

CITY OF LOS ANGELES

CALIFORNIA



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ASSISTANT GENERAL MANAGER

www.LACityNeighborhoods.com

DATE: February 23, 2006

TO: All Neighborhood Council Boards and Treasurers

FROM: Greg Nelson, General Manager
Department of Neighborhood Empowerment

SUBJECT: INFORMATION BULLETIN No. 2006-01
Neighborhood Council Funding Program
*REGARDING: GUIDELINES FOR THE ROLLOVER OF
UNSPENT FUNDS, STREAMLINED ACCOUNTING
PROCEDURES, AND REVISED FUNDING FORMS*

The Neighborhood Council Funding Program has continually evolved to better meet the needs of the Neighborhood Councils. This Information Bulletin is to provide guidelines in three areas: the rollover of unspent funds from one fiscal year to the next; implementation of streamlined accounting procedures; and simplified funding forms. Updated forms are attached to this Information Bulletin and are also available on the department website under Funding/Forms and Documents at:

http://www.lacityneighborhoods.com/page2.cfm?doc=forms_documents

Guidelines for the Rollover of Unspent Funds

The City has approved a special policy for Neighborhood Councils and their funds:

- Neighborhood Councils have three (3) full fiscal years to spend each of their fiscal year allocations.
- Neighborhood Council funding that has not been spent after three years will revert to the General Fund to be used for other city needs. This reversion will occur at the end of the fiscal year in which the funds period of time in the Neighborhood Council's account exceeds three years.

How this works:

- Funds received between July 1, 2002 and June 30, 2003 must be spent by the end of the third full year of their receipt — or June 30, 2006. (Congratulations! All of you receiving funds in 2002/2003 have spent them!)

- Funds received between July 1, 2003 and June 30, 2004 must be spent by June 30, 2007

Monitoring:

- At the end of the three full fiscal years, the funds allocated from the year prior to the onset of the three-year period will be compared to the cumulative expenditures at the end of the three-year period. If the cumulative three-year expenditures exceed this amount, no funds will be lost.
- The department will perform a mid-year fiscal audit during the third year to determine if each Neighborhood Council has spent the requisite funds. If not, the department will notify the under-spending Neighborhood Councils and work with them in the remaining six months to expend or encumber the funds by the end of the fiscal year.

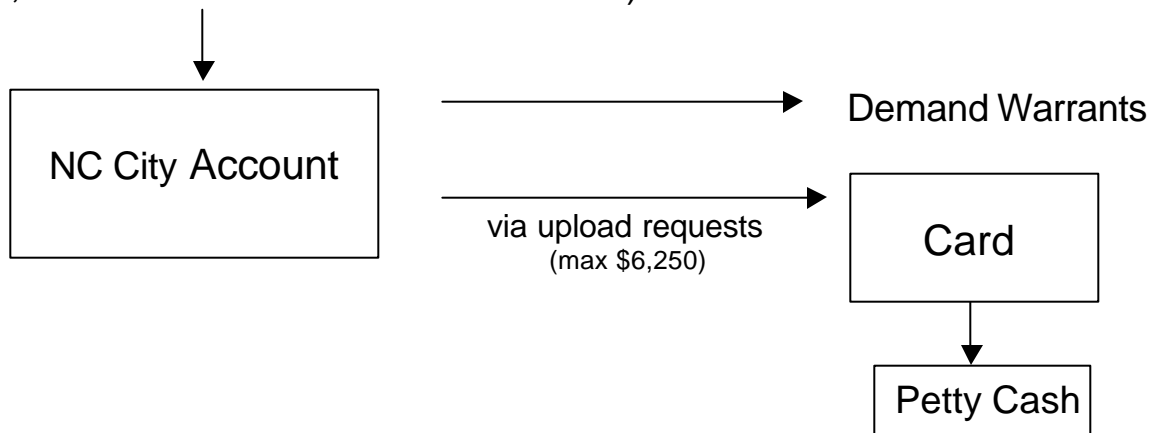
Streamlined Accounting Procedures

To assist treasurers with tracking available funds and funds already spent, the Department of Neighborhood Empowerment has simplified its funding accounts. This allows for easier monitoring of funds.

Your Neighborhood Council’s annual funding (the \$50,000 yearly allotment plus any rollover amount) is now deposited into one city account. Rather than keeping a tally of which funds are available on the “checking side” or on the “card side,” there is now just a single source of funds. Treasurers can now simply ask for city checks to be issued to vendors (demand warrants), or for payments to be issued to other departments (transfers), or for uploads to the Bank of America commercial prepaid card.

