

Budget Policy

1. Policy Objective

1. To set forth the City's policy regarding the development and amendment of the annual budget.
2. To set forth the roles and responsibilities for the development and amendment of the City's annual budget by the Finance department, Department Directors, City staff, the Mayor, and City Council while adhering to all Federal, State, and other governing bodies' legal requirements.

2. Policy Details

1. *Appropriation Levels*

- a. Only the City Council can set the annual budget appropriations.
 - i. City Council shall set budgetary appropriations at the general ledger line item level.
 - 1) The Mayor and Department Directors are responsible for adhering to the appropriations set by the Council.

2. *Balanced Operating Budget*

- a. City will develop and approve annually a balanced budget where:
 - i. Operating expenses requested by all departments and funds will not exceed the annual amount of revenue in accordance to [State Statute 50-1003](#) within each of the City's funds.
 - 1) One-time revenue cannot be used to balance annual on-going operating expenses.
 - ii. If it is necessary to use fund balance resources to balance the annual budget proposal, the use of fund balance resources are limited to one-time expenses.

3. *Balanced Revenue Budget*

- a. Finance department will be responsible for developing all revenue projections to be utilized for the annual budget.
 - i. Other revenue considerations must be presented to the Finance department for consideration prior to the development of the annual Mayor's Budget Proposal.

4. *Budget Adoption*

- a. City will develop annually a balanced budget adhering to all applicable [Idaho Code and City policies](#).
- b. City Council will approve annually a balanced budget adhering to all applicable [Idaho Code and City policies](#).
 - i. City Council will be responsible for approving the annual budget ordinance.
- c. Finance department will develop annually an amendment to the annual City budget adhering to all applicable [Idaho Code and City policies](#).
 - i. City Council will approve annually an amendment to the annual City budget adhering to all applicable [Idaho Code and City policies](#).
 - ii. City Council will be responsible for approving the annual budget amendment ordinance.

5. *Budget Submission*

- a. Mayor will submit the annual Mayor's Budget Proposal to City Council for consideration.
 - i. Other budget considerations for proposal to City Council will not be accepted unless approved by the Mayor.

6. *Budget Surplus*

- a. Finance department will be responsible for assigning all surplus revenue to the respective fund balance.
 - i. Finance department will determine any budget surplus on an annual basis after the submission of the annual [financial audit report](#) from the prior fiscal year.

7. *Budget Transfers*

- a. Finance department has the authority to transfer budgets.

- i. Finance department cannot transfer budgets without the formal approval of the City Council if any of the following occur (unless an error occurred during the original establishment):
 - 1) Budget moves between Personnel and Operating
 - 2) Budget moves between Personnel and Capital
 - 3) Budget moves between funds
 - 4) Budget moves change the total budget

8. *Operating Deficits*

- a. At any time during the fiscal year, following the adoption of the budget, if the Chief Financial Officer/City Treasurer determines the current year revenues will not cover the annual operating expenses, he/she shall report to Council and recommend a spending holdback.
 - i. City Council will approve such spending holdback up to the amount necessary to ensure current revenue will cover current operating expenses.

3. **Policy Roles and Responsibilities**

1. Finance department will be responsible for facilitating and communicating with all City staff and Council the necessary information required during the annual budget process.
2. Finance department will be responsible for developing and deploying all policies and procedures necessary to facilitate the annual budget process.
3. Mayor will be responsible for communicating with the Department Directors all necessary information required to develop the annual Mayor's Budget Proposal.
4. Finance department will be responsible for selecting, managing, and maintaining all budget software.
5. Department Directors will be responsible for assisting the Mayor and Finance department with developing the annual Mayor's Budget Proposal.
 - a. Departments will be responsible for obtaining and providing all necessary information to the Mayor and Finance department during the development of the annual Mayor's Budget Proposal.
6. City Council will be responsible for communicating with the Mayor, Finance department, and Department Directors during the annual budget process.
 - a. City Council will be responsible for requesting all necessary information from the Mayor, Finance department, and Department Directors during the annual budget process in a timely manner to assist them in establishing and approving the annual budget
7. City Council will be ultimately responsible for approving, adopting, and appropriating the annual budget after holding a public hearing for citizen and community partner input.
 - a. The Mayor and Department Directors are responsible for adhering to the approved budget.

4. **General Purpose Statement**

The City of Meridian (City) has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely and transparently, manage growth, plan for adequate funding necessary for future maintenance, and development within the City.

The financial management policies of the City are designed to establish guidelines for the fiscal stability of the City. The scope of the financial management policies of the City generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, procurement, and debt management, in order to:

- a. demonstrate to the citizens of Meridian, the investment community, and community partners that the City is committed to a strong fiscal operation;
- b. provide precedents for future policy-makers and financial managers on common financial goals and strategies;
- c. present fairly, transparently, and with full disclosure the financial position and results of the financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP); and

- d. determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the State of Idaho Government Code and other pertinent legal documents and mandates.

5. Policy Approval

Approval Date - 12/20/2019

Ordinance Number - 19-1866

Governance Body : Finance Department - Chief Financial Officer/City Treasurer