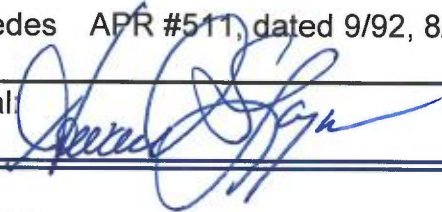




Administrative Policies and Procedures

Policy Title: Budgetary Guidelines	Policy Number: 511
Effective: 10/18	
Supersedes APR #511, dated 9/92, 8/07	
Approval: 	Page 1 of 2

1. Purpose

To provide clear guidelines and to assure proper planning of service area and capital expenditures.

2. Policy

It is the policy of the City of Ann Arbor that all appropriated funds (expenditures, capital, etc) will be expended, completed, and/or delivered in the year in which they are budgeted.

3. Procedure

- 3.1 The Chief Financial Officer shall approve any variance from or exception to the following guidelines in advance.
- 3.2 Service area expenditures are to be less than or equal to the modified budget for each service area by fund and appropriation at the end of the fiscal year.
- 3.3 Programs and purchases are to be accomplished in the year in which they are budgeted.
- 3.4 Service Area Administrators are to ensure that funds (other than the General Fund) are not placed in a deficit position at the end of the fiscal year. This includes special revenue funds such as Street Repair Millage; internal service

funds such as the Insurance Fund; enterprise funds such as Water Supply; and trust funds such as the Dean Fund.

- 3.5 Financial and Administrative Services will provide quarterly financial system reports for each operating fund which will include all budgeted accounts including any multi-year projects with budgets and actual amounts. Service Area Administrators are expected to forecast annual revenues and expenditures for their service area on a quarterly basis and take appropriate necessary actions to achieve their budgets.
- 3.6 Purchases are to be completed with sufficient time to have the item delivered within the fiscal year so that the expenditure will be reported as expended in the current fiscal year, as required by governmental accounting standards.
- 3.7 Unexpected events may delay the delivery of an item so that delivery will not be received in the current fiscal year. Unexpected events may include strikes, weather delay in construction projects and vendor failure to deliver when delivery date was specified at time of order. When such an event occurs, the project or item will be considered for a carry-over re-appropriation via Council resolution.
- 3.8 If it is known that any project or item cannot be completed in the current fiscal year, the approval resolution shall include language which will allow the unexpected balance for the project or item to be carried over to the next fiscal year.
- 3.9 When it is known at the time of the preparation of the Service Area budget that an item or project will not be completed in the current fiscal year and for which there is not a multi-year or carryover appropriation, the Service Area Administrator should include the item in the budget submission for the next fiscal year.
- 3.10 Service Areas shall not utilize anticipated unexpended funds at year end to acquire items, including capital outlay, that were not included in the original budget request.