

## APPROPRIATION REQUEST PROCEDURE – Approved May 18, 2006

### PURPOSE:

To provide a uniform procedure for submitting requests for capital additions and other expenditures from the Reserve Funds and Operations as a part of the annual budget process.

### REQUIREMENTS:

The Appropriation Request Form (attached), with supporting data, is required for:

- All Capital Expenditures and acquisitions
- Major operating expense items (major equipment repairs or overhauls)
- Leases for real estate and equipment
- Consulting contracts and agreements

Completing the Appropriation Request Form:

Cost Center – Department requesting the expenditure

Budget Item No. – The controller will assign this number.

Unplanned Request – An item not included at the time of budget review should be so indicated.

Description of Proposed Project – Briefly describe the nature of the project. Additional descriptive information should be attached.

Type of Request – Types of expenditures involving the replacement or rebuilding of existing assets included in the CA Reserve Study do not require economic justification. Community Association Reserves will fund these. Any other expenditure that is to be funded from operations requires justification. The following list explains the types of requests:

#### FUNDED FROM RESERVE FUNDS

Replacement – Applies to equipment, which is no longer economical to operate because of excessive maintenance or down time. The number of the asset being replaced must be noted.

Rebuilding – Expenditures to place an existing building or piece of equipment in like new condition. The number of the asset being rebuilt must be noted. If the asset is improved beyond original condition, economic justification is required.

Other – Major items not included above such as those to provide for the safety of residents and CA employees.

FUNDED FROM OPERATIONS (if greater than \$5,000)

Increased Revenues – Expenditures that will result in additional revenues from new products and programs or increased demand from existing programs. This type of expenditure requires economic justification in the form of a computation of the period of time it will take to recover the investment (payback period).

Cost Reduction – To take advantage of opportunities to reduce costs. This type of expenditure requires economic justification in the form of a computation of the period of time it will take to recover the investment (payback period).

Other – Expenditures not included above.

Classification – Indicate whether Fixed assets or Expense in accordance with current policy limits.

New/Used – For fixed asset additions indicate if it is new or used.

Financing Method – Indicate if the asset is to be purchased or leased.

Benefits – Specify the non-economic benefits or reasons for the request. When appropriate, additional information should be attached.

Funds Required – The cash amount of all costs necessary to secure the benefits.

Estimated Useful Life – The life of the proposed project during which the benefits will be obtained.

Payback in Years – The cost of the project divided by the annual additional revenue or the savings.

Approvals – Signatures and dates.

**ADDITIONAL FUNDS**

If funds are required in excess of the original appropriation request, a supplemental appropriation request must be submitted to the Finance Committee. The supplemental request should show the revised total of the project as well as the amount of the increase and the reasons for it.

Originated and Approved May 18, 2006