

POLICY

13-01

TO: Milton Selectboard
FROM: Don Turner Jr, Town Manager
RE: Budget Adjustment/Amendments
DATE: March 13, 2013
REVISED: August 21, 2017

Effective Date: Immediately

PURPOSE: To better allow departments to track expenses and get more accurate year end reports to aid in producing future budgets.

Procedure for Budget Adjustments/Amendments

Budget adjustments should be made:

- A) Once a month at the end of the fiscal period.
- B) Between departments if approved by the Selectboard.
- C) Due to the receipt of a grant/donation that was approved by the Selectboard.

Inner Department Transfers Process (Budget Adjustments)

1. Inner-department transfers will be done after all budgeting reports have been run for the fiscal period to allow for accurate reporting of expenses. Department heads are required to allocate expenses to the most correct budget line item to aid in better budget projection in future years. At no time will the department total be allowed to go negative.
2. Department head submits the transfer form filled out with amounts to be transferred, the line item account numbers and names, and amounts with total, type of transfer (within Department), and explanation to the Finance Director;
3. Finance Director reviews whether the funds are available for transfer and attaches a current expenditure report highlighting the accounts and determining availability of funds on form and forwards to Town Manager if funds are available or returns to department if not;
4. Town Manager reviews transfer and approves or denies. If approved the signed form is returned to Finance Director to post the transfer. At this point the Finance Director enters the date, journal entry number, and signature at the bottom of the form. The Department Head is notified by email that the transfer has been posted. The original form is kept in the Finance Department records. If Town Manager denies the transfer, the form is returned to the Department Head.

Inter-Departmental Transfer Process (Budget Amendments)

1. Departments will not allocate expenses to budget items to avoid an over budget situation. This will allow for better budgeting in the next fiscal year;
2. Again, every effort will be made to complete inter-department transfers at the end of the fiscal period;
3. Follow steps #1 and #2 under Inner-Department Transfer Process above. Before proceeding to step 3 a resolution and analysis should be completed explaining the need for the transfer. This will be submitted to the Town Manager as part of his/her review with the budget transfer form;
4. The Town Manager will review the draft resolution along with any supplemental analysis justifying the need, direct changes, and (if the Town Manager approves) direct it to be recommended to the Selectboard and placed on Selectboard agenda for action;
5. If the Selectboard approves the inter-departmental transfer, the form will be returned to the Finance Department along with a copy of the signed resolution to execute the transfer according to #3 above.

Exceptions:

1. If a budget adjustment/amendment is being done because of a grant, the resolution the Selectboard is asked to approve should include wording authorizing the Town Manager to make budget transfers if the grant is awarded and received. In this case the budget transfer form would be completed after and not before the Selectboard authorization.
2. If a budget adjustment/amendment is being done because of donation, the resolution should include the amount of the donation and language authorizing the transfer into a certain department budget. In this case the budget transfer form may be completed after and not before it goes to the Selectboard because only an increase from the donation is occurring and no certification of funds should be necessary. The Finance Department will in consultation with the sponsoring department bringing forward the donation, identify the funds, line items, and amounts to be adjusted or amended prior to Selectboard action.

POLICY: The Milton Selectboard, acting in regular session on _____, 2017 voted in favor of the following;

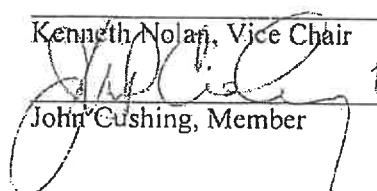
"Voted in favor of the Budget Adjustment/Amendment Procedure, as outlined in Policy 13-01. Further, that this referenced policy shall be part of the permanent record of the attachment of the same to the minutes of the aforementioned meeting."

Dated at Milton, Vermont this 21st day of August, 2017

MILTON SELECTBOARD



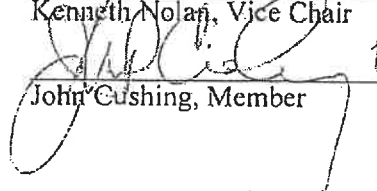
Darren Adams, Chairperson



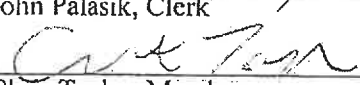
Kenneth Nolan, Vice Chair



John Palasik, Clerk

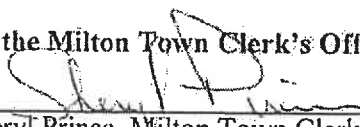


John Cushing, Member



Chris Taylor, Member

Filed with the Milton Town Clerk's Office this 22 day of August, 2017

Attest: 

Sheryl Prince, Milton Town Clerk

Procedure Title	Budget Adjustments/Amendments
Responsible Position	Department Managers, Finance Director, Town Manager, Selectboard
Author	Jessica Morris
Effective Date	8/21/17 JM
Revision Dates	

Summary:

From Policy #13-01: to better allow departments to track expenses and get more accurate year end reports to aid in producing future budgets.

