Resolution

TOWN OF MILTON

Policy and Procedure for Budget
Adjustments/Amendments

WHEREAS, the Town Auditor recommended that the Town Manager and Selectboard consider a policy to eliminate line item adjustments within department budgets; and

WHEREAS, the Town has an existing Policy on budget adjustments and existing Procedure on line item budget adjustments that conflict; and

WHEREAS, the Town Manager hereby proposes this policy, as outlined in the attached document entitled "Procedure for Budget Adjustments/Amendments"; and,

NOW, THEREFORE, BE IT RESOLVED, the Selectboard accepts the proposed amendment to the "Procedure for Budget Adjustments/Amendments", policy number 13-01 and repeals any prior policy and supersedes other written procedure, as presented by the Town Manager, to become effective immediately or as outlined in the document, attached permanently hereto.

Dated at Milton, Vermont this 18th day of March, 2013.

MILTON SELECTBOARD

Darren Adams, Chairperson

John Gifford, Vice-President

Pam McKenna, Clerk

Louis H. Mossey III

John Bartlett

Filed with the Milton Town Clerk's Office this 19 day of March, 2013

Attest: _____
Milton Assistant Town Clerk

POLICY 13-01

TO: **Selectboard**
FROM: Brian M. Palaia
RE: Budget Adjustment/Amendments
DATE: March 13, 2013

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 year at the end of the fiscal year.
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 year to allow for accurate reporting of expenses. Individual budget line items will be allowed to go negative until the end of the year inter-department transfer. Department heads submitting purchase orders against negative line item accounts for approval by the Town Manager will note that such line item account is negative at the time of submission of the purchase order. Department heads are encouraged 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 year;

3. Follow steps #1 and #2 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 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 March 18, 2013 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 18th day of March, 2013

MILTON SELECTOBARD

Darren Adams, Chairperson

John Gifford, Vice-Chairperson

Pam McKenna, Clerk

Louis H. Mossey III

John Bartlett

Filed with the Milton Town Clerk's Office this 19 day of MARCH, 2013

Attest:

Milton Town Clerk or Assistant Town Clerk