Summit Re-Implementation

- Fund Revision Ordinance
- Budget Conversion Ordinance

DECEMBER 6, 2017

CITY BUDGET OFFICE

Overview

◦ What is Summit Re-Implementation (SRI)

◦ Key Concepts
  ◦ Spend directly out of Funds
  ◦ Project Structures give more detail about what was done

◦ Fund Revision Ordinance
◦ Budget Conversion Ordinance

One City, One System

◦ 2011 City Council Resolution 31332

  ◦ Citywide Financial Management & Accountability Program (FinMAP)

◦ Standardize how we do business

◦ Summit Re-Implementation (SRI) to new PeopleSoft 9.2 system – first key deliverable for FinMAP

Key change: Spend directly out of funds

o Provides City leadership with enhanced control and visibility into how funds are spent

   o Appropriate directly instead of transferring and then pooling in operating funds

   o Underspend accrues in the place where the revenue was collected

o "Double budgeting" of Finance General transfers to department operating funds is eliminated (except for Library and internal services – IT & FAS)

o Departments appropriating money from more than one Fund will have a <u>separate BCL for each Fund</u>

Direct Fund Model – Direct Appropriations

◦ Funds directly appropriated include:

- ◦ General Fund
- ◦ REET funds
- ◦ Bond funds
- ◦ Levy funds
- ◦ Special District funds
- ◦ Department-specific funds
- ◦ Internal Service funds
- ◦ Utility funds
- ◦ Other

Key Change: Use of Project Structures

o Tracking work based on what was done (Projects), rather than who was doing it (Orgs)

o Citywide shifting from **Org-** to **Project**-based structure

o Future application for improved performance based budgeting

Project Structure – BCL and Program

- Budget Book – still shows Budget Control Level and Program
  - These now explain "What work was done?"

- Direct Fund Model change
  - When more than one Fund supports a body of work, the roll up of those BCLs has a new term: Budget Summary Level

- All funds now tied to a department
  - E.g., FAS now holds appropriations for CJCS, Judgment/Claims

Fund Revision Ordinance

- Primarily renaming and renumbering Funds to standardize the structure in accordance with accounting best practices.

- Does not change how budget is appropriated or spent.

Budget Conversion Ordinance

- Takes the budget the Council adopted on November 20, converts it from old accounting structure to new accounting structure.

- No change in how the previously adopted budget appropriations will be spent.

- Some changes to BCL locations/titles, driven by both fund revisions and standardization (e.g., Leadership & Administration).

- Adopted provisos are still active, set at the department level.

Timeline

◦ Summer 2017: CBO trained and met with Council Central Staff to go through changes both at high level and department level

◦ November 20: Budget adopted in current financial structure

◦ December 6 [Today]: Budget Committee Hearing

◦ December 11: Adopt budget in new PeopleSoft 9.2 structure

◦ January 2, 2018: PeopleSoft 9.2 goes live; departments begin using new accounting system