
BUDGET ADMINISTRATION POLICIES

The City of Clayton places a major emphasis on administering its Annual Budget in a professional and competent manner. The City prepares its annual budget under the guidance of the principles established in the City's *Vision 2013*, strategic plan, which sets policy and guides the City's development. The City strives to achieve a 'balanced budget', defined as a financial plan that appropriates funds no more than the total of all resources (revenues and fund balance) that are expected to be available.

The City Code stipulates that the City Manager is the Budget Officer for the City with responsibility for preparing a Proposed Budget for the consideration of and approval by the Board of Aldermen.

In developing and administering the Annual Budget, the following policies shall be followed:

- Each spring, prior to beginning work on the Proposed Budget, the City Manager shall submit to the Board a Budget Calendar providing the schedule to be followed leading to the adoption of the Budget in compliance with all applicable state and local laws.
- The formal Budget preparation process shall begin with the Board of Aldermen identifying goals and priorities to be included in the budget to the extent that financial resources permit. In addition, the Board shall at this time discuss philosophies and policies relating to taxation, utilization of other revenue sources, expenditure limits, employee compensation issues, and changes in priorities with respect to operating and capital expenditures.
- The Budget shall be developed and administered in accordance with sound financial management principles and governmental accounting standards.
- The City Budget is a guide by which expenditure levels are tied to the accomplishment of goals and objectives, and the provision of municipal services. From time to time, it may be necessary to shift resources from one area to another. When such adjustments are required, the following procedures are to be followed:
 - Transferring funds from one line item to another line item within or between a group of accounts within a departmental budget will require a written budget adjustment and prior approval of the City Manager.
 - Transfers of funds between departments within the general fund or between funds, will require a written budget adjustment and approval by the Board of Aldermen.
 - Increasing a departmental or office budget above the amount approved by the Board of Aldermen will require a written budget adjustment and approval by the Board of Aldermen. A formal budget amendment will be

presented no less than quarterly to the Board of Aldermen for formal review and approval.

- For budget adjustments not requiring Board of Aldermen action, forms will be maintained in the Finance Department and must be signed by the Department Head and Finance Director prior to being submitted to the City Manager for his approval. Similarly, transfers requiring approval by the Board of Aldermen shall be reviewed and approved first by the Finance Director and the City Manager.
- In authorizing or approving expenditures from the adopted Budget, the City's Purchasing Policy is to be followed in all respects.
- With respect to personnel matters, the City Manager shall have authority to grant salary adjustments within established pay grades based on merit and to reclassify positions to other pay grades if there are changes within the positions' scope of responsibility, provided that such changes will not result in an increase in the total budget authorized by the Board of Aldermen for that department or division. The City Manager may also authorize the employment of part-time or temporary employees to meet specific workload needs; however, no new permanent, full-time positions may be authorized without the prior approval of the Board of Aldermen.