

AGENDA SUMMARY ITEM

Agenda Item #: R- 7

Agenda Item: Approval of Revisions to the Administrative Procedures to Amend the Adopted Budget.

On June 17, 1999, Council approved the Administrative Procedures to Amend the Adopted Budget (“Procedures”). Upon review of the Procedures, staff has identified areas of improvement to better reflect budgetary management and align with current fiscal practices. The revisions to the Procedures are as follows:

1. Granting authority to the Village Manager or Finance Director to approve budget amendments/transfers within a department or division (category 6) and between object codes within a capital project associated with the Capital Improvement Program (category 7) without a threshold limit.
2. Minor grammatical revisions throughout the Procedures.

The recommended changes are designed to allow for more flexibility, improve budget management and align with current fiscal practices. The Procedures are being presented in concurrence with Ordinance No. 1055 and will be effective after the second reading on January 16, 2025.

Recommended Action:

Staff recommends that the Village Council approve the revisions to the Administrative Procedures to Amend the Adopted Budget with an effective date of January 16, 2025.

Initiator	Village Manager Approval	Agenda Date	Village Council Action
Sharon Almeida Finance Director		12/19/2024	



VILLAGE OF ROYAL PALM BEACH FINANCE POLICY

POLICY No. F-14
ISSUED: 6/17/1999
REVISED: 12/19/2024
EFFECTIVE: 1/16/2025

SUBJECT: Administrative Procedures to Amend the Adopted Budget

PURPOSE: The procedures outlined define, standardize and set forth responsibilities for amendments to the Council Adopted Budget.

POLICY AND PROCEDURES:

A budget amendment is a change in the adopted budget, either revenue or expenditure. A budget amendment may change an allocation or transfer a specific dollar amount from one budget code to another. Since budget adjustments result in changes in appropriated budgets there must be sufficient documentation to justify the requested adjustment.

Definitions:

1. Department – a department is defined as a single operating function with its own budget, such as the Finance Department, or an aggregation of similar sub-functions (Divisions) each of which has its own operating budget, such as the Parks & Recreation Department.
2. Expense Categories
 - a. Personnel Services: (object codes 11-00 through 29-99) Expenses for salaries, wages, and related employee benefits provided for all persons employed by the Village whether on full-time, part-time, temporary, or seasonal basis. Employee benefits include employer contributions to a retirement system, social security, insurance, personal time off (PTO), and similar direct benefits as well as other costs such as Worker’s Compensation and Unemployment Compensation Insurance.
 - b. Operating Expenditures: (object codes 31-00 through 59-99) Includes expenditures for goods and services which primarily benefit the current period, and are not defined as personnel services or capital outlays.
 - c. Capital Outlay: (object codes 61-00 through 69-99) Expenditures for the acquisition of or addition to fixed assets.

Category of Amendments/Transfers: There are nine (9) categories of budget amendments or transfers.

1. Transfers from the fund’s contingency account;
2. Transfers between Departments;
3. Amendments to departmental budgets (increases/decreases);
4. Interfund transfers;
5. Transfers between capital projects associated with the Capital Improvement Program;
6. Transfers within a Department or Division;
7. Transfers between object codes within a capital project associated with the Capital Improvement Program;

- 8. Receipt of grant funds/donations; and
- 9. Transfers from the unappropriated fund balances or reserves.

Responsibilities and Procedures:

Categories 1, 2, 3, 4, and 5

Budget amendments and transfers in these categories can only be authorized by the Village Council. It is the responsibility of the Village Manager, or designee, to advise the Council and request these categories of budget transfers/amendments.

Categories 6 and 7

Budget transfers in these categories must be approved by either the Village Manager or Finance Director. Transfers of these types will be used to eliminate over-expenditures of various line items or to meet unexpected emergencies which require an additional expense over the budgeted amounts in that line item.

Departments shall strive to keep adjustments within expenditures categories (i.e., personnel services, operating expenditures, and capital outlays). The appropriated approving authority as identified above may grant a waiver to this restriction. **No Department shall exceed its total appropriated budget. Purchasing an item without sufficient funds will result in disciplinary action by the Village Manager.** The rules promulgated under this policy are designed to avoid a Department exceeding its appropriated funding allotment.

Categories 8 and 9


Adjustments from unappropriated fund balances or reserves and receipt of grant funds or donations require formal Village Council approval to amend the budget resolution in effect. The amending resolution changes the appropriated sums of money, both revenue and expenditure amounts.

Category	Amount	Approval	Type
1 – 5	n/a	Council	Legislative
6 – 7	n/a	Village Manager or Finance Director	Administrative
8-9	n/a	Council	Legislative

Preparation of Amendments/Transfers:

The Department Director shall submit to the Finance Department a memorandum requesting a budget amendment/transfer with the following information: account number, project number (if applicable), amount of the request and an explanation for the budget amendment/transfer.

All budget amendments and transfers will be verified by the Finance Department for fund availability. As noted above, categories 1, 2, 3, 4, 5, 8 and 9 must then be presented to the Village Council for final approval. The Finance Department will prepare the agenda item requesting approval.

PREPARED BY:  _____

DATE: 12/19/2024

APPROVED BY: _____

DATE: _____