

City Council Workshop

December 3, 2013

Financial Policy - Transfers

OVERVIEW

- ✘ Background
- ✘ Proposed Changes

BACKGROUND

- ✘ In the past, transfers have been ratified in order to post expenditures
- ✘ Policy for contingency & grants did not exist
- ✘ Policy for restricted fund transfers did not exist
- ✘ Department flexibility did not exist

BACKGROUND

- ✘ Transfer Policy Governance
 1. City Charter
 2. Financial Policies
- ✘ Examined Policies from Several Arizona Cities

Surprise	Peoria
Chandler	Mesa
Tempe	Maricopa

BACKGROUND

1. Glendale City Charter Governance
 - + Transfers Within Departments
 - × Approved by City Manager – Throughout the Year
 - + Transfers Between Departments & Funds
 - × Approved by City Council – Last Quarter Only

BACKGROUND

2. Financial Policy Governance

- + Financial Policies are Presented in the Annual Budget Book
- + The Policies Restricts Transfers
 - × Salary Savings – Council Approval, Last Six Months
 - × Transfers Within Departments – Council Approval, Anytime During the Year
 - × Transfers for Emergency Situations – Notify Council, Seek Ratification

PROPOSED CHANGES

- ✘ Proposed Policy Allows
 - + Council to be Notified Throughout the Year
 - + Transparency
 - + Public Notification
 - + Efficient Operations
 - + Ensures Accountability

PROPOSED CHANGES

- ✘ Changes to Financial Policies Only – Below are Highlights
 - + Defines Transfer Types & Approval Level
 - + Details Transfers Between Funds & Departments – Approved by Council *
 - + Details Transfers Within Departments – Approved by City Manager Anytime During the Year – Allows for Salary Savings to be Utilized
 - + Adds Details on Restricted Funds, Contingency & Grants Transfers
 - + Adds Expenditures in Excess of Budget Appropriation *

PROPOSED CHANGES

- ✘ Restricted Funds, Contingency & Grants
 - + Restricted Fund Transfers
 - ✘ Requires Council Approval, Written Justification, City Attorney Approval
 - + Contingency & Grant Appropriation Transfers
 - ✘ Not Department Specific – Council Approval, Throughout the Year

PROPOSED CHANGES

✘ * Expenditures in Excess of Budget Appropriation

+ If the needed transfer is restricted to the last three months of the fiscal year, Council can immediately approve the expenditure with a future transfer

- ✘ Immediate Council Approval – Record the Expense, Reduce the Identified Budget (Source of the Transfer)
- ✘ Future Council Approval – Approved the Transfers Into the Line Item in the Last Quarter

Council Feedback
