



City of Riverside Administrative Manual

Effective Date: 11/2013
Review Date: 11/2016
Prepared by: Finance Department

Approved:
Department

City Manager

SUBJECT:

I. Annual Budget and Capital Improvement Program Calendar

PURPOSE:

To establish a schedule governing the preparation of the Annual City Budget and Capital Improvement Program.

POLICY:

Month-by-month chronology of the Annual Budget and CIP calendar is as follows:

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|--------------------------------------|---|
| December | <ul style="list-style-type: none"> • Distribution of detailed Annual Budget and CIP Instructions, calendar, and salary and benefit projections (Finance Department). |
| December-January
January-February | <ul style="list-style-type: none"> • Preparation of departmental budgets and CIPs (Departments). • Mid-year budget review. |
| February-April | <ul style="list-style-type: none"> • Submission of departmental budgets and CIPs. • Review of departmental submissions (City Manager). • Assembly of Preliminary Annual Budget and CIP (Finance Department). |
| May-June | <ul style="list-style-type: none"> • Review of Preliminary Annual Budget and CIP by City Council. • City Council conducts Public Hearings. • City Council adopts Preliminary Annual Budget and receives Preliminary CIP. • CIP first-year projects are reviewed by Planning Committee for consistency with the City General Plan. |
| June-September | <ul style="list-style-type: none"> • Assembly of Final Annual Budget and CIP to incorporate requested revisions and audited fund balances (Finance Department). • Printing and distribution of Final Annual Budget and CIP (Finance Department). |

The detailed calendars for each component will be issued each fiscal year in the Budget Preparation Manual.

SUBJECT:

II. Budget Preparation

PURPOSE:

To set forth general instructions and establish guidelines for the preparation of the Annual City Budget in accordance with City Charter requirements.

POLICY:

The Annual Budget provides a legal basis for expenditures and a basis for control over municipal operations throughout the fiscal year.

The budget process furnishes department heads with an opportunity to justify departmental work programs, to propose changes in services and to recommend revisions in organizational structure and work methods, and enables the City Manager to review these aspects and make appropriate recommendations to the City Council.

Presentation of the budget to the City Council provides an opportunity to explain municipal programs and organizational structures. It also allows the Council to judge the adequacy of the proposed operating programs, to determine basic organizational and personnel staffing patterns, and to establish the level of municipal services to be rendered with the available resources.

In order to accomplish these objectives, the budget must combine a detailed explanation of anticipated financial resources for the ensuing fiscal year with the proposed expenditures, supported by sufficient information on the proposed programs and activities to assess the appropriateness of the recommended levels of services.

Projections of financial resources are the responsibility of the Finance Department. Each department is responsible for the preparation of the program budgets and line item detail for the operations under its control. In carrying out this responsibility, each department will designate a Budget Coordinator who will be responsible for the accuracy and completeness of all departmental budget submissions and adjustments. Preparation of the expenditure budgets will be supervised by the designated Analyst in the City Manager's Office and coordinated through the Finance Department. Budget submissions will be prepared in accordance with detailed instructions and a calendar to be issued annually by the City Manager.

PROCEDURE:

Responsibility	Action
Finance Department	1. Requests notice from each department head of any significant changes in revenues from the current to the next fiscal Year. 2. Prepares financial forecast for presentation to the City Manager and City Council. 3. Prepares detailed budget instructions and calendar for distribution to the departments.
Budget Coordinators	4. Prepares annual budgets. For all self supporting funds, the submission should be balanced with expected revenues.
Department Head	5. Submits budgets to the designated Analyst in the City Manager's Office

PROCEDURE:

Responsibility	Action
Finance Department	and revenue estimates to the Finance Department.
City Manager's Analysts	6. Verifies all computations and account numbers. Determines amount of projected budget deficit or surplus. Prepares summary for City Manager.
City Manager	7. Reviews budget submissions with respective departments. Prepares summary of issues for each department to be discussed at budget review meetings.
City Manager's Analysts	8. Schedules and conducts budget review meetings with all department heads. Any revisions or adjustments in the annual budget are discussed at these meetings.
City Manager	9. Makes any adjustments in the annual budget required as a result of budget review meetings.
Finance Department	10. Submits Proposed Budget to City Council for review and approval.
Finance Department	11. Makes any adjustments necessary as a result of Council deliberations.
Finance Department	12. Reviews final adjustments. Prepares and distributes final budget.

SUBJECT:

III. Annual Preparation of the Capital Improvement Program

PURPOSE:

To set forth general instructions and establish responsibilities for the preparation of the Annual Capital Improvement Program (CIP).

POLICY:

The CIP document shall bring together sufficiently detailed information to assess the future capital improvement needs of the community in the context of anticipated resources for both construction and operation of these facilities. Its preparation permits the planning of capital improvements for various municipal operations for a five year period, the continuing evaluation and implementation of the requirements of appropriate long range master plans and special studies, and the improvement of timing and coordination of interrelated capital projects among various public and private agencies. It also provides most of the necessary capital improvements information for the next fiscal year's operating budget.

The CIP document shall be prepared in accordance with the detailed instructions and calendar which will be issued annually by the City Manager.

Each department is required to completely justify all CIP project requests. This justification will include the expected benefits as well as projected incremental operating costs. Departments with advisory boards and commissions shall have their respective advisory bodies review the CIP project requests' and make recommendations pertaining to such requests to the City Manager's Office.

PROCEDURE:

Responsibility	Action
Finance Department	1. Prepares CIP document format, detailed instructions and revenue estimates, and calendar for City Manager's review.
City Manager Departments	2. Issues detailed CIP instructions and calendar.
	3. Prepares CIP requests for programs under their jurisdiction. Identify possible funding sources and estimates impact of proposed improvements on future operating budgets.
	4. Submits CIP requests to advisory bodies for review, where applicable.
	5. Submits CIP requests to the designated Analyst in the City Manager's Office for review who will then provide the information to the Finance Department for compilation.
City Manager's Analysts	6. Reviews departmental submissions and compares funding requirements with expected revenues. Makes adjustments as required in coordination with Departments.
Finance Department	7. Prepares preliminary citywide tabulations by fund for City Manager's review.
City Manager	8. Reviews preliminary tabulations and any advisory body recommendations with department heads. Determines final recommendations for submission to the City Council.
Planning Committee	9. Reviews first-year CIP projects to ensure consistency with the City's General Plan.
Finance Department	10. Prepares Preliminary CIP document for distribution to City Council for review and approval.
	11. Makes any adjustments necessary as a result of Council deliberations.
	12. Reviews final adjustments. Prepares and distributes final CIP document.