File No. __220266__   **Committee Item No.** ___9___
                          Board Item No. 11

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: __Budget and Finance Committee__   **Date** _____
Board of Supervisors Meeting   **Date** _May 10, 2022_

Cmte Board

Cmte	Board	
☐	☐	**Motion**
☒	☒	**Resolution**
☐	☐	**Ordinance**
☐	☐	**Legislative Digest**
☐	☐	**Budget and Legislative Analyst Report**
☐	☐	**Youth Commission Report**
☐	☐	**Introduction Form**
☒	☒	**Department/Agency Cover Letter and/or Report**
☐	☐	**MOU**
☒	☒	**Grant Information Form**
☒	☒	**Grant Budget**
☐	☐	**Subcontract Budget**
☐	☐	**Contract/Agreement**
☐	☐	**Form 126 – Ethics Commission**
☒	☒	**Award Letter**
☐	☐	**Application**
☐	☐	**Public Correspondence**

OTHER   **(Use back side if additional space is needed)**

Cmte	Board	
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____

Completed by: __Brent Jalipa__   **Date** _April 29, 2022_
Completed by: __Brent Jalipa__   **Date** _May 6, 2022_

FILE NO. 220266 RESOLUTION NO.

1 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention (CDC) -
2 DP21-2111 Closing the Gap with Social Determinants of Health Accelerator Plans - $125,000]

3 **Resolution retroactively authorizing the Department of Public Health to accept and**

4 **expend a grant in the amount of $125,000 from the Centers for Disease Control and**

5 **Prevention for participation in a program, entitled "DP21-2111 Closing the Gap with**

6 **Social Determinants of Health Accelerator Plans," for the period of September 30, 2021,**

7 **through September 29, 2022.**

8

9 WHEREAS, The Centers for Disease Control and Prevention (CDC) has agreed to

10 fund the Department of Public Health (DPH) in the amount of $125,000 for participation in a

11 program, entitled "DP21-2111 Closing the Gap with Social Determinants of Health Accelerator

12 Plans," for the period of September 30, 2021, through September 29, 2022; and

13 WHEREAS, Chronic disease is disproportionately impacting the San Franciscans of

14 Black/African American ancestry to an extreme degree; and

15 WHEREAS, The San Francisco Black African American-focused Social Determinants

16 of Health (SDOH) Accelerator plan to improve the Black African American health disparities

17 by focusing on two social determinants: Food Security, and Community-Clinical Linkages; and

18 WHEREAS, The Accelerator plan will focus on disparity in cardiovascular disease

19 incidence and severity, and the food and nutrition needed to prevent and manage

20 cardiovascular disease; and

21 WHEREAS, The Leadership team developing the Accelerator plan will include

22 representatives of clinical providers, community-based organizations, a nationally recognized

23 academic institution, DPH, the San Francisco Human Services Agency, and residents with

24 lived experience; and

25

Mayor Breed
BOARD OF SUPERVISORS

1   WHEREAS, The Leadership team will cross-train to gain a shared understanding, then

2   meet regularly within a collective impact framework to generate a shared objective, metrics,

3   proposed activities, and evaluation plan; and

4   WHEREAS, These recommendations will be evaluated using a Health Equity Impact

5   Tool, then be presented to the community and potential partners as an action plan for

6   improving the health of the Black/African American community; and

7   WHEREAS, The grant does not require an Annual Salary Ordinance Amendment; and

8   WHEREAS, A request for retroactive approval is being sought because DPH received

9   the agreement on September 13, 2021, for a project start date of September 30, 2021; and

10   WHEREAS, The Department proposes to maximize use of available grant funds on

11   program expenditures by not including indirect costs in the grant budget; now, therefore, be it

12   RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs in

13   the grant budget; and, be it

14   FURTHER RESOLVED, That DPH is hereby authorized to retroactively accept and

15   expend a grant in the amount of $125,000 from the CDC; and, be it

16   FURTHER RESOLVED, That DPH is hereby authorized to retroactively accept and

17   expend the grant funds pursuant to Administrative Code, Section 10.170-1.

