



# ADMINISTRATIVE REGULATION

## OFFICE OF THE CITY MANAGER

<b>Number</b>	AR 305
<b>Responsible Department</b>	Finance Department
<b>Established/Effective Date</b>	8/1/2005
<b>Latest Revision Date</b>	11/01/2023
<b>Next Review &amp; Reauthorization Date</b>	11/01/2025

### **SUBJECT: Budget Appropriation Revisions**

1. **Purpose:** This regulation provides a citywide policy concerning appropriation revisions.
2. **Authority:** Section 401 and Section 605 of the Huntington Beach City Charter.
3. **Applicability:** This Administrative Regulation applies to all City departments.
4. **Definitions:**
  - 4.1. **Appropriations** - City Council approved authorization for expenditures.
  - 4.2. **Appropriation Revision** - A change of appropriation from one expenditure account to another in the city's accounting system.
  - 4.3. **Business Unit** - A division within a department that requires a separate grouping of expenditures by object categories (e.g. Finance Department – Accounting, Administration, Budget, Revenue Services).
  - 4.4. **Department** - For appropriation revision purposes, a department is defined as any one of the following:
    - a) City Manager
    - b) City Attorney
    - c) City Clerk
    - d) City Council
    - e) City Treasurer
    - f) Community Development
    - g) Community and Library Service
    - h) Finance
    - i) Fire
    - j) Human Resource
    - k) Information Services
    - l) Police
    - m) Public Works
    - n) The non-departmental account series in the General Fund
    - o) Any fund other than the General Fund
    - p) Any other city group or function that may be defined by City Council action or City reorganization as being a separate department
  - 4.5. **Department Head** - The Department Director or chief personnel responsible for a department as defined in Section 4.4.
5. **Policy:**
  - 5.1. Appropriation revisions may be made within object categories (like-for-like) of the



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same department and fund without increasing the total appropriations with the approval of the Chief Financial Officer (or designee) and the Department Head (or designee). Appropriation revisions are not required unless the total appropriations for an object category are not sufficient to cover fiscal year expenditures within a business unit.

- 5.2. Expenditures for capital outlay are limited to the specific items included in the adopted budget. Revisions to the specific item require the approval of the City Manager, Chief Financial Officer, or designee.
- 5.3. Appropriation revisions may be made to the personnel services category with the approval of the Department Head (or designee), Chief Financial Officer (or designee), and the City Manager (or designee).
- 5.4. Any appropriation revision requiring an increase in the total appropriations for a fund and/or a transfer between different funds shall require approval by the Department Head (or designee), Chief Financial Officer (or designee), City Manager (or designee), and the City Council.
  - 5.4.1. This excludes grants, donations, and other appropriations for which there is an offsetting revenue source below the threshold set forth in the City's annual resolution adopting the budget in that given fiscal year.
- 5.5. Further restrictions may be made in the annual resolution adopting the budget.

#### 6. **Responsibilities:**

- 6.1. Each respective department has the responsibility for initiating and monitoring its own appropriation revisions.
- 6.2. The Finance Department has the responsibility of ensuring that all appropriation revisions carry the proper approvals as defined above, determine the availability of appropriations to transfer, and are properly recorded in the accounting system.

#### 7. **Procedures:**

- 7.1. Each department, upon determining that an appropriation revision is required due to budgetary limitations in a business unit, shall fill out and route a Budget Appropriation Revision Form to next appropriate approvers.
  - 7.1.1. This form is electronic (i.e. Laserfiche Forms) and available at the following link on SurfNet: <https://ecm.cohb.net/Forms/Budget-Revision-Appropriation-Form>.
- 7.2. The department shall provide the account(s) to be affected, the dollar amount of the revision, a statement of justification for the requested revision, and supporting documentation (e.g. Hubble Reports, grant agreements, Council Actions such as resolutions and/or minutes, cash receipts), and approval by the Department Head or designee.
- 7.3. The Finance Department shall review the request to ensure adequate funding and budgetary feasibility.
- 7.4. Requests that impact personnel services or result in an overall increase to the total expenditure budget in a fund will also be routed to the City Manager's Office for final approval. Please keep in mind that any net increases over the amount set by



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the annual resolution adopting the budget will also need City Council approval per Section 5.4.

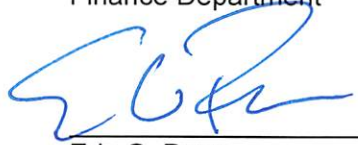
- 7.5. Once all required approvals are received in the system, the Finance Department will record the revision in the City's accounting system.

*Distribution:*

All employees may access the Administrative Regulations via the [SurfNet](http://SurfNet) or City website: [www.huntingtonbeachca.gov/AR](http://www.huntingtonbeachca.gov/AR)

  
Sunny Han, Chief Financial Officer  
Finance Department

  
Approved as to Form  
Michael Gates, City Attorney

  
Eric G. Parra  
Interim City Manager

**Review Schedule**

REVIEW DATE	DEPT. HEAD INITIAL	CITY MANAGER SIGNATURE