropriations to be carried forward to the next year should be submitted to the Finance Department. The memo should include a list of all appropriations to be carried forward by the department, the activity and account they are budgeted in, and the justification for carrying the items forward.
- B. The Finance Department will review the requests to determine if the items qualify for carry forward and if funds are available to cover the expenditures.

- C. The Finance Department will summarize the requests along with recommendations for approval or denial to the City Manager.
- D. The City Manager will approve or deny the carry forward requests and return the results to the Finance Department. Each requesting department will then receive a notice of the result of their requests.
- E. New fiscal year budgets will then be modified to include the appropriation amounts carried forward and will be included in the revised budgets during the budget process.