18

19

20

21

22

23

24

25

1	Recommended:	Approved: _____/s/_____
2		Mayor
3	_____/s/_____	
4	Dr. Grant Colfax	Approved: _____/s/_____
5	Director of Health	Controller
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

File Number: ___220266_____
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **DP21-2111 Closing the Gap with Social Determinants of Health Accelerator Plans**

2. Department: San Francisco Department of Public Health
    Office of Health Equity

3. Contact Person: **Ayanna Bennett**   Telephone: **(415) 359-5739**

4. Grant Approval Status (check one):

    [X] Approved by funding agency   [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: **$125,000**

6a. Matching Funds Required: **$0**
  b. Source(s) of matching funds (if applicable): **N.A.**

7a. Grant Source Agency: **Centers for Disease Control and Prevention (CDC)**
  b. Grant Pass-Through Agency (if applicable): **N.A.**

8. Proposed Grant Project Summary:

Chronic disease is disproportionately impacting the Black/African American San Franciscans to an extreme degree, the gaps dwarf those between all other groups. The San Francisco Black African American focused social determinants of health (SDOH) Accelerator plan improve the Black African American health disparities by focusing on two social determinants Food Security and Community-Clinical Linkages. The Accelerator plan will focus on disparity in cardiovascular disease incidence and severity, and the food and nutrition needed to prevent and manage cardiovascular disease. The Leadership Team developing the Accelerator plan will include representatives of clinical providers, community-based organizations, a nationally recognized academic institution, the San Francisco Department of Public Health, The San Francisco Human Services Agency, and residents with lived experience. This group will cross-train to gain a shared understanding, then meet regularly within a collective impact framework to generate a shared objective, metrics, proposed activities and evaluation plan. These recommendations will be evaluated using a Health Equity Impact Tool, then be presented to the community and potential partners as an action plan for improving the health of the Black/African American community.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

    Start-Date: **09/30/2021**   End-Date: **09/29/2022**

10a. Amount budgeted for contractual services: **$125,000**

1

b. Will contractual services be put out to bid? **No**

c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **N.A.**

d. Is this likely to be a one-time or ongoing request for contracting out? **One-time**

11a. Does the budget include indirect costs?   [} Yes   [**x**] No

b1. If yes, how much? **N.A.**

b2. How was the amount calculated? **N.A.**

c1. If no, why are indirect costs not included?
[ ] Not allowed by granting agency   [**X**] To maximize use of grant funds on direct services
[x] other (please explain): No Personnel Cost

c2. If no indirect costs are included, what would have been the indirect costs? **5% of direct costs**

12. Any other significant grant requirements or comments:

We respectfully request for approval to accept and expend these funds retroactive to September 30, 2021. The Department received the subaward agreement on September 13, 2021. This grant does not require an ASO amendment.

Proposal ID:	**CTR00002865**
Version ID:	**0001**
Department ID:	**251912**
Project Desc:	**HAD DPH Admin Exec**
Project ID:	**10038572**
Activity ID:	**0001**

Disability Access Checklist*(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)

13. This Grant is intended for activities at (check all that apply):

[X] Existing Site(s)   [ ] Existing Structure(s)   [ ] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s)   [ ] Rehabilitated Structure(s)   [ ] New Program(s) or Service(s)
[ ] New Site(s)   [ ] New Structure(s)

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;

2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;

3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Toni Rucker, PhD
_____
(Name)

DPH ADA Coordinator
_____
(Title)

Date Reviewed: _____2/23/2022 | 3:04 PM PST_____   *Toni Rucker*
                                                             A84292F7331F44D
                                                             (Signature Required)

Department Head or Designee Approval of Grant Information Form:

Dr. Grant Colfax
_____
(Name)

Director of Health
_____
(Title)

Date Reviewed: _____2/28/2022 | 4:44 PM PST_____   *Greg Wagner*
                                                             2C827324732848F
                                                             (Signature Required)

                                                             Greg Wagner, COO for

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:
Completed by Grants.gov upon submission.	

