

RESOLUTION NO. 4759 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
GLENDALE, MARICOPA COUNTY, ARIZONA,  
SUPPORTING A FINANCIAL POLICY RELATED TO CASH  
AND BUDGET APPROPRIATION TRANSFERS.

WHEREAS, Glendale City Charter, Part I, Article VI, Section 11 authorizes the city manager, by ordinance, to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency; and

WHEREAS, at the request of the city manager and within the last three months of the fiscal year, the council may, by ordinance, transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another; and

WHEREAS, the Financial Policies, as presented in the Annual Budget book which further define budget appropriation transfers policies require updating.

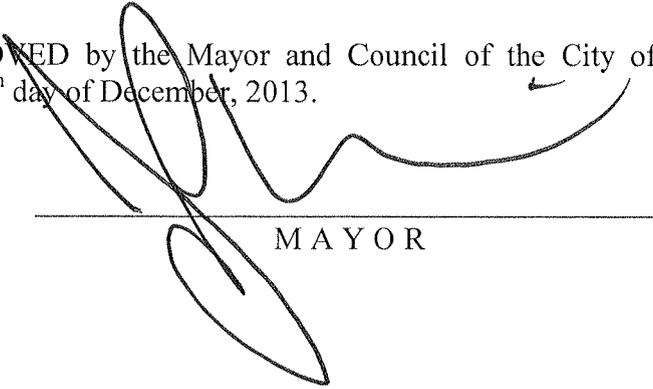
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the following Cash and Budget Appropriation Transfer Policy is hereby authorized:

[See Exhibit A attached hereto and  
incorporated herein by reference.]

SECTION 2. That the City Manager is hereby authorized to update the Financial Policies, as presented, and the Annual Budget book, to be consistent with the Cash and Budget Appropriation Transfer Policy in the form attached hereto.

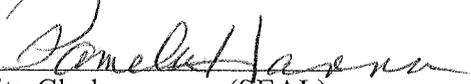
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 10<sup>th</sup> day of December, 2013.



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MAYOR

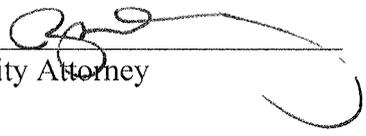
ATTEST:



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City Clerk (SEAL)

APPROVED AS TO FORM:



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City Attorney

REVIEWED BY:



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City Manager

## Exhibit A

### Cash and Budget Appropriation Transfer Policy

#### A. Purpose & Restrictions

The following policy is established to implement an effective and efficient process by which the adopted City budget may be amended.

Throughout the course of the fiscal year, amendments to the budget are necessary to address new issues, increased prices, changes in scope of existing projects, and unforeseen issues affecting City operations. This policy applies to all cash and budget appropriation transfers initiated by the Mayor and City Council, the City Manager's Office, and/or departments. The City's Financial Services Department will process budget amendments in the financial management system, following appropriate authorization by the Mayor and City Council, the City Manager, and a Department Director.

For non-departmental operations, it may be necessary to transfers certain unanticipated amounts during the course of a fiscal year for unforeseen expenditures. These **contingency** appropriation transfers are not specific to any particular department and are established each fiscal year to cover unforeseen operation expenses, revenue shortages, or capital project acceleration as approved by Council. These funds can only be directed by Council during the fiscal year. Similar to contingency, the Council approves appropriations for **Miscellaneous Grants** which are not specific to any particular department and are established to cover unanticipated grants received during the fiscal year. The policy covering these types of transfers is covered in the **Contingency & Miscellaneous Grant Appropriation Transfers** section below.

Article VI, Section 11 of the City Charter establishes the legal restriction for budget appropriation transfers and reads as follows.

*The city manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the city manager and within the last three months of the fiscal year, the council may by ordinance transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.*

For the purpose of this policy, a department is defined as the separate departmental unit presented in the City's most current organizational chart.

#### B. Policy

Based on the purpose and restrictions surrounding cash and budget transfers, the following policy sets forth the restrictions surrounding cash and budgetary appropriation transfers.

##### **Cash Transfers**

Cash transfers between funds can only be authorized by Council in the last three months of the fiscal year.

##### **Cash & Appropriation Transfers Between Funds**

Cash and associated budget appropriation transfers between funds can only be authorized by Council in the last three months of the fiscal year.

##### **Appropriation Transfers**

1. *Between Funds* – Budget appropriation transfers between funds can only be authorized by Council approval in the last three months of the fiscal year.
2. *Between Departments* – Budget appropriation transfers between departments can only be authorized by Council approval in the last three months of the fiscal year.

3. *Within the Same Fund, Within the Same Department* – Budget appropriation transfers within the same fund and within the same department can be authorized by City Manager approval throughout the fiscal year.
4. *Between Capital Improvement Projects*
  - a. *Between Departments* – Capital improvement project budget appropriation transfers for projects managed between departments can be only authorized by Council approval in the last three months of the fiscal year.
  - b. *Within Departments* – Capital improvement project budget appropriation transfers within the same department, and the same fund, can be authorized by City Manager approval throughout the fiscal year.

**Restricted Fund Transfers**

Cash and/or appropriation transfers into, and out of, restricted funds can only be authorized by Council approval. Only transfers within the intent of the restricted funds will be approved by Council. For restricted fund transfers, the Council shall be provided with a) justification that such transfers are consistent with restricted fund purposes, b) assurance that the transfer has been legally reviewed by the City Attorney, and c) assurance that the transfer meets the restrictions set out in this transfer policy.

**Contingency & Miscellaneous Grant Appropriation Transfers** – These types of transfers are not specific to any particular department.

1. *Contingency* – Contingency budget appropriation transfers can be authorized by Council throughout the fiscal year.
2. *Miscellaneous Grants* – Miscellaneous Grant appropriation transfers can be authorized by Council throughout the fiscal year.

**C. Approval of Expenditures in Excess of Budget Appropriations**

Occasionally, it may be necessary to record expenditures, such as payroll or other contractual expenditures, to a fund/department prior to an appropriation transfer.

1. *Non-Payroll* – If a budget appropriation is restricted to the last three months of the fiscal year for a necessary expenditure in the first nine months of a fiscal year, staff will seek approval from Council to exceed budget appropriation with a corresponding transfer in the last three months of the fiscal year. In order to maintain budgetary control, staff may seek Council approval to reduce budgetary appropriation, throughout the fiscal year, in order to ensure adequate funding exists to process the transfer within the last three months of the fiscal year.
2. *Payroll* – All payroll expenditures will be recorded immediately. If a payroll expenditures exceeds the budgetary appropriation control, the Financial Services Department will either 1) reclass the expenditures, as necessary, to an appropriate fund/department, or 2) seek approval of a budgetary appropriation transfer within the guidelines of this Cash and Budget Transfer Policy.

**D. Authorization Levels:**

A summary of the transfer type and authorization level is presented below.

	<b>Authorization Level</b>
<b>Cash Transfers (Between Funds)</b>	Council
<b>Cash &amp; Appropriation Transfers (Between Funds)</b>	Council
<b>Appropriation Transfers</b>	
Between Funds	Council
Between Funds – Same Department	Council
Same Fund – Different Departments	Council

	Same Fund – Same Department	City Manager
<b>Appropriation Transfers – Between Capital Improvement Projects</b>		
	Between Departments	Council
	Same Fund – Same Department	City Manager