

**City of Salem, Massachusetts,
Finance Department Fiscal Policy
No. 2008-12**

SUBJECT: Budget Transfers – City and School Departments

Effective Date: July 1, 2008

POLICY

The City will process budget transfers based on how the City Council votes on the budget. The City Budgets are voted by organizational codes (personnel and non-personnel lines) whereas the school budget is voted on the total school budget.

As such, budget transfers that require funds to be transferred from one organizational code to another must be approved by a majority vote of the City Council. However, when a line item transfer is necessary within an organizational code for a City department, the authority of such transfer must be approved (signatures required) by both the Mayor and Finance Director. For the School Department, budget transfers can be done to/from any organizational code within the bottom line school budget (as approved by the City Council) with the approval (majority vote required) of the School Committee. Any other transfer of budget funds must be approved by a vote of the City Council.


PROCEDURES

City:

1. Department Head will submit a 'Request for Budget Transfer Form' to the Finance Department.
2. Finance Department will review form for completeness and submit form to the Finance Director for his/her signature.
3. The form will be submitted to the Mayor for his/her review and signature.
4. Once the form has been signed by both the Mayor and Finance Director, the budget transfers are processed by the Finance Department and all transfer information is written on the budget transfer form.
5. The form is then sent back to the requesting department to demonstrate that the transfer has been processed.

School:

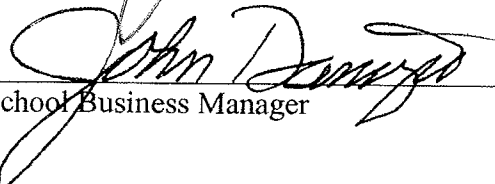
1. School personnel will submit a budget transfer request to the School Business Office.
2. The School Business Office will review for completeness and submit form to the School Business Manager for his/her signature.
3. Once approved by the School Business Manager, he/she will prepare a budget transfer request for the School Committee for approval (majority vote).
4. Upon approval of the transfer, the School Business Manager enters the budget transfer into the general ledger and sends a cover letter request to the Finance Department which includes the budget transfer information, his/her signature, along with a memo from the School Committee Clerk showing the approval date of the School Committee.
5. The Finance Director reviews and signs the approved budget transfer and forwards the transfer to the Finance Department for processing.
6. Once all transfer information is documented on the form, it is sent back to the School Business Manager to demonstrate that the transfer has been processed.



Finance Director

6/24/08

Date



School Business Manager

6/25/2008

Date