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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

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Re: FUNDING PROGRAM YEAR END CLOSING DEADLINES AND PROCEDURES

Dear Neighborhood Council Board Members:

As we begin the preparations for the closing of fiscal year 2011-2012, the Department is still processing payment for NC **obligations** from last fiscal year (July 1, 2010 – June 30, 2011). These outstanding **obligations** are the Requests for Demand Warrant (DW) forms submitted to the Department by the April 14, 2011 cut-off date.

The Department is able to continue processing these obligations because we **encumbered** or put them on hold so as not to lose the funds due to the City Council's policy to disallow the roll-over of NC funds from year to year. It was necessary to **encumber** the funds because the Department was unable to process the exorbitant amount of DWs that were submitted prior to the shut-down of the City's financial management system or **FMS** (this is the system that "cuts" the checks).

For your review, attached is a PDF spreadsheet indicating the list of **obligations encumbered**, by Neighborhood Council, and the status of payment. To access this spreadsheet, **[please click here](#)**. You will see that the Department **encumbered** a total of \$1,556,322.91, of which \$223,005.22 or 14.33% remains to be paid. Those that remain are awaiting the approval of office leases or NPG contracts. If there are any discrepancies or questions, please contact the Funding Program Manager, Rita Moreno, at (213) 473-4529 or via e-mail: rita.moreno@lacity.org.

FY 2011-2012 Closing

The Funding Program continues to be a challenge given our paper-based system and the probability of human error, the lack of resources, and coordination with multiple parties. Despite these challenges, the Department has been processing Request for Demand Warrant forms and issuing payment within two to three weeks when all required information is submitted. We will continue to work expeditiously to pay NC **obligations** with current fiscal year funds. Any requests that are submitted after this year's cut-off date of **Wednesday, May 16, 2012** will be paid with next fiscal year's funds. Any incomplete requests and those submitted after the cut-off date will not be processed and paid with current fiscal year funds. NCs will be able to continue expending funds using the purchasing card until **5:00 p.m., Friday, June 15, 2012**.

In addition, if the Department finds that the NC has insufficient funds to process payment with current fiscal year funds, the request will be paid with next fiscal year funds.

Note: Last year's cut-off date for Demand Warrant requests was April 15th. This year, we are giving NCs an additional month to submit requests, until May 16th. However, if the **DW** is deemed incomplete, NCs

will not have the flexibility of submitting additional information at a later date. Therefore, any incomplete submissions will be returned to the NC and not paid with current fiscal year funds.

Encumbering Election Expenses

Some NCs have expressed a desire to use current fiscal year funds to pay for election outreach. However, it is not yet known when the election will be held, where, or any of the pertinent information candidates and stakeholders need to know. In addition, NCs may not know which vendors will be used. The Department has coordinated with the Office of the Controller to allow the **encumbrance** of FY 2011-12 funds for election outreach expenses that will be incurred next fiscal year (after June 30, 2012). To do so, NCs will be required to provide the following by the **Wednesday, May 16, 2012** cut-off date:

- List of all possible vendors that may be used for election outreach (e.g. Walking Man, Academy Mailing, etc.)
- The total dollar amount approved by the NC board to pay for election outreach (board resolution stating funds will be set aside and not spent in the current fiscal year)
- Board authorization for the expenditure (board resolution, agenda and minutes, or budget line item)

After the end of the current fiscal year (June 30, 2012), the department will reconcile all NC accounts to confirm the actual amount encumbered for election outreach. Once the Department has approved the NC's encumbrance request, the normal Request for Demand Warrant form with an invoice from a vendor on the list and including supporting documentation will need to be submitted for the Department to process and issue payment. Know that any funds **encumbered** for election outreach that are not expended for that purpose will revert back to the City's general fund.

(Hint: Begin discussing how you will reach out to your stakeholders for your next election and the type of outreach methods you want to use such as banners, newsletters, postcards; and how you will distribute them. You will need to have discussions with the various vendors available to determine how much you will need to **encumber**)

Upcoming Deadlines

April 30, 2012	Last day to submit 3rd Quarter Reconciliation Report with all required supporting documentation and signed by the Treasurer and 2 nd Signatory
May 16, 2012	Last day to submit Request for Demand Warrant forms to be paid with current fiscal year funds Last day to submit list of possible election outreach vendors, board approval, and total amount allocated for election outreach
June 15, 2012	Last day to make board approved expenditures with purchasing card, by 5:00 p.m.; Purchasing cards deactivated at 5:00 p.m.
July 5, 2012	Purchasing cards reactivated
July 16, 2012	Fiscal year 2012-2013 budgets due (funds cannot be used until the budget is received using the budget template and including board resolution or agenda and minutes indicating approval)
July 30, 2012	Last day to submit 4 th Quarter Reconciliation Report with all required supporting documentation and signed by the Treasurer and 2 nd Signatory