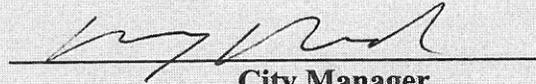


City of Los Alamitos

Administrative Regulation

Regulation: 3.1
Title: **Budgetary Controls**
Authority: **City Manager**
Date: **December 6, 2004**
Revised:



City Manager

1. **Purpose:** This policy provides budgetary guidance and controls to ensure the fiscal integrity of the City's finances.
2. **Application:** This regulation applies to all transfers of monies within, between and among departments of the City.
3. **Regulation:**
 - A. ***Budget Preparation***

The City Manager shall obtain from each department head estimates of revenue, expenditures and encumbrances for their respective departments. The Director of Administrative Services shall prepare, and the City Manager shall present, the City's budget to the City Council for adoption as prescribed by the City Charter.
 - B. ***Appropriations***

Coterminous with budget approval, the City Council shall approve an Appropriations Ordinance which will set forth the spending limits for each department and each Fund of the City.
 - C. ***Budget Annual Appropriations Limitation- City***

Coterminous with budget approval, the City Council shall adopt a Proposition 4 Appropriation Limitation. The resolution will set forth the limitations on the appropriations of the City.
 - D. ***Budgetary Controls***
 1. ***Department Head Authority***

Movement of monies between and among accounts, within Program, within Character of Expense, within Department and within Fund is not to exceed Program budget appropriations.
 2. ***Director of Administrative Services Authority***

Movement of monies between and among Programs, within Department and within Fund is not to exceed Department appropriations.

3. ***City Manager Authority***

Movement of monies between and among Departments and within Fund, is not to exceed Fund budget appropriations.

4. ***City Council Authority***

Movement of monies between and among Funds, subject to budget limitations and adjustments to each Fund to conform to amounts transferred.

E. Reporting of Financial Condition

Each quarter of the fiscal year, the City Manager shall report to the City Council on the status of the budget and request necessary and appropriate adjustments which conform to changing economic conditions. The mid-year report shall contain best estimates of actual expenses and revenues and also best estimates of year-end closing. This report shall also inform the Council of major deviations in forecasts or pending fiscal changes. Mid-year accomplishment may also be presented, as appropriate.

F. Comprehensive Annual Financial Report (CAFR)

At the completion of the fiscal year, the City Manager shall cause the preparation of a CAFR which shall report the financial status of the City in the form of a financial audit. The CAFR shall be certified by the auditing firm and presented to the City Council upon completion. The Director of Administrative Services shall take proper action to resolve any issues related to the audit.

G. Final Budget Adoption

At the conclusion of each fiscal year, the Director of Administrative Services shall prepare an accounting of final expenses, encumbrances and revenues. The City Manager shall adjust the Annual Budget, approved by the City Council, and cause the preparation of a Final Budget for the current fiscal year. Such budget shall be forwarded to the City Council for budget adjustments, as required. This document shall be the budget of the City for that fiscal year.

H. Budget Limitations - Departments

No department of the City shall exceed its appropriations, and shall manage funds in a manner consistent with budgetary controls, and within the authority defined in this policy. Emergency expenditures which may require deviation shall be in conformance to the limitations contained in the City Charter.