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: City & County of SF - Dept of Public Health

* b. Employer/Taxpayer Identification Number (EIN/TIN):	* c. Organizational DUNS:
96-6000417	1037173360000

d. Address:

* Street1: 101 Grove St, Rm308

Street2:

* City: San Francisco

County/Parish:

* State: CA: California

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 94102-6012

e. Organizational Unit:

Department Name:	Division Name:
Dept of Public Health	Office of Health Equity

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	* First Name: Ayanna

Middle Name:

* Last Name: Benett

Suffix:

Title: Chief Health Equity Officer

Organizational Affiliation:

* Telephone Number: (510) 213-0302	Fax Number:

* Email: ayanna.bennett@sfdph.or

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

```
B: County Government
```

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

```
Centers for Disease Control - NCCDPHP
```

11. Catalog of Federal Domestic Assistance Number:

```
93.945
```

CFDA Title:

```
Assistance Programs for Chronic Disease Prevention and Control
```

* 12. Funding Opportunity Number:

```
CDC-RFA-DP21-2111
```

* Title:

```
Closing the Gap with Social Determinants of Health Accelerator Plans
```

13. Competition Identification Number:

```
CDC-RFA-DP21-2111
```

Title:

```
Closing the Gap with Social Determinants of Health Accelerator Plans
```

14. Areas Affected by Project (Cities, Counties, States, etc.):

| | Add Attachment | Delete Attachment | View Attachment |

* 15. Descriptive Title of Applicant's Project:

```
Closing the Gap with Social Determinants of Health Accelerator Plans
```

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant `12`   * b. Program/Project `12`

Attach an additional list of Program/Project Congressional Districts if needed.

[   ] [Add Attachment] [Delete Attachment] [View Attachment]

17. Proposed Project:

* a. Start Date: `09/30/2021`   * b. End Date: `09/29/2022`

18. Estimated Funding ($):

* a. Federal	`125,000.00`
* b. Applicant	`0.00`
* c. State	`0.00`
* d. Local	`0.00`
* e. Other	`0.00`
* f. Program Income	`0.00`
* g. TOTAL	`125,000.00`

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on [   ].

☒ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

☐ Yes   ☒ No

If "Yes", provide explanation and attach

[   ] [Add Attachment] [Delete Attachment] [View Attachment]

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: [ ]	* First Name: `Rita`
Middle Name: [ ]	
* Last Name: `Nguyen`	
Suffix: [ ]	

* Title: `Acting Deputy Director, Population Health Div`

* Telephone Number: `415-533-8091`   Fax Number: [   ]

* Email: `rita.nguyen@sfdph.org`

* Signature of Authorized Representative: `Completed by Grants.gov upon submission.`   * Date Signed: `Completed by Grants.gov upon submission.`

Project Abstract Summary

This Project Abstract Summary form must be submitted or the application will be considered incomplete. Ensure the Project Abstract field succinctly describes the project in plain language that the public can understand and use without the full proposal. Use 4,000 characters or less. Do not include personally identifiable, sensitive or proprietary information. Refer to Agency instructions for any additional Project Abstract field requirements. If the application is funded, your project abstract information (as submitted) will be made available to public websites and/or databases including USAspending.gov.

Funding Opportunity Number

CDC-RFA-DP21-2111

CFDA(s)

93.945

Applicant Name

City & County of SF - Dept of Public Health

Descriptive Title of Applicant's Project

Closing the Gap with Social Determinants of Health Accelerator Plans

Project Abstract

Chronic disease is disproportionately impacting the Black/African American San Franciscans to an extreme degree, the gaps dwarf those between all other groups. The San Francisco Black African American focused SDOH Accelerator plan improve the Black African American health disparities by focusing on two social determinants Food Security and Community-Clinical Linkages. The Accelerator plan will focus on disparity in cardiovascular disease incidence and severity, and the food and nutrition needed to prevent and manage cardiovascular disease. The Leadership Team developing the Accelerator plan will include representatives of clinical providers, community-based organizations, a nationally recognized academic institution, the San Francisco Department of Public Health, The San Francisco Human Services Agency, and residents with lived experience. This group will cross-train to gain a shared understanding, then meet regularly within a collective impact framework to generate a shared objective, metrics,
proposed activities and evaluation plan. These recommendations will be evaluated using a Health Equity Impact Tool, then be presented to the community and potential partners as an action plan for improving the health of the Black/African American community.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

