



**AMENDING THE BUDGET**  
**Statutory Budget Changes, Transfers and Supplemental Appropriations**  
**(CRS 29-1-109)**

Local governments subject to the local government budget law (CRS 29-1-101) must follow statutory procedures to authorize any spending in excess of the “appropriation” or spending authority of the budget. The appropriation must be made by fund (CRS 29-1-102(10)) within the budget and may be made by spending agency (a department, unit, commission, etc., see CRS 29-1-102(17)) within a fund) and the amounts appropriated shall not exceed the expenditures specified in the budget (29-1-108(2)). *The appropriation determines whether the budget must be amended in the statutory manner.*

**TYPES OF BUDGETARY CHANGES**

**Transfer Appropriated Moneys:** If the appropriation is by fund, that is, for the total amount of all the listed expenditures as originally budgeted regardless of department or other subunit, then moneys may be transferred from one line item to another within the fund without having to do a statutory budgetary amendment. If the appropriation is by spending agency within the fund, moneys may be transferred from one line item to another within the spending agency without having to do a statutory budgetary amendment. However, if moneys are to be transferred between appropriated funds or between appropriated spending agencies within a fund, the budget must be amended in the statutory manner because the appropriation of the fund or spending agency receiving the transfer must be increased above the initially appropriated amount by the amount transferred.

**Supplemental Budget and Appropriation:** If the local government receives revenues unanticipated or not assured at the time of the adoption of the budget from any source other than its property tax mill levy, the expenditure of such revenues requires the adoption of a supplemental budget and appropriation to authorize spending the “new” money above the initially appropriated amount. Any additional property tax revenue goes into fund balance and will be available for the next year’s budget.

**Revised Appropriation:** If revenues are lower than anticipated in the adopted budget, the governing board may adopt a revised (downward) appropriation ordinance or resolution and so reduce spending to less than what was originally budgeted.

**Budget Contingency :** In a situation where the local government has had an unforeseen emergency (not necessarily the same as the definition of a TABOR emergency in Article X, Sec. 20(2)(c)), the local government may adopt a budget contingency at a public meeting. The facts concerning the emergency should be detailed within the minutes of the public meeting at which the contingency is adopted, and afterward a copy of the resolution/ordinance adopting the contingency should be sent to the Division.



## STEPS TO AMEND THE BUDGET

The steps to amend the budget for a budgetary transfer or a supplemental budget and appropriation are: publish, or if total expenditures of the local government are less than \$50,000 post, the notice of meeting to

amend the budget; conduct the hearing; adopt the budget amendment by formal action; and file a copy of the adopted resolution or ordinance amending the budget with the Division of Local Government.

The notice required for amendments of the budget must indicate the same information contained in the notice of budget for the regular adoption of the budget. That information includes the date and time of the budget amendment meeting, information about the availability for inspection of the proposed amendment resolution or ordinance, and a statement that electors may file objections to the proposed budget at any time prior to the adoption of the budget (CRS 29-1-106).

**Timing:** Spending in excess of the appropriation is not permitted (CRS 29-1-110). Therefore, the statutory amendment of the budget or contingency must occur before spending in excess of the original appropriation. Local governments may wish to consult with legal counsel and their auditor on this matter.

Sample forms for budgetary transfers and for supplemental budget and appropriation resolutions or ordinances are available on our website and in the *Financial Management Manual* that can be found at the state auditor's website by linking to it from the Division of Local Government's Technical Assistance website:

[www.dola.colorado.gov/budgets](http://www.dola.colorado.gov/budgets)

For assistance, contact Technical Assistance staff at the Division of Local Government, (303)-866-2156.