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**M E M O R A N D U M**

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**TO:** MAX ROYLE, CITY MANAGER  
**FROM:** PATTY DOUYLLIEZ, FINANCE DIRECTOR  
**SUBJECT:** TRANSFER OF FUNDS  
**DATE:** 10/22/2021

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In July 2020, the Commission agreed to amend the transfer fund amounts to increase the level permitted by the Finance Director, with the City Manager's approval. This change was made on the recommendation of the Auditor based upon the following:

"During our audit of the City's budgetary compliance, we noted the budgetary legal level of control is \$ 1,500.00 for the City Manager to make intradepartmental transfers and transfers of appropriations between departments require approval of the City Commission. To increase efficiency of staff and Commission time, we recommend the City consider amending the City Ordinances to increase the legal level of control to allow City Manager approval of any interdepartmental transfers of appropriation and City Commission approval for any changes in the total budget for a fund."

I would like to revisit this to remove the limit of adjustments contained within the total budget. The limitation restricts adjustments that may be necessary at the end of the fiscal year to keep the audit report clean. I would like to propose that as stated by the auditor above, the City Manager have approval ability for any interdepartmental transfers throughout the year and the City Commission have approval ability for any changes to the total budget for a fund. All adjustments can be provided to the Commission with the monthly reports for their review.