



## City of Lockport

### Budget Amendment Policy

*Res 012826.13*

*WHEREAS, in compliance with the New York State Office of the Comptroller, all governmental entities are recommended to have and maintain a budget modification policy that identifies appropriate practices and regulation as they relate to City finances; and*

*NOW THEREFORE BE IT RESOLVED, that the City of Lockport does hereby adopt the following budget modification policies and procedures:*

**Guideline #1:** All budget amendments must be requested and approved prior to the expenditure being incurred. No department shall make a purchase, enter into a contract, or otherwise obligate City funds without sufficient budget appropriation and an approved purchase order. Expenditures incurred without prior approval shall not constitute justification for a budget amendment and may be denied.

**Guideline #2:** Department Heads, throughout the year, may encounter budget line items that require additional funding for operational costs. The first priority is to utilize unused excess funds within their department. If they can identify matching excess funds in their department to be reduced in the same amount of the requested increase, the Department Head may request an individual amendment amounting from **\$1 to \$10,000** within their budget, to be posted in New World by said Department's Account Clerk and subsequently reviewed, approved, and posted by the Director of Finance (without the need to fill out and submit the attached Budget Amendment Worksheet). In the event that the Department Head cannot identify excess funds in their department to cover the requested budgetary increase, they are to follow Guideline #4.

**Guideline #3:** For individual amendment amounts ranging from **\$10,001 to \$25,000** (in which the Department Head can identify excess funds to match the requested increase), the Department Head will provide to the Director of Finance the attached Budget Amendment

Worksheet. In this event, the Director of Finance shall have the authorization:

- To approve requests for the transfer of funds, not to exceed \$25,000, within and between the contractual, capital, and benefit expense items of a department budget, provided said administrative transfers do not exceed total appropriations for the departmental budget as adopted or amended by the City Council.
- To approve requests for the transfer of funds, not to exceed \$25,000, within the Personal Services account or from Personal Services to Equipment and Contractual, provided said authority is further limited to modifications for temporary, overtime and/or shift differential appropriations, which shall not result in the creation of permanent full time or part-time positions.

**Guideline #4:** For individual amendments ranging from **\$25,001 to \$50,000** (in which the Department Head can identify excess funds to match the requested increase), the Department Head will provide to the Director of Finance the attached Budget Amendment Worksheet. In this event, the Director of Finance in concurrence with the Mayor, shall have the authorization:

- To approve requests for the transfer of funds which exceed \$25,000 but are less than \$50,000 within and between the equipment and contractual areas of the department budget, provided said transfers do not exceed total appropriations for the departmental budget as adopted or amended by the City Council.
- To approve requests for the transfer of funds which exceed \$25,000 but are less than \$50,000 within the Personal Services account or from Personal Services to Equipment and Contractual, provided said authority is further limited to modifications for temporary, overtime and/or shift differential appropriations, which shall not result in the creation of permanent full time or part-time positions.

**Guideline #5:** In the event of a true emergency that poses an immediate risk to public health, safety, or the continued operation of essential City services, the Mayor, in consultation with the Director of Finance, may authorize a temporary budget modification or expenditure. Any such emergency action shall be documented in writing and submitted to the Common Council for ratification at the next regular Council meeting.

**Guideline #6:** Common Council approval shall be required for all other budget amendments, including requests that transfer funds from one department to another, as well as the use of contingency. In these events, the Department Head will provide to the Director of Finance the attached Budget Amendment Worksheet, which will then be reviewed by the Finance Director and submitted (in resolution format) to the Clerk's Office for the Common Council to vote on. Department Heads must provide this form to the Finance Director at least two weeks before the Common Council meeting they wish this amendment to be voted on.

**Guideline #7:** In all instances, there shall be no splitting of transfer amounts to avoid the next level of authorization.

**Guideline #8:** This policy shall be reviewed annually by the City of Lockport Common Council.