

CHIEF ADMINISTRATIVE OFFICE
CITY OF NEW ORLEANS

HELENA MORENO
MAYOR

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CHIEF ADMINISTRATIVE OFFICER

CIRCULAR MEMORANDUM No. 26-04

January 29, 2026

TO: All Departments, Boards, Agencies, and Commissions

FROM: Joseph I. Giarrusso III, Chief Administrative Officer

SUBJECT: "OTHER OPERATING" SPENDING CONTROLS

I. PURPOSE

This circular memorandum establishes the City’s spending controls for 2026, during which time, stabilization of the budget and implementation of efficiencies aimed at reducing expenditures are paramount. Departments are hereby required to submit anticipated expenditures on a quarterly basis for review and approval. Departments are further instructed to minimize all non-essential spending and to enact efforts aimed at savings, cost avoidances, and operational efficiencies where feasible. Provisions of this circular memorandum should be implemented in a manner that protects public health and safety operations, maintains continuity of essential services, and complies with applicable law, labor obligations, and grant requirements.

II. APPLICABILITY

This circular memorandum applies to all departments, agencies, and offices within the Executive Branch of the City of New Orleans. The New Orleans Public Library, the Office of Police Secondary Employment, and the New Orleans Aviation Board are exempt from the requirements set forth in this circular memorandum.

III. QUARTERLY SUBMISSION AND REVIEW OF EXPENDITURES

In accordance with [Art. VI., Ch. 1, Sec. 6-103](#) of the Home Rule Charter, departments shall submit all anticipated expenditures on a quarterly basis for review and approval by the Budget Office, the Department of Finance, and the Chief Administrative Office.

Deadlines for Expenditure Submissions to BRASS

Period	2026 Quarter 1	2026 Quarter 2	2026 Quarter 3	2026 Quarter 4
Expenditure Timeframe	January 1, 2026– March 31, 2026	April 1, 2026– June 30, 2026	July 1, 2026– September 30, 2026	October 1, 2026– December 31, 2026
Submission Deadline	February 12, 2026	March 16, 2026	June 15, 2026	September 18, 2026

Quarterly Expenditure Planning and Submission

Departments shall utilize the Quarterly Departmental Expenditure Submission Template to submit all anticipated expenditures for the upcoming quarter by the deadlines listed above. Expenditures within a given quarter should reflect the point in time in which services will be rendered, with the acknowledgement that payment may not be processed in the same quarter due to the City's Net 30 provision.

In the 2026 Quarter 1 Departmental Expenditure Submission, departments shall also list expenditures that have already been approved in BRASS or otherwise.

Approvals Process

All submitted expenditures will be reviewed prior to the start of the coming quarter, with the exception of expenditures submitted for 2026 Quarter 1, which will be reviewed by February 20, 2026. During the review process, departments may be asked to provide additional information and/or documentation regarding expenditures. The Chief Administrative Officer (CAO) has discretion to approve, deny, or modify anticipated expenditures based upon criteria including but not limited to budgetary conditions, cash liquidity, department performance, and compliance with budget efficiency strategies.

Managing Departmental Expenditures

Departments shall make every effort to route all necessary BRASS activity for approval prior to work starting, ensure timely submission of invoices for payment by vendors, and responsibly monitor and manage work being performed, services being rendered, and purchases being made under the department's supervision.

If expenditures deviate materially from what was approved by the CAO (i.e., the scope of services provided or goods being purchased changes) or a new expenditure is requested for the current quarter, the department's Quarterly Departmental Expenditure Submission must be updated and re-submitted to the Chief Administrative Office. Expenditures that exceed the approved expenditure amount by more than 5%, but do not deviate materially in the scope of services provided or the goods being purchased, do not require re-submission, but may cause a delay in BRASS approvals as the Budget Office and Department of Finance re-evaluate financial feasibility.

Exceptions

New expenditures submitted after the appropriate deadline for a given quarter may be considered on a case-by-case basis for emergencies and as deemed appropriate by the CAO. Departments shall make every effort to anticipate upcoming expenditures and submit prior to the appropriate deadline, and shall follow the re-submission process for unforeseen expenditures as outlined

above. Failure to plan accordingly or anticipate expenditures will not be accommodated and may result in rejection of expenditures, as well as disciplinary action for responsible employees.

IV. **REDUCTION OF NON-ESSENTIAL SPENDING**

As the City works to stabilize the 2026 budget, rebuild financial reserves, and plan for increasing expenditures tied to inflation, rising operational costs, aging infrastructure, and evolving public needs, departments must work to curtail non-essential spending. Essential expenditures are those tied to core service delivery, the health and wellbeing of employees and contractors, and compliance with applicable laws, labor obligations, and grant requirements.

A non-exhaustive list of non-essential expenditures examples is listed below:

- Office snacks and coffee
- Holiday parties
- Catering for group meetings
- New business cards for non-public facing staff
- Office renovations and new furniture when not necessary for public health
- Clothing and office “swag” (employees required to wear uniforms should be provided a uniform allowance pursuant to CAO Policy Memorandum 39 (R))
- Non-essential staff trainings and certifications

V. **CITYWIDE BUDGET STABILIZATION AND EFFICIENCY INITIATIVE**

In addition to minimizing non-essential expenditures, departments are required by [Executive Order HM 26-02](#) to identify and implement efficiencies to reduce expenditures, enhance revenues, and streamline City operations.

Executive Order HM 26-02 requires departments to designate a Department Efficiency Lead to coordinate with the Chief Administrative Officer and the Budget and Efficiency Working Group. **Each department must submit to the CAO a Department Efficiency plan by February 6, 2026**, using the template provided by the Chief Administrative Office on January 26, 2026. These plans will be important components of Citywide savings and efficiencies identified and implemented across several functions detailed in the Executive Order.

Actions requested of departments to implement the Executive Order’s requirements will be intended to complement, not duplicate, the provisions of this policy.

VI. **INQUIRIES**

All inquiries should be directed to the Budget Office (budgetoffice@nola.gov).

Attachments

- Quarterly Departmental Expenditure Submission Template