Procedure:

Each month, the Finance Director will produce and distribute financial reports (see Financial Reports for Dept Managers Procedure). The Department Manager is responsible for reviewing their budget(s) and identifying any overages and/or anticipated changes **each month**.

Budget Adjustments

Inner-department transfers (transfers between line items within a department's budget) are considered budget adjustments.

The attached budget adjustment/amendment request form should be completed electronically and submitted to the Finance Director for review and processing. The form must be completed in full or it will be returned. The following fields are required to be completed by the Department Manager:

Date – date of request

From – name of Department Manager making request

Department – name of department request is being made for

From Account – enter the account number that you would like to transfer funds out of (reduce original budget amount)

Amount – amount requested to transfer from above referenced account

To Account – enter the account number that you would like to transfer funds to (increase original budget amount)

Amount – amount requested to transfer to above referenced account

Select 'Adjustment within a Department authorized by the Town Manager'

Provide a detailed explanation for the adjustment(s) requested above.

Email the completed form to the Finance Director. Upon receipt, the Finance Director will verify that there are sufficient funds to make the requested adjustment(s), sign the form electronically and email to the Town Manager for final approval. If there are not sufficient funds, the request will be noted accordingly and returned to the Department Manager.

Upon receipt and approval by the Town Manager, the form will be electronically signed and emailed back to the Finance Director for posting. If denied by the Town manager, the form will be noted accordingly and returned to the Finance Director and Department Manager.

The last section of the form will be completed upon posting by the Finance Director and the information will be recorded in the budget adjustment/amendment tracking spreadsheet.

Budget Amendments

Inter-departmental transfers (transfers between departments) are considered budget amendments and require Selectboard approval.

Follow the same steps to complete the attached budget adjustment/amendment request form as described above and also draft a resolution with analysis justifying the need for the Town Manager's review and presentation to the Selectboard. Budget amendments, if approved by the Town Manager, will be recommended to the Selectboard and placed on an agenda for action.

If approved by the Selectboard, the request form and a copy of the signed resolution will be returned to the Finance Director for posting. The last section of the form will be completed by the Finance Director and the information will be recorded in the budget adjustment/amendment tracking spreadsheet.

Exceptions

If a budget amendment is being done because of a grant, the resolution the Selectboard is asked to approve should include wording authorizing the Town Manager to make budget transfers if the grant is awarded and received. In this case the budget adjustment/amendment request form would be completed after and not before the Selectboard authorization.

If a budget amendment is being done because of donation, the resolution should include the amount of the donation and language authorizing the transfer into a certain department budget. In this case the budget adjustment/amendment request form may be completed after and not before it goes to the Selectboard because only an increase from the donation is occurring and no certification of funds should be necessary. The Finance Department will, in consultation with the sponsoring department bringing forward the donation, identify the funds, line items and amounts to be adjusted or amended prior to Selectboard action.

Finance

All signed forms and documentation will be stored electronically in the corresponding FY folder in \\SERVER2012\shared\Finance\Budget Adjustments-Amendments. The budget adjustment/amendment tracking spreadsheet (attached below) will be distributed to the Selectboard with their financial reports at the first meeting of each month. The spreadsheet will also be made available to Department Managers on a monthly basis.

Attachments:

Policy 13-01 Budget Adjustments/Amendments

Budget Adjustment-Amendment Request Form

Budget Adjustment-Amendment Tracking Spreadsheet

REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT

To be presented to the Town Manager

Date

From

Department

I hereby request authorization to adjust the following line item(s). This request is being made under the authority of the Town of Milton Charter, Section 1008, and policies of the Town of Milton

FROM ACC'T NO.	AMOUNT	TO ACC'T NO.	AMOUNT
____-____-____-____.	\$ _____	____-____-____-____.	\$ _____
____-____-____-____.	\$ _____	____-____-____-____.	\$ _____
____-____-____-____.	\$ _____	____-____-____-____.	\$ _____
____-____-____-____.	\$ _____	____-____-____-____.	\$ _____
	\$ _____		\$ _____

___ Adjustment within a Department authorized by the Town Manager.

___ Adjustment between Departments authorized by resolution (attached) of the Select Board.

___ Adjustment to the budget due to the receipt of a grant approved by the Select Board (Resolution attached).

Explanation (attach additional sheet if necessary):

I certify that funds ___ are ___ are not available to make said adjustment as requested.

Finance Director

Date

I hereby ___ grant ___ deny the inner-department line item requested outlined above.

Town Manager

Date

ACTION BY FINANCE

On _____ the request as granted was transferred as outlined above by

Budget Journal Entry # _____.

FINANCE DIRECTOR

Date

