

2100.2 SUBJECT: FINANCIAL POLICIES GUIDING THE BUDGET

:1 OBJECTIVE:

Establish financial policies that guide development of the City's budget.

:2 AUTHORITY:

This policy is adopted by the City Council, 11/1/10.

:3 DIRECTION:

The Chief Financial Officer, as an appointed official, serves at the pleasure of and receives direction from the Mayor.

:4 FUNCTIONS:

A. Introduction

City government, as an institution, has multiple partners including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the region, it is important that the City strengthen relationships with its partners by adopting a clear and comprehensive set of policies and procedures.

Furthermore the integrity of the City of Orlando is of utmost importance, and adopting a set of policies is a key element to maintain this integrity. This policy contains the high-level policies that shall govern development of the City's budget. Detailed policy direction is provided in separate policy documents on revenues, expenditures, fund balance, and debt administration.

B. Policies

1. A fund is defined as a fiscal and accounting entity with a balanced set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. (National Council on Governmental Accounting, Statement 1).

2. The budget will be balanced for all funds. Anticipated revenues from all sources will equal estimated expenditures for all purposes.

3. All operating funds are subject to the annual budget process and must be reflected in the budget document.
4. The General Fund is the chief operating fund of the City and will be used to account for all resources except for those required by policy or law to be accounted for in another fund.
5. Enterprise operations of the City will be self-supporting. General Fund revenues should not be used to routinely subsidize enterprise fund operations.
6. The City will comply with all applicable State and Federal mandates governing the development and implementation of the budget.
7. Multi-year operating revenue and cost projections shall be prepared and updated to monitor the financial position of the City.
8. All items submitted to the City Council shall clearly identify the budgetary impact of that action.
9. The City will integrate performance measurement and productivity indicators within the budget.
10. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare, publish and distribute regular reports comparing actual revenue and expenditures to budgeted amounts.

:5 FORMS

None

:6 COMMITTEE RESPONSIBILITIES

None

:7 REFERENCE

Procedure adopted by City Council February 26, 2007, Item A5; amended November 1, 2010, Item A-2.

:8 EFFECTIVE DATE

This procedure effective 11/1/10.