



**JAMES K. HAHN**  
MAYOR

## **EXECUTIVE DIRECTIVE NO. FM-2**

Subject: **APPROVAL OF INTER-AND INTRA-DEPARTMENTAL TRANSFERS OF FUNDS AND ALLOCATIONS**

### **I. Intra- and Interdepartmental Transfers**

- A. City Departments Not Controlling Their Own Funds (excludes Proprietary Departments, Library and Recreation and Parks)

Charter Sections 342 and 343 and Administrative Code Sections 5.35 and 5.36 delineate the Mayor's authority to transfer funds between departmental accounts (intra-departmental) and transfers between departments and funds (inter-departmental). The Mayor is authorized to approve transfers within departmental accounts up to \$35,000, or one percent (1%) of the budgeted account receiving the transfer(s) up to \$100,000, whichever amount is greater. The transfer limit shall be adjusted annually based on the Consumer Price Index. (Refer to Executive Directive FM-1). The Mayor is also authorized to approve transfers between departments and funds up to \$50,000 during each fiscal year, except to the Stores Revolving Fund which are limited to the adopted budget for the account from which the funds are being transferred.

Both intra- and inter-departmental transfers are limited to a single transfer in the amount authorized or multiple transfers that when combined do not exceed the amount authorized, for any purpose, use or transaction in a fiscal year.

To facilitate this approval authority, all transfer requests must be submitted to the City Administrative Officer (CAO) for review prior to my approval. Each department or bureau requesting a transfer of funds must follow the following procedures:

1. Each department or bureau will submit to the CAO a printout of the FMIS transfer and allotment screens indicating the transfer. In the space given for comments on FMIS, please give the reason for the transfer request. A separate transmittal letter or additional form is not necessary.

2. The CAO will review each transfer request to ensure compliance with the City Charter, Administrative Code, and the adopted budget and make a recommendation to my office within one week of receiving the request.
3. At least once a week, the CAO will submit all pending, non-emergency transfer requests to my office for approval. Transfer requests requiring immediate approval will be processed individually on an expedited basis.
4. To ensure that transfers are approved within sufficient time, the requesting department or bureau should allow sufficient time for review by the CAO and for my office to approve or disapprove the transfer request.
5. When a transfer request is approved, the City Clerk shall notify the City Council, Controller, and CAO as required by the Charter.

B. Departments Controlling Their Own Funds (Proprietary Departments, Library, and Recreation and Parks)

Charter Section 343(b) and the Administrative Code Section 5.36(b) authorize General Managers to request their respective board for transfers within departmental accounts up to \$35,000 or one percent (1%) of the budgeted account receiving the transfer(s) up to \$100,000, whichever amount is greater. On approval of the board, the Controller shall make the transfer, but no transfer exceeding \$35,000 or other amount established by ordinance shall be made without my prior approval. The transfer limit shall be adjusted annually based on the Consumer Price Index. (Refer to Executive Directive FM-1).

Each department requesting transfers that require my approval shall follow the following procedures:

1. Requests shall be submitted to the CAO with adequate justification. The CAO will review the requests and forward recommendations to my office at least once a week. Transfer requests requiring immediate approval will be processed individually on an expedited basis.
2. Once the transfer has been approved, the City Clerk shall notify the City Council, Controller, and CAO as required by the Charter.

## **II. Reallocations Between Accounting Periods**

Department and bureau heads are responsible for managing their respective organizations and budgets. In order to ensure that funds are properly allocated to the period in which they are to be spent, each department or bureau (excluding proprietary departments) shall comply with the following procedures for adjustments to their expenditure programs:

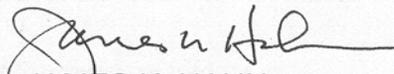
1. Department and bureau heads are authorized to approve the reallocation of funds between accounting periods, within the same account, for all non-salary accounts and the following specific salary accounts:

<u>Account Title</u>	<u>Account Number</u>
Salaries, General	1010
Salaries, Sworn	1012
Salaries, Grant Reimbursed	1020
Salaries, Proprietary	1080

A signed copy of the allotment document by the department head or designed employee should be sent to the CAO who will track the changes and report significant activity in the monthly financial status report.

2. For reallocations involving the remaining salary accounts not mentioned above, each department or bureau will submit to the CAO a copy of the allocation document printed from FMIS showing the requested allotment change. Departments shall indicate on the allotment document, the reason for the reallocation request. A separate transmittal letter or form is not required. The CAO will evaluate the request and approve those that are consistent with the overall budget. Once the reallocation is approved, the allotment document will be processed and sent to the Controller's Office. The CAO will track changes and report significant activity in the monthly financial status report.

Executed this 3 day of December 2002

  
JAMES K. HAHN  
Mayor

JKH:wtf:40171

Supercedes Executive Directive No. 2000-20, dated August 11, 2000 (Riordan Series)