

# BUDGET ADJUSTMENT POLICY

Budget adjustments are to be avoided whenever possible. Strict adherence to the originally approved budget is encouraged. However, some adjustments will be required each year before and after contracts are signed between the City and contractors.

Budget adjustments will be considered under the following conditions:

1. The contract must be in place before money is expended.
2. Contractors shall read and follow the contract regarding eligible and ineligible costs.
3. Budget adjustment requests must be submitted and approved in writing before the expense is incurred for the expense to be reimbursed.
4. Budget adjustments must not erode the intent and purpose of the program as presented in the contract and approved by the City Council.
5. Budget adjustments must not result in increased total funding.
6. Budget adjustments within categories will be considered with appropriate justification.
7. Budget adjustments between categories will be considered with appropriate justification.

## PROCEDURES

1. If contractors have no budget revisions, the budget will be attached to and become a part of the contract.
2. A dated, revised budget will be submitted by the contractors prior to signing the contract. If the revised budget is approved, it will be attached to and become a part of the contract.
3. The contractor will submit subsequent budget adjustment requests on the City form provided to the service provider. Requests will include:
  - A short narrative describing and justifying the request.
  - A total program budget which includes the budget adjustment request, highlighted.
4. Staff will review budget adjustment requests and approve or disapprove as appropriate. If a budget adjustment request submitted is more than 20% of the contract award, the request must be approved by the oversight body for approval.
  - If approved, the new, dated, revised budget and narrative will be attached to the contract, becoming an amendment to the contract.
  - If disapproved, a copy of the narrative and budget adjustment request will be mailed to the contractor, with the originals kept in the program file.