OMB Number: 4040-0013
Expiration Date: 02/28/2022

1. * Type of Federal Action:	2. * Status of Federal Action:	3. * Report Type:
☐ a. contract ☒ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance	☐ a. bid/offer/application ☒ b. initial award ☐ c. post-award	☒ a. initial filing ☐ b. material change

4. Name and Address of Reporting Entity:

☒ Prime   ☐ SubAwardee

* Name: City and County of SF - Dept of Public Healht

* Street 1: 101 Grove St   Street 2:

* City: San Francisco   State: CA: California   Zip: 94102

Congressional District, if known: 12

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

6. * Federal Department/Agency:	7. * Federal Program Name/Description:
Dept of Transportation	Assistance Programs for Chronic Disease Prevention and Control CFDA Number, *if applicable:* 93.945

8. Federal Action Number, *if known:*	9. Award Amount, *if known:*
	$ 125,000.00

10. a. Name and Address of Lobbying Registrant:

Prefix: * First Name: n/a   Middle Name:

* Last Name: n/a   Suffix:

* Street 1: n/a   Street 2:

* City: n/a   State: Zip:

b. Individual Performing Services (including address if different from No. 10a)

Prefix: * First Name: n/a   Middle Name:

* Last Name: n/a   Suffix:

* Street 1: n/a   Street 2:

* City: n/a   State: Zip:

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

* Signature: Completed on submission to Grants.gov

*Name: Prefix: * First Name: Rita   Middle Name:

* Last Name: Nguyen   Suffix:

Title: Acting Deputy Director, Population Health Div   Telephone No.:   Date: Completed on submission to Grants.gov

Federal Use Only:

**Authorized for Local Reproduction
Standard Form - LLL (Rev. 7-97)**

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 02/28/2022

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Closing the Gap with Social Determinants of Health Accelerator Plans	93.945	$	$	$ 125,000.00	$	$ 125,000.00
2.						
3.						
4.						
5. Totals		$	$	$ 125,000.00	$	$ 125,000.00

Standard Form 424A (Rev. 7- 97)
Prescribed by OMB (Circular A -102) Page 1

PREVIEW Date: Jul 06, 2021   Workspace ID: WS00737420 Funding Opportunity Number: CDC-RFA-DP21-2111

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total
	(1) Closing the Gap with Social Determinants of Health Accelerator Plans	(2)	(3)	(4)	(5)
a. Personnel	$	$	$	$	$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual	125,000.00				125,000.00
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)	125,000.00				$ 125,000.00
j. Indirect Charges					$
k. TOTALS (sum of 6i and 6j)	$ 125,000.00	$	$	$	$ 125,000.00
7. Program Income	$	$	$	$	$

Authorized for Local Reproduction

Standard Form 424A (Rev. 7- 97)
Prescribed by OMB (Circular A -102) Page 1A

SECTION C - NON-FEDERAL RESOURCES

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	Closing the Gap with Social Determinants of Health Accelerator Plans	$	$	$	$
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		$	$	$	$

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	$ 125,000.00	$ 31,250.00	$ 31,250.00	$ 31,250.00	$ 31,250.00
14. Non-Federal	$				
15. TOTAL (sum of lines 13 and 14)	$ 125,000.00	$ 31,250.00	$ 31,250.00	$ 31,250.00	$ 31,250.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

	(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
		(b)First	(c) Second	(d) Third	(e) Fourth
16.	Closing the Gap with Social Determinants of Health Accelerator Plans	$	$	$	$
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		$	$	$	$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:	22. Indirect Charges:
125,000	0

23. Remarks:

Authorized for Local Reproduction

Budget Narrative File(s)

* Mandatory Budget Narrative Filename: `Budget Narrative.pdf`

| Add Mandatory Budget Narrative | Delete Mandatory Budget Narrative | View Mandatory Budget Narrative |

To add more Budget Narrative attachments, please use the attachment buttons below.

| Add Optional Budget Narrative | Delete Optional Budget Narrative | View Optional Budget Narrative |

San Francisco Department of Public Health,
Community Health Equity and Promotion (CHEP)
CDC-RFA-DP21-2111
Closing the Gap with Social Determinants of Health Accelerator Plans
Budget Justification
09/30/2021-09/29/2022

