



CITY OF ROUND ROCK Budget and GSFC Policies and Procedures

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Signature	<i>Laurie Hadley</i>

Change Control

Revision Date	Summary of Changes

Purpose

This procedure outlines the expectations and guidelines for department level management of budgeted resources as approved by City Council and as required by the Council adopted City of Round Rock Financial Policies. These procedures are meant to always implement and enhance the City Council’s strategic goal which states, *“The City of Round Rock is a financially sound city providing high value services.”*

Application

This procedure applies to both department operating funds and General Self Finance Construction (GSFC) account funds.

Budget & GSFC Policies and Procedures

Scope & Purpose: This procedure outlines the expectations and guidelines for department level management of budgeted resources as approved by City Council and as required by the Council adopted City of Round Rock Financial Policies. These procedures are meant to always implement and enhance the City Council's strategic goal which states, *"The City of Round Rock is a financially sound city providing high value services."* This procedure applies to both department operating funds and General Self Finance Construction (GSFC) account funds.

I. Budgetary Authority & Responsibilities

- a. Each Department Director is responsible for ensuring his/her approved budgeted operating funds and GSFC allocations are:
 - i. Put to the best use for providing high-value city services;
 - ii. Serve the needs and goals as requested and outlined in that year's annual operating budget;
 - iii. Stay within the overall budget restrictions and limits as adopted by Council;
 - iv. Monitored and managed during the year to meet changing needs; and
 - v. Ensure any potential overruns or reallocations are brought to the attention of and coordinated with the Finance Department budget staff and/or CFO as soon as possible.
- b. Departments may not exceed the total budget approved for the Department by fund each fiscal year. Since the budget is adopted both in dollar amount and authorized FTE (full-time equivalents) count, this includes staying within the dollar amount and authorized FTE count.
- c. The Budget Office monitors personnel expenses throughout the year; however, departments are responsible for notifying the Budget Office of changes in position classifications, overtime, seasonal needs or other personnel changes that may impact the department's budget. **As a reminder, all personnel related changes must be coordinated with Human Resources (HR) and follow HR procedures.**
- d. Departments are responsible for routine monitoring of department operating expenses. The Budget Office will periodically perform limited analysis with special attention as each fiscal year end approaches.
- e. Departments are responsible to spend from the correct expenditure line, not from where there is budget, to provide accurate tracking.

II. Budget Transfers

- a. Among Departments
 - i. The City Manager has the authority to transfer available budget funding across various Departments, provided the transfers do not cross funds.
- b. Within Departments
 - i. Departments may transfer available budget funding among operating accounts within their Department.

- ii. Transfers may be made among operating accounts across various divisions within each Department, provided the transfers do not cross funds.
- iii. Transfers cannot move budget from personnel expense accounts to operating accounts without both:
 - 1. Advance approval from the City Manager to use personnel savings; *and*,
 - 2. Verifying with the Finance Department that enough personnel savings are available.
 - 3. Departments requesting such transfers should request a budget transfer form for CM approval from the Budget Division within Finance
- iv. **Transfers cannot move budget from Scheduled Line Item Accounts to non-Scheduled Line Item accounts without both:**
 - 1. **Advance approval from the City Manager to use Scheduled Line Item savings; and,**
 - 2. **Verifying with the Finance Department that enough Scheduled Line Item savings are available.**
- v. Budget transfers between accounts *within* the primary operating categories of Personnel (5100 accounts), Operations (5200 – 5600 accounts) and Capital (6000 accounts) are considered optional by the Budget office. The City uses Budget Rollup groups which look at available budget across all operating accounts within each Departments. Accounts that exceed budget simply pull available budget from all other expense accounts and do not necessitate a budget transfer at the account level. **Scheduled Line Item accounts have been pulled out of each Departments' Budget Rollup group. These accounts are budgeted by select City staff who are subject-matter experts in each area.**
- vi. When Departments submit Budget Transfers, they should include a justification that explains their need for a transfer.

III. Budget Amendments

- a. Budget Amendments are used to increase total appropriations for a Department and/or Fund.
- b. Budget Amendments are approved by the Mayor and City Council through ordinances which require two readings.
- c. The Finance Department typically prepares a *Mid-Year Budget Amendment* for emergency and/or time-sensitive programs approved by the City Manager for consideration by the Mayor and City Council.
- d. The Finance Department prepares a *Year-End Budget Amendment* for final reconciliation of Department budgets as needed.

IV. Personnel Changes

- a. Any increase in total authorized FTEs – either new positions or increasing hours worked for part-time positions – must be approved by the City Council through the annual operating budget adoption process or a Budget Amendment.

- b. Certain FTE changes may be approved by the City Manager for emergency and/or time-sensitive programs, but follow-up approval by City Council is required.
- c. New approved positions with hire dates after October 1 may be considered for earlier hire dates with:
 - i. Approval from the Budget Office that personnel budget funds are available to accommodate the earlier start date, *and*
 - ii. Review and approval by HR.
- d. *Reminder:* All changes to FTEs, including increasing hours worked for part-time positions, must be also be coordinated through HR and are subject to **HR policies and procedures**.

V. GSFC – Replacement Funds

- a. Certain departments are annually allocated one-time use funds for capital and equipment replacements as excess funds from prior years are available. These are for discretionary, one-time projects and equipment replacements that are not considered as supplies or part of the annual operating budget expenses for that department.
- b. Established accounts include:
 - i. Facility Repairs & Replacements
 - ii. IT Projects & Replacements
 - iii. Parks Repairs & Replacements
 - iv. Police Equipment Replacements
 - v. Fire Equipment Replacements
- c. The annual amounts and any available balances are always subject to reduction and/or change of use should economic and financial conditions require the City to adjust its budget priorities.
- d. Funds allocated for projects must be used for the general purpose and intent submitted as part of each year’s budget process.
 - i. Changes in uses and priorities are allowed as part of the next annual budget preparation process or with prior notification and approval by the CM, ACM or CFO.
- e. Funds allocated must be used or committed within 24 months of original appropriation or be subject to lapse back into unallocated GSFC. For example, funds approved for use beginning on October 1, 2019 must be used or committed by September 30, 2021.

VI. GSFC – One-time Project Funds

- a. As part of each budget approval process, a “Uses of GSFC” schedule is prepared that include the Repair and Placements funds noted above and specific one-time purchases or projects.
- b. Funds allocated for projects must be used for the general purpose and intent submitted as part of each year’s budget process.
- c. Any unused funds are returned to GSFC for future appropriation
- d. Requests for changes in uses must first be reviewed and approved by the CFO to certify available funding, then approved by the CM and/or ACM