



Policy No.: P400-24-2	Type of Policy: Finance
Policy Title: Budget Accountability	
Policy Description: Establishes controls and monitoring for Operations and Capital Improvement Program Budgets	
Approval Date: 7/16/2024	Last Review Date: 2024
Approval Resolution No.: 24-24	Next Review Date: 2028
Rescinded Resolution No.: 15-23	Rescinded Resolution Date: 5/16/2023

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to provide guidelines for the implementation and monitoring of the District’s adopted Operating and Capital Improvement Program Budgets.

Operating Budget

The Operating Budget determines funding for the operations of the District’s three enterprises. There are various “levels of control” within a budget. Although the District’s budget is prepared at the line-item level for internal monitoring purposes, it is impractical and inefficient to control the budget at this level.

In adopting the Operating Budget, the Board:

1. Ratifies and approves total operating expenditures at the fund level
2. Approves the maximum number of Full-Time Equivalent (FTE) and Limited-Term staff positions

Accountability: The General Manager is responsible for ensuring that total fund expenditures do not exceed the total fund budget, except as otherwise permitted by other policy(ies). The General Manager is also authorized to approve expenditures and transfers in compliance with the Operating Budget’s approving resolution, which outlines the budgetary objectives set by the Board.

Monitoring: Financial reports are distributed to the Board and management on a quarterly basis as “Regular and Recurring Reports” to show budget and actual expenses at a level of detail sufficient to monitor accountability.

Policy No.: P400-24-2

Policy Title: Budget Accountability

Capital Improvement Program (CIP) Budget

The CIP consists of the Ten-Year Capital Improvement Plan (“Plan”) and the Two-Year Capital Improvement Budget (“Budget”). The Capital Improvement Plan serves to identify, prioritize, and schedule capital projects for the ten-year period, and establish a plan for generating the financial resources needed to complete these capital projects. The first two years of expenditures in the Capital Improvement Plan comprise the District’s Two-Year Capital Improvement Budget.

The CIP includes funding for projects and programs.

Projects: A CIP project is defined as an infrastructure project which: (1) is non-recurring in nature; (2) has a minimum cost of \$20,000; (3) results in a new capital asset (as defined in the District’s Capital Assets policy) or extends the useful life of an existing capital asset by at least three years; and (4) requires project management, typically requiring compliance with the California Public Contract Code.

Programs: A CIP program sets aside money to fund projects that are anticipated but do not yet have definitive scope and budget. The amounts set aside are based on asset management replacement models, which include assumptions about the useful life of each asset, identify when assets would need to be repaired or replaced, and an estimated cost to do so.

By adopting the Capital Improvement Program Budget, the Board:

1. Authorizes total budgets for individual capital projects and programs
2. Authorizes initiation of project and program expenditures in either fiscal year of the CIP budget
3. Establishes the maximum expenditures for each fund for each fiscal year of the CIP budget

Accountability: The General Manager is responsible for ensuring that the individual project appropriations and total fund appropriations are not exceeded, except as otherwise permitted by other policy(ies). The General Manager is also authorized to approve expenditures and transfers in compliance with the CIP Budget’s approving resolution, which outlines the budgetary objectives set by the Board.

Projects Created from Programs: The General Manager, or designee, is authorized to create a project from a CIP program up to a maximum of \$175,000. Projects with original budgets in excess of this amount are approved by the Board. Projects created from programs may include traditional public works projects or new or replacement capital assets. The District Engineer is responsible for ensuring projects created from programs meet the intention of the program.

Program Budget Adjustments: Any adjustments to a program budget shall be approved by the Board.

Project Budget Adjustments: If an individual project is expected to exceed its total budget, the project manager is responsible for requesting a budget adjustment. The General Manager is authorized to approve budget adjustments of up to \$175,000 per project. If the project was originally funded from a program, program funds shall be used to fund the increase during the two-year budget cycle. Adjustments in excess of the General Manager’s authority are approved by the Board.

Policy No.: P400-24-2

Policy Title: Budget Accountability

Monitoring: Financial reports are distributed to the Board and management on a quarterly basis to show budget and actual expenses at a level of detail sufficient to monitor accountability. Any project budget adjustment approved by the General Manager will be reported to the Board as “Regular and Recurring Reports.”