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ALLIANCE OF ROUGE COMMUNITIES PROCEDURE FOR ANNUAL BUDGET PREPARATION AND BUDGET AMENDMENTS AND ADJUSTMENTS

The following procedures must be utilized to prepare the Alliance of Rouge Communities (ARC) annual budget requests, budget amendments and budget adjustments. This procedure was developed by the Finance Committee of the Alliance of Rouge Communities.

ANNUAL BUDGET RECOMMENDATIONS

At the end of the third quarter and prior to the last Executive Committee and Full ARC meeting of the year, Budget Recommendations will be drafted by ARC Staff for the following:

- Technical Committee activities
- PIE Committee activities
- Finance Committee activities (insurance, accounting and legal fees and Executive Director Services)
- Additional budget recommendations as needed.

Budget Recommendations should include:

- Budget year recommendation is for
- Request date
- Account line item
- Committee making request
- Background
- Description of anticipated activities
- Rationale (including why needed)
- Budget (including how the requested amount was established)
- Person/agency responsible for implementation

REVIEW & APPROVAL PROCESS OF ANNUAL BUDGET RECOMMENDATIONS

ARC Staff will draft the Technical Committee and PIE Committee budget recommendations for review by the Technical Committee and PIE Committee. Once approved by the Technical and PIE Committees the budget recommendations, along with the Finance Committee budget recommendations drafted by ARC Staff, will be presented to the ARC's Finance Committee.

The Finance Committee will review and recommend that the budget recommendations be forwarded to the Executive Committee. ARC Staff will also prepare corresponding work orders and contracts as they relate to the budget recommendations.

The Executive Committee will review all budget recommendations and corresponding work orders and contracts. After review, if there are no edits necessary, the Executive Committee will vote to move the recommendations to the Full ARC for approval. If edits are necessary, ARC Staff will incorporate the edits and bring the budget recommendations back to the Executive Committee for review and vote to move the recommendations to the Full ARC for approval (potentially through email vote).

The Full ARC will review all budget recommendations and corresponding work orders and contracts. After review, if there are no edits necessary, the Full ARC will vote to approve the budget recommendations. If edits are necessary, ARC Staff will incorporate the edits and bring the budget recommendations back to the Full ARC for approval (potentially through email vote).

Once the budget recommendations have been approved, ARC Staff will finalize any work orders and contracts with the appropriate signatures. A copy will be provided to the vendor and a copy will be retained in the ARC files.

New vendor contracts require review and approval by the Executive Committee and the Full ARC as detailed in the ARC Contract Approval Procedure.

REQUEST FOR BUDGET AMENDMENTS AND BUDGET ADJUSTMENTS

For this procedure the word “amendment” is used when drafting a new budget or when there is an increase/decrease to the overall budget. A budget amendment requires review by the Finance Committee and approval from both the Executive Committee and Full ARC. The word “adjustment” is used when money is shifted between vendors or work/change orders and does not increase/decrease the overall budget. A budget adjustment is typically used within grant-funded projects. A budget adjustment requires review by the Finance Committee and approval from the Executive Committee.

BUDGET AMENDMENT

Budget amendments are typically prepared by ARC Staff and increase/decrease the overall ARC budget. Budget amendments require review by the Finance Committee and review and approval by both the Executive Committee and the Full ARC. A budget amendment is required when:

- Adding a new awarded grant to the ARC budget.
- Adding a new line item to the ARC budget.
- Adding a new vendor contract or work/change order.
- Amending a current vendor contract or work/change order that increases/decreases the overall budget.

BUDGET ADJUSTMENT

Budget adjustments are typically prepared by ARC Staff and do not increase/decrease the overall ARC budget. Budget adjustments require review by the Finance Committee and review and approval by the Executive Committee. A budget adjustment is required when:

- Shifting money within the budget of a current contract or work/change order. *For example, a request is made to move unused dollars within the PIE Committee to cover unanticipated*

activities under the Technical Committee budget, but the overall ARC budget does not increase/decrease.

- *Shifting money within the budget from one vendor to another. For example, a request is made to move unused grant dollars in a construction contractors budget to the engineering vendor overseeing the grant funded project to cover additional services not previously budgeted. The construction contractors budget goes down and the engineering vendor budget goes up by the same amount, but the overall grant-funded project budget does not increase/decrease.*

Budget amendments and adjustments should include:

- Budget year amendment or adjustment is for
- Request date
- Account line item affected
- Committee making request
- Background
- Description of anticipated activities
- Rationale (including why needed)
- Budget (including how the amendment or adjustment amount was established)
- Person/agency responsible for implementation