



OFFICE OF THE CLERK/TREASURER City of Burlington

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March 11, 2013

To: Board of Finance

From: Paul Sisson, Interim Chief Administrative Officer

Re: Budget Adjustment Authority

In order to fully realize the benefits of the New World system, there are times when budget adjustments within departments must be made on a timely basis so that invoices can be paid. This is happening more often in FY13 because the Clerk/Treasurer's office is verifying invoice classification within our new chart of accounts for the majority of items, and to date we have noted many instances when costs had been misclassified in the past. Simply put, in order to have timely, accurate financial information, costs must be properly classified.

Accordingly, I believe it is prudent for budget-neutral adjustments within a department's budget up to certain thresholds be allowed without explicit City Council approval. Therefore, I recommend that the City Council delegate authority for budget-neutral adjustments within departments as follows:

Chief Administrative Officer	Authority to make budget adjustments for individual amounts not to exceed \$10,000
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Mayor	Authority to make budget adjustments for individual amounts not to exceed \$25,000
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On a quarterly basis, a summary of all budget adjustments made under the authority granted by this policy would be provided in the Council packet.

I would appreciate your support for this policy change.

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7 DELEGATION OF AUTHORITY FOR BUDGET-NEUTRAL
8 ADJUSTMENTS WITHIN CITY DEPARTMENTS' INDIVIDUAL BUDGETS
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14 In the year Two Thousand Thirteen.....

15 Resolved by the City Council of the City of Burlington, as follows:

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17 That WHEREAS, the City Charter Article 56, Section 157 requires City Council approval of all budget
18 adjustments; and

19 WHEREAS, the frequency of requests for budget adjustments by departments has increased due to
20 the implementation of the New World financial reporting system; and

21 WHEREAS, the New World financial reporting system has built-in features that prohibit over-
22 expending certain expense categories, resulting in the need for frequent budget-neutral adjustments within
23 departments; and

24 WHEREAS, to date the Clerk/Treasurer's office has processed many corrections to departments'
25 individual budgets resulting from the New World conversion, all of which were within individual
26 departments and were budget neutral; and

27 WHEREAS, the frequency of Board of Finance and City Council meetings is such that there have
28 been times when certain invoices could not have been paid on time without a budget adjustment being
29 processed; and

30 WHEREAS, out of necessity, the Clerk/Treasurer's office has processed many budget-neutral
31 corrections to departments' individual budgets because of the implementation of the new chart of
32 accounts under the New World financial reporting system; and

33 WHEREAS, City departments often have the opportunity to accept and spend small grants that do
34 not require matching contributions from the City and are therefore budget-neutral;

35 NOW, THEREFORE, BE IT RESOLVED that the City Council ratifies the actions of the
36 Clerk/Treasurer's office with respect to budget corrections recorded to date as a result of the conversion to
37 the new chart of accounts within the New World financial reporting system; and

38 BE IT FURTHER RESOLVED that the City Council hereby delegates authority for approval of
39 budget-neutral adjustments, including the acceptance of grants and expenses related thereto, within
40 departments at or below a certain dollar amount as follows:

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DELEGATION OF AUTHORITY FOR BUDGET-
NEUTRAL ADJUSTMENTS WITHIN CITY
DEPARTMENTS' INDIVIDUAL BUDGETS

Mayor	\$25,000
Chief Administrative Officer	\$10,000

AND, BE IT FURTHER RESOLVED that the Clerk/Treasurer's office will prepare a summary of all budget adjustments processed under such authority to the City Council on a quarterly basis.

lb/EBlackwood /c: Resolutions 2013/Clerk-Treasurer - Budget-Neutral Adjustments, Delegation of Authority to Individual Departments'
(New World Reporting System)
3/7/13