**Sample Cover Memo and Instructions for Forms for Department Heads**

Date: [Month, Day, Year]

To: All City Department Heads

From: [Name], City Manager

RE: FY 2021 Budget Request Forms and Instructions

Attached please find the forms you will need to submit budget requests for the 2021 fiscal year. Department heads will have until **April 15, 2020,** to complete and return all forms to my office. Please remember to include a detailed justification for all requests, including line item increases and requests for new supplies and equipment. Failure to include a justification may result in a denial of the request.

Salary projections are to be calculated for all filled and vacant positions as follows and submitted with your request. You will recall that under the city’s new pay classification system, salary projections include merit increases from 0%-3%. A cost of living adjustment of 2% may be included in your requests. *Please note that funding for merit and cost of living increases is not automatic and subject to approval by the mayor and council through the adopted budget.* The city’s ability to increase employee salaries depends on each department’s efforts to contain costs in other areas.

Please use the following method for calculating employee fringe benefits:

FICA 7.65% of the total salary up to $87,000

Retirement 9.38% of the projected salary

Health Insurance $3,629 annually for employee coverage

For new personnel, use the attached form and the city’s 2019 pay classification schedule. If you need a copy of the schedule, please contact my office.

If you have any questions or need assistance completing your departmental budget request, please do not hesitate to call me or come by my office.