
CITY OF LONG BEACH

EXPENDITURE POLICY

I. SCOPE

Expenditures are a rough measure of a local government's service output. While many expenditures or expenses can be easily controlled, emergencies, unfunded mandates, and unanticipated service demands may strain the operating budget.

II. PURPOSE

To ensure the proper control of expenditures/expenses and provide for a quick and effective response to adverse financial situations, the City of Long Beach (the "City") has adopted the following expenditure policy.

III. EXPENDITURE POLICY STATEMENTS

The City has adopted the following expenditure policy statements:

1. Except for utilities and insurance transactions will originate at the department level based on budgeted expenditures in that department.
2. Purchases can only be made in line with the adopted budget and must be for items legally allowed and reasonably necessary for public purposes.
3. All departmental expenditures must be in compliance with the City's Procurement Policy.
4. When a vendor invoice is received, the following is required before payment is made:
 - a. Notification by a departmental employee confirming the receipt of goods or services for which the invoice was generated.
 - b. Physical or electronic (printable) invoice from the vendor.
 - c. If applicable, a copy of the purchase order signed by the Department Head to indicate approval for payment.
5. The balances in appropriation accounts will be monitored regularly by the City Comptroller and applicable Department Head(s) to ensure that the total of expenditures and purchase commitments in any account do not exceed the authorized budget for that account.
6. Whenever reasonably possible, arrangements will be made with other governments, private individuals, and firms, to contract out or cooperatively deliver services, in a manner that reduces cost or improves efficiency and effectiveness while maintaining service quality.

7. The full direct and indirect costs will be calculated for any service provided for a fee or charge, or where there is a potential for the reimbursement of such costs.
8. The City will strive to maintain an effective risk management system that provides adequate coverage, minimizes losses, and reduces potential costs and liabilities.
9. All appropriations in Operating Funds of the City shall lapse at the close of the fiscal year to the extent that they shall not have been expended or encumbered.

IV. ANNUAL REVIEW & AMENDMENTS

On an annual basis, or as deemed necessary, the City Council shall review the Expenditure Policy and shall approve policy revisions, if any, by formal resolution.

ADOPTED: NOVEMBER 17, 2020