



Request for City Council Committee Action from the Department of Finance

Date: December 1, 2010

To: Ways & Means Committee
Referral to: None

Subject: 2011 Budget Rollover for the Finance Department

Recommendation: Authorize the Finance Officer to rollover any unspent funds from the 2010 one-time budget appropriation to the 2011 budget year

Previous Directives: 2010 appropriation increase to the Finance Department as part of the 2010 supplemental budget process totaling \$500,000

Department Information

| |
|--|
| Prepared by: LaLonnie Erickson-Baker, Mgr. Administrative Services, 673-2004 |
| Approved by: Patrick Born, City Finance Officer _____ |
| Steven Bosacker, City Coordinator _____ |
| Presenters in Committee: Patrick Born, City Finance Officer, 673-2004 |

Financial Impact

- No financial impact

Supporting Information

The Finance Department received \$500,000 in one-time appropriation through the 2010 supplemental budget process to be spent on initiatives that would result in business process efficiencies in 2011. Finance will expend \$350,339 of the one-time appropriation in 2010; however, the remainder totaling \$149,661 cannot be spent until 2011. Expenditure of the remaining funds is delayed in large part due to the capacity of BIS to direct staff resources toward Finance's requested technology improvements as well as timing of one of the initiatives to renewal of the City's office supplies vendor contract, which will not happen until after the first of the year.

Finance is requesting to rollover \$149,661 to the 2011 budget to continue and financially support business process efficiencies in the procurement process and comply with international banking regulations related to electronic fund transfers. Finance is seeking Council approval in accordance with the following City Financial Policy:

The Finance Officer has the authority to encumber funds and is responsible for certifying that an encumbrance is valid at the end of the fiscal year. Additionally, the Finance Officer may reject carryover based on the financial health of the fund or extenuating circumstances. This does not impact the requirement for a formal

Request for Proposal for contracts over \$50,000. Encumbrances must meet the following criteria:

- 1) a valid encumbrance;
- 2) a one-time expenditure (not recurring budget item);
- 3) a purpose consistent with the department's business plan;
- 4) the budget year appropriation balance available for the encumbered item; and City of Minneapolis - Financial Policies 98 2010 Revised Budget
- 5) the financial position of the fund (status of the fund relative to work out plans; whether the fund's spending in the preceding year had expense in excess of revenue).