The chart below demonstrates how the new streamlined system functions:

(\$50,000 Fiscal Year Allotment + Rollover)



Treasurers are no longer required to request \$12,500 quarterly funding installments because these funds are already available in your city account. Current funding form number 4 *Request for Neighborhood Council Funding* is replaced by a new form 4, *Request for Pre-Paid Card Upload*. We need to know when you need funds uploaded to the card, so send in the new form.

Pre-Paid Card Uploads

Pre-paid uploads will now be debited from the Neighborhood Council city account. In order to upload funds into the Bank of America card, the attached *Request for Pre-Paid Card Upload* form must be filled out and sent our Funding Program staff. A maximum limit of \$6,250 can be requested for each fiscal quarter. If more than the maximum amount is needed for the Bank of America card, please provide a written statement explaining why the additional amount is needed subject to General Manager review and approval.

As before, in order to upload funds to you Bank of America account, you must have a current approved budget and provide the quarterly reconciliation of pre-paid card purchases and petty cash. Failure to provide these documents will delay card uploads to your card and check processing.

If you currently use PDQ Please Note:

To expedite payments to PDQ we now request that all invoices be processed through your Bank of America pre-paid card. Automatic payments can be made from your card to ensure that all PDQ invoices are being paid on time. If you have not done so already, please contact Chanh Tran of PDQ at 213-408-0262 x 231 to request paying invoices with your card.

New Spending Procedures and Revised Request for Paper Check (DW) Form

As the Neighborhood Council Funding Program has evolved, the scope and cost of projects entered into by the Neighborhood Councils have expanded and increased, respectively. This change reflects the greater participation of the Neighborhood Councils in shaping community priorities and in coordinating community improvements with other groups and with city departments. Community improvement projects have grown more complex and as a result, more costly.

Neighborhood Councils are to be congratulated for taking on a greater role in identifying and financing community improvement projects. With this greater role, however, comes a responsibility to ensure larger cost projects, specifically those items costing \$5,000 or more, receive board approval in a public meeting. Board approval is necessary to make clear to the public that these projects have been thoroughly discussed and included in a publicly approved budget. This is to protect both the Neighborhood Council and the City of Los Angeles from assertions of inadequate public input and failure to meet Funding Program requirements for transparency and accountability of board actions.

The Request for Paper Check form (commonly referred to as the Demand Warrant or DW form) has therefore been revised to include a section in which the treasurer and second signatory attest that the item being requested received board approval on a certain date. Please complete the form by including the date of the board meeting in which the item costing \$5,000 and above was approved.

Checks cannot be issued if the following are not in place:

1. Board approved budget on file.

2. Documentation of board approval of the budget (either *approved board minutes* listing the approval and the votes on the budget or the attached *affidavit* affirming the approval).
3. Quarterly submission of reconciliations, bank statements, and original receipts for pre-paid card charges and petty cash within 90 days after the close of each fiscal quarter. In other words, the “grace period” needs to be honored.

Neighborhood Councils will now be required to spend their funds (city checks and card loads) according to the designated amount allocated in the budget. If Neighborhood Councils do not have a current board approved budget, the department will not issue city checks. Likewise, if a treasurer has not submitted the required reconciliation within the specified time frame, city checks and card uploads for the Neighborhood Council cannot be processed.

These new procedures are effective immediately. We hope these new procedures will help you better manage your Neighborhood Council Funds. If you have any questions, please feel free to contact our Funding Program Coordinators Steve Baule at (213) 473-5384 or Milena Albert at (213) 473-5115, or your Department of Neighborhood Empowerment Advocate.

Thank you for your time and dedication to your local Neighborhood Councils.

GN:MV:KM:sb



FUNDING PROGRAM
**REQUEST FOR
 PRE-PAID CARD UPLOAD**

ATTN: FUNDING PROGRAM
 334-B E. Street
 Los Angeles, CA 90012
3-1-1
 (213) 485-4608 [fax]

Fax: (213) 485-4608
E-mail: done.funding@lacity.org
Website: www.LACityNeighborhoods.com

Supporting documents required for all funding requests, such as original receipts, invoices, copies of accounting records, or description/cost of items and services requested and/or purchased, may be delivered to DONE at the address listed above. All Pre-paid Card upload requests, including the first request, must be accompanied by written evidence (such as meeting minutes or voting results) that the specific use of the funds has been agreed upon through a decision made as an official action of the Governing Body of the Neighborhood Council.

