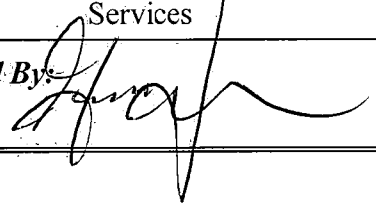




POLICY AND PROCEDURE

Subject: Reappropriations	Index: Finance (supersedes 201-10-2) Number: 201-10-6
Effective Date: October 31, 2011	Prepared By: Finance & Administrative Services
Supersedes: February 1, 2006 (Policy 201-10-2)	Approved By: 

1.0 PURPOSE:

To provide guidelines and procedures for Reappropriations of budgeted funds to a new fiscal year.

2.0 ORGANIZATIONS AFFECTED:

All departments and divisions.

3.0 REFERENCES:

City Budget

4.0 POLICY:

4.1 Budgeted funds may be carried forward to a new fiscal year from the old fiscal year.

4.1.1 Reappropriation requests are to be submitted for unspent activities that are in process at the end of the fiscal year.

4.1.2 Budgeted funds must be available within the department budget.

4.1.3 Budgets with negative balances, when applicable, will reduce future appropriations.

4.2 Capital Projects will not lapse until completion of the project has been done. Appropriations for capital project activities will lapse after no activity for five years and will need to be re-budgeted as part of the City Budget process.

4.3 All Reappropriations are subject to final approval by the City Manager, before budgeted amounts are made available in the new fiscal year.

4.4 A request for reappropriation must be submitted using the "Reappropriation Form," and submitted by the due date established by the Finance Division.

5.0 **DEFINITIONS:**

- 5.1 **Reappropriation** is the method used to bring forward budgeted funds, whose commitment was already approved by the City Council, from one fiscal year to the next fiscal year.

Examples: 1) A copier was budgeted and ordered one month before year end. The copier is on backorder and will not be received for two months. The budget would need to "reappropriated" in the new fiscal year. 2) A capital project which was budgeted in its entirety, but is only partially complete, such as the addition of a park under construction.

- 5.2 **Encumber** - To burden with legal or financial obligations but yet unpaid.

6.0 **PROCEDURE:**

- 6.1 When a **reappropriation** of the budget is required, the department initiating the request must complete a "Reappropriation Form" and obtain approval by the department head. This form is available on the Word-Templates-Budget tab.
- 6.2 The "Reappropriation Form" is given to the Finance Division for review. In addition to this form a list of grants or other revenues currently outstanding will be prepared to be recorded in the new fiscal year.
- 6.3 The Finance Division will review the Budget "Reappropriation Form" to determine if budgeted funds are available to be carried over within the Department budget.
- 6.4 The Finance Division will review the request to determine the reappropriation is valid, in conjunction with the annual financial closing.
- 6.5 Upon the completion of this review the following information will be prepared.
- 6.5.1 A list of Encumbered/Committed amounts to be carried over to the following fiscal year will be completed; which lists the fund, account, vendor and description or purpose of the amount encumbered.
- 6.5.2 A list of grants or revenues that are currently outstanding will be recognized (carried forward) into the following fiscal year.
- 6.5.3 A list of transfers yet to be completed based on transaction activity that must be completed, but is yet outstanding.
- 6.6 The List of Encumbrances/Commitments will be submitted for review to the City Manager for approval.