A.	Salaries	$0
B.	Mandatory Fringe	$0
C.	Consultant Costs	$0
D.	Equipment	$0
E.	Materials and Supplies	$0
F.	Travel	$0
G.	Other Expenses	$0
H.	Contractual	$125,000
	Total Direct Costs	**$125,000**
I.	Indirect Costs	$0
	TOTAL BUDGET	**$125,000**

A. SALARIES   **$0**

Position Title and Name	Annual	Time	Months	Amount Requested
0955 Director of the Office of Health Equity (OHE) and Chief Health Equity Officer - Ayana Bennett	NA	100%	12	In Kind
2588 Project Manager – Gavin Morrow	NA	100%	12	In Kind
9924 Admin Support – Tanya Yared	NA	100%	12	In Kind
2820 Sr Health Program – Paula Jones	NA	100%	12	In Kind

Job Description: 0955 Dep Director V (Ayanna Bennett)
Dr. Bennett will ensure that OHE staff provide logistical and administrative support to the leadership team. Dr. Bennett will also ensure the progression of the group through the stages of the planning process by designing agendas, encouraging attendance and participation by team members, and ensuring sufficient resources for team activities. Dr. Bennett will also serve as a co-lead of the Leadership Team.

Job Description: 2588 Health Worker IV (Gavin Morrow)
Gavin Morrow-Hall will organize the logistical needs of the team, track goals and accomplishments, monitor spending, and support data gathering for the team (e.g. arranging focus groups or events).

Job Description: 9924 Admin Support (Tanya Yared)
Tanya Yared is an intern in a multiyear full time position with OHE. She will keep records of meetings and events, produce documents, presentations and other visual aids for the Team as needed. She will also conduct brief research assignments to bring information or models to the Team that is requested.

Job Description: 2820 Sr Health Program (Paula Jones)
Paula Jones will help plan agendas, evaluate and source data, ensure the participation of Leadership Team members with special emphasis on those that deliver food resources to community.

B. FRINGE BENFITS   **$0**
C. CONSULTANT COSTS   **$0**
D. EQUIPMENT   **$0**
E. MATERIALS AND SUPPLIES   **$0**
F. TRAVEL   **$0**
G. OTHER   **$0**

H. CONTRACTUAL   **$125,000**

Contractor	Total Cost
San Francisco Public Health Foundation	$125,000

1.Name of Contractor: San Francisco Public Health Foundation (SFPHF)
Method of Selection: Request for Proposals (RFP) RFP36-2017
Period of performance: 09/30/2021 – 09/29/2022
Scope of work
> (1) Service category: Closing the Gap with Social Determinants of Health Accelerator Plans
> (2) Award amount: $125,000
> (3) Subcontractors: TBD
> (4) Services provided: SFPHF will provide fiscal intermediary services to SFDPH and contractual oversight over consultants selected by Office of Health Equity.

Method of Accountability: Annual program and fiscal and compliance monitoring

Itemized budget with narrative justification: To be provided upon completion of contract negotiations.

A.	Salaries	$0
B.	Fringe Benefits	$0
C.	Consultant Expenses	$0
D.	Equipment:	$0
E.	Materials and Supplies:	$0
F.	Travel	$0
G.	Other Expenses	$0
H.	Contractual	$112,50

Compensation for community members of the Leadership Team (2 of 3 as one is a DPH employee)	6,000
Contract for needs assessment and evaluation services	38,000
Compensation for time to Leadership Team members from non-governmental agencies (3 @ $125/hour for 8h/month)	36,000
Compensation for time for CBOs assisting in recruitment for community evaluation (3 @ $5,000)	15,000

BN-3

Additional Compensation to CBO lead agency (1 at $125/hour for 8 additional hours per month)	12,000
Food and materials for meetings/events	5,500
TOTAL	112,500

The budget is designed to support each stage of the workplan. The convenings themselves require funding for food and materials for the convenings, associated workgroups and community listening events. In order to begin planning, the Team will need have information on community needs and characteristics to offer the Leadership Team. This will be done through a needs assessment, including ethnographic investigation of resident concerns or goals around chronic disease and food, as well as evaluation services to ensure community acceptability of the plan at a cost of $38,000. To encourage participation, we will compensate community-based organizations and residents for their time. Designating a lead non-governmental organization has in the past been a significant aid in encouraging participation from all non-city agencies involved. The lead CBO will co-chair the Leadership Team, planning agendas, supporting working groups, helping to direct the backbone staff and managing resources.

