

Staff Report

for the Board of Directors September 12, 2018

TO: Board of Directors

FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer

DATE: September 5, 2018

**SUBJECT: District Policy 3100 – Budget Amendment Authority Levels
(Consent)**

FINANCE

RECOMMENDATION:

Adopt Resolution 2018-22 – Updating Administrative Policies – Budget Amendment Authority Levels, as recommended by the Administrative Practices Committee

BACKGROUND:

- Update to policy 3100.1 as the District does not adopt multi-year budgets
- Clear definitions for budget amendment types are necessary.

BUDGETARY IMPACT: N/A

MD

Attachment:

- Policy Number 3100



RESOLUTION No. 2018-22
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

**UPDATING ADMINISTRATIVE POLICIES –
Budget Amendment Authority Levels**

WHEREAS, the Nevada Irrigation District (the “District”) intends to establish, and revise from time to time, administrative policies to guide the operations and management of the District; and

WHEREAS, the District’s insurance carrier provided sample guidelines for personnel and administrative policies for consideration by the District; and

WHEREAS, over the past few years, the District has adopted several administrative policies using the sample guidelines, in an effort to assemble a comprehensive policy manual; and

WHEREAS, certain District policies are outdated, and should be revised and formatted in the same manner as the sample guidelines; and

WHEREAS, such draft policies have been reviewed by the District’s Legal Counsel and found to be in accordance with law.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Nevada Irrigation District hereby adopts the following policies as attached, and shall be incorporated herein:

#3100 - Budget Amendment Authority Levels

BE IT FURTHER RESOLVED, that the attached policies shall be incorporated into the District Policy Manual, and the Board Secretary is hereby authorized to assign and revise policy numbers, and format and reformat the attached, as needed for an organized, comprehensive, policy manual.

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PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 12th day of September 2018, by the following vote:

AYES:	Directors:
NOES:	Directors:
ABSENT:	Directors:
ABSTAINS:	Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Budget Amendment Authority Levels
POLICY NUMBER: 3100

3100.1 Purpose: ~~To establish clear and distinct levels of approval authority relative to budget amendments. A budget amendment is defined as "any change" to a previously approved and adopted budget and includes: 1) adjustments to items contained within the adopted budget that will not require additional funding or 2) unbudgeted items to be funded from the expenditure contingency. Transfers, augmentations and adjustments are all "forms" of budget amendments. Budget amendments may be a single year amendment (current fiscal year only) or a multi year amendment (within the three year budget cycle).~~

The Board is cognizant that project progression and unplanned emergencies occur and therefore this amendment policy provides spending flexibility. The policy establishes an internal control framework providing distinct levels of budget amendment spending demonstrating prudent fiscal management. Budget amendments are transfers or increases to established budgets and can carry over fiscal years.

- A budget transfer is an amendment that does not increase the overall (Operating & Non-Operating) District revenue or expenditure budget.
- A budget increase is an amendment that increases the overall (Operating & Non-Operating) District budgets.
- This policy is not applicable for fiscal year end amendment carryovers from prior periods. Carryovers are necessary for existing encumbrances or end of year activity and are authorized prior adopted budgets.

3100.2 Scope: Approval authority levels are limited as follows:

Level I: ~~With the exception of salary or position changes, cumulative budget amendments, up to a maximum of \$600,000 per year, shall be authorized by the General Manager. This authorization level includes salary or position changes that do not generate more than \$10,000 of annual incremental on-going District obligation.~~

The General Manager may authorize cumulative budget amendments (increases and/or transfers) up to \$600,000 for a fiscal year. All budget amendments authorizing additional FTE's shall go before the Administrative Practices Committee (APC) and full Board.

~~Level II: With the exception of salary or position changes, cumulative budget amendments, in excess of \$600,000 up to a maximum of \$1,000,000 per year, shall be authorized by the Administrative Practices Committee (APC). This authorization level includes salary or position changes that do not generate more than \$20,000 of annual incremental on going District obligation.~~

The APC authorizes cumulative budget amendments (increases and/or transfers) from \$600,001 up to \$1,000,000 for a fiscal year. Budget increases authorizing additional FTE's shall go before the full Board.

Level III: Budget amendments that do not meet the requirements of Level I or Level II shall be authorized by the Board of Directors after recommendation by the APC.

3100.3 Implementation: All budget amendments shall be initiated via completion of a budget amendment request form. The form must be prepared by the Department Manager and submitted to the General Manager for his/her approval. The General Manager, with the assistance of the Assistant General Manager (AGM) and/or the Finance Manager (FM), will determine the next, appropriate authority level needed, if any, as indicated above.

Adopted: February 11, 2015 via Resolution No. 2015-05
Revised: **September 12, 2018 via Resolution No. 2018-22**

Nevada Irrigation District

POLICY MANUAL

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3100.2 Scope: Approval authority levels are limited as follows:

Level I:

The General Manager may authorize cumulative budget amendments (increases and/or transfers) up to \$600,000 for a fiscal year. All budget amendments authorizing additional FTE's shall go before the Administrative Practices Committee (APC) and full Board.

Level II:

The APC authorizes cumulative budget amendments (increases and/or transfers) from \$600,001 up to \$1,000,000 for a fiscal year. Budget increases authorizing additional FTE's shall go before the full Board.

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