Date of Request: _____

Total Amount of Request: \$
 (Max \$6,250)

Name of Neighborhood Council: _____

REQUIREMENTS FOR PRE-PAID CARD UPLOAD

- A. A current Board approved budget on file.
- B. Documentation of Board approval of the budget (approved board minutes or affidavit) on file.
- C. Submission of all documentation of previous quarter spending including original receipts, payment records, bank statements, etc
- D. Submission of any budget revision and documentation of Board approval of said revisions (*if applicable*)

DECLARATION

The undersigned do hereby declare that, as a result of an official action of the Governing Body of the Neighborhood Council named above: (1) they are authorized to make this request for City funding, (2) this request is exclusively intended for the Neighborhood Council named above, and (3) all reasonable precautions shall be exercised by the undersigned to safeguard and account for use of the Commercial Prepaid Card. **Note: The names and signatures of the Neighborhood Council Treasurer and Second Signatory are required.**

Treasurer: _____
 (Print Name)

2nd Signer: _____
 (Print Name)

Signature: _____

Signature: _____

Phone: _____

Phone: _____

(BELOW THIS LINE FOR DONE USE)

Date of Upload _____ <input type="checkbox"/> Active Budget <input type="checkbox"/> Reconciliation on File	Previous Balance _____ Card load Amount _____ New Balance _____	Approval _____ Date _____ Approval _____ Date _____
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SAMPLE

[NC LOGO/LETTERHEAD]

“SAMPLE NAME” NEIGHBORHOOD COUNCIL

**“SAMPLE”
BOARD RESOLUTION**

[DATE]

The [NAME] Neighborhood Council has voted, approved, and adopted the proposed budget for the period [quarter/annual time period] in accordance with the Neighborhood Council bylaws and within the guidelines set forth by the City of Los Angeles and the Department of Neighborhood Empowerment.

Signed,

John Doe
Treasurer

Jane Smith
President



DW

DEMAND WARRANT

Neighborhood Council Funding Program – Request for Neighborhood Council Paper Check

334-B E. 2nd Street, Los Angeles, CA 90012, (866) LA HELPS

Website: www.LACityNeighborhoods.com

Mail or submit this request via: Fax: (213) 485-4608 or E-mail: done.funding@lacity.org; ATTN: **FUNDING PROGRAM**

Date of Check Request: _____

Amount of Check Request: \$

If the requested check is for an amount of \$5,000 or higher, the Treasurer and Second Signatory signing below declare that the expenditure received Board approval in a public meeting held on _____ (date).

Name of Neighborhood Council: _____

Budget Category/Item: _____

The City Council approved the Neighborhood Council Funding Program with the understanding that the City funds reserved for the Program would be used by Neighborhood Councils for three purposes: (1) operating expenses, (2) outreach and communication, and (3) neighborhood improvement projects. Please check the corresponding box below that applies to this funding request. If the "Neighborhood Improvement Project" box is checked, please provide a description of the proposed project and explain how it will provide a clearly visible benefit to your community.

- Operational Expense**
- Neighborhood Improvement Project**
- Outreach**

(Please explain below and/or attach additional supporting information)

Make check payable to: _____

Vendor Address: _____

Mailing Address: _____

<p>A: Check One:</p> <p><input type="checkbox"/> First-time request for this vendor. (CONTINUE to section B) →</p> <p><input type="checkbox"/> Required documents on file with DONE. (STOP, sign Declaration) ↓</p>	<p>B: For a corporation, individual, sole proprietor, or partnership <u>submit all required applicable</u> documents:</p> <ul style="list-style-type: none"> • Original Invoice(s) • Business Tax Registration Certificate Number (BTRC) [enter below] • Employer Identification Number (EIN) or Social Security Number (SSN) • IRS Form W-9 <p>SSN: _____</p> <p>BTRC: _____</p> <p>EIN: _____</p>	<p style="text-align: center;"><input type="checkbox"/></p> <p>Check here if this is a request for reimbursement of NC Board member.</p> <ul style="list-style-type: none"> • Submit Original receipt(s)
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DECLARATION

The undersigned do hereby declare that, as a result of an official action of the Governing Body of the Neighborhood Council named above: (1) they are authorized to make this request from donated funds, (2) this funding request is exclusively intended for the Neighborhood Council named above, (3) all reasonable precautions shall be exercised by the undersigned to safeguard and account for use of the funds, and (4) the amount of the check requested will be deducted from the total available balance in my Neighborhood Council Funding Program account. Issuing the check may also result in a reduced balance available in the Commercial Prepaid Card.

Note: The names and signatures of the Neighborhood Council Treasurer and Second Signatory are required.

Treasurer: _____

Second Signatory: _____

Signature: _____

Signature: _____

Phone: _____

Phone: _____

(BELOW THIS LINE FOR DONE USE)

Vendor Code	Acct. #	Approval	Date
BFY	Line	Approval	Date