

BMP Frequently Asked Questions

Below are a few frequently asked Budget Monitoring Process (BMP) questions and answers. Please contact the City Budget Office (or your CBO analyst) if you have additional questions.

What is the purpose of the BMPs?

The BMP serves two primary purposes: 1) monitoring of current and prior year expense and revenue budgets and 2) adjusting the current fiscal year's budget. Adjustments to the current fiscal year's budget are done both to reflect changing conditions as well as to appropriate carryover from prior years.

There are two BMPs each year and one Over-expenditure Ordinance (OEO).¹ (Note: While not technically a monitoring process, the OEO is often included when discussing the BMPs collectively.) Each part of this annual cycle serves different monitoring and adjustment purposes and has slightly different submittal requirements which are described below and summarized on page **Error! Bookmark not defined.**

What drives the timing of the BMPs?

The timing of the Fall BMP is driven by the closing of the prior fiscal year. Expenses typically settle by July or August, enabling bureaus and CBO to assess the need and capacity for encumbrance and programmatic carryforwards and report on prior year performance. The final quarter of property tax actual revenues are available in September for the prior fiscal year; this information is used by CBO to determine ending General Fund balance and any new resources that might be available for appropriation through the supplemental budget process.

The timing of the Spring BMP is driven by the adopted budget process and the ability to provide accurate current year projections. The BMP must occur late enough in the fiscal year for bureaus to be able to reliably project year-end balances and identify potential issues that require addressing, but take place before adoption of the subsequent year's budget to enable de-appropriation of funds that are re-appropriated as program carryforwards in the adopted budget.

What adjustments require council action?

The BMP serves as a periodic opportunity for City Council to address budget changes. The following budget changes require City Council action:

¹ In FY 2011-12, the Winter BMP was eliminated from this cycle. For FY 2012-13, a Winter Supplemental Budget was added back to allow for mid-year adjustments without requiring bureaus to do budget monitoring reporting. This was done in order to capture vacancy savings. In FY 2013-14 the Winter Supplemental was dropped again.

- Increases in appropriation
- Recognition of additional revenues
- Transfers to and from contingency
- Changes to appropriation level categories (i.e. bureau expenses, contingency, interfund cash transfers, and debt service)
- Additions or eliminations of Council-authorized positions
- Any changes with significant programmatic impact
- Changes between major object categories

What budget adjustments can be made outside of the BMP?

In addition to those adjustments that require City Council action, CBO recommends utilizing the BMP process for all other budget adjustments. Consolidating all adjustments in the supplemental budget during the BMP makes tracking of historical information easier and links changes to the monitoring activities that necessitated them. However, there are some exceptions and opportunities to make changes outside of the BMP process.

- **Grant Ordinances:** Grants should be appropriated at the time of the grant acceptance ordinance. Grant acceptance ordinances should include all necessary appropriation language including the fund, business area, and amount. If these grants will support IAs, the appropriation for the provider bureau must also be included in the ordinance; otherwise no IAs can be budgeted by the provider until the next BMP process.
- **Budget Workbench (aka 'FMBB'):** In some instances, CBO can work with bureaus to make changes to the budget using the FMBB SAP document. This document should be used for purely technical shifts of appropriation within a major object. Bureaus requesting these adjustments are required to complete a [Budget Adjustment Form](#) located on the CBO website. After review, the CBO analyst will follow-up with any issues and, once any issues are resolved, will post the document. Contact your CBO analyst with any questions you may have concerning the form or instructions.
- **Other Supplemental Budget:** In very rare instances when bureaus must appropriate funds or create permanent positions outside of the BMP process, bureaus may bring to City Council a supplemental budget ordinance. Please contact your CBO analyst if you feel this is necessary.

Who can I contact with questions about the BMP?

Jessica Eden is the BMP Coordinator in the City Budget Office: Jessica.eden@portlandoregon.gov, 503-823-5738. Additionally, bureaus may contact their CBO analyst with questions.