Total Direct Costs	$112,500
Total Indirect Costs	$12,500
(@ 15% of Modified Total Direct Costs)	
Total Costs	$125,000

	TOTAL DIRECT COSTS:	$	125,000
I.	**INDIRECT COSTS**	$	0
	TOTAL BUDGET:	$	**125,000**

Project Narrative File(s)

* Mandatory Project Narrative File Filename: `Project_Narrative.pdf`

[Add Mandatory Project Narrative File]   [Delete Mandatory Project Narrative File]   [View Mandatory Project Narrative File]

To add more Project Narrative File attachments, please use the attachment buttons below.

[Add Optional Project Narrative File]   [Delete Optional Project Narrative File]   [View Optional Project Narrative File]

Project Narrative

1. BACKGROUND

In 2014, the San Francisco Department of Public Health established the Black/African American Health Initiative (BAAHI) to focus on correcting the well documented health disparities in the Black/African American (B/AA) community. The program initially focused on specific conditions and workforce training, but expanded significantly over time. In 2018, the BAAHI staff released the Black Health Report, a review of disparities impacting Black/African American San Franciscans in social determinants of health and a wide array of health conditions. In particular, chronic diseases are strikingly more prevalent for Black and African American adults than for any other group. The origins of these conditions trace back to lifestyle factors like a high-fat diet, cigarette smoking, and stress, and co-morbid conditions such as diabetes. These lifestyle factors and conditions can themselves be traced back to the social determinants of health, including housing, economic conditions, food access and lack of recreational space, factors which can be traced even further upstream to the segregating force of racism.

Among the many health disparities, SFDPH has chosen cardiovascular disease (CVD) and hypertension as key disparities to address. In the case of CVD, this is not an issue only of prevalence, but of severity and premature onset. From 2012-14, B/AA residents of San Francisco were 5.5 times more likely to become hospitalized from hypertension, at a rate of 11 per 10,000 residents. The next closest group, Latinos, had a rate of hospitalization due to hypertension of 2.65 per 10,000 residents. Black residents are also sick much sooner than their peers; by the time they reach their 40's, Black residents are experiencing hospitalizations at the rate other groups see in their 60s. This means that any effort that focuses solely on prevention, is necessarily not addressing the needs of a large number of adults who are well past the benefits of primary prevention. They require that we aim to prevent the chronic diseases they already have from causing the disabling sequelae and premature deaths we see in their elders. This means that our efforts must include greater access and engagement with medical care as part of any equitable plan.

Among the social determinants, San Francisco has a clear and widespread need for greater food security. One in four San Franciscans are at high risk for food and nutrition insecurity due to low income, contributing to poor health and chronic diseases such as diabetes and hypertension. As many as 70% of low-income patients served by the San Francisco Health Network (SFHN) are food insecure, lacking reliable access to affordable and nutritious food. Food and nutrition insecurity is associated with higher rates of chronic health conditions, as seen in the SFHN's medical record documentation; 40.9% of 631 patients on the diabetes registry had a positive food insecurity screen, and 32.3% of 893 patients on the hypertension registry also screened positive for food insecurity. San Francisco ranks as one of the highest cities in the United States for cost of living, and as income inequality grows, food needs and chronic health conditions similarly increase.

2. APPROACH

Purpose: The well documented, long-standing health disparities in the B/AA community are most striking in the increased burden of chronic diseases. Addressing those chronic diseases

requires both the medical engagement with those who are already impacted and improvement in conditions that make those who are healthy more likely to develop these conditions. The SDOH Accelerator Plan will do both by providing food access and nutrition education to patients in medical clinics, and providing their families and neighbors in the community with a coordinated connection to social programs and healthcare.

a) <u>Outcomes</u>: This program will coordinate the significant assets that San Francisco has in terms of social services and community activism to produce two key outcomes; shaping a group of city agency representatives and community leaders who generally have transactional relationships into a cohesive team with a shared purpose that is truly guided by community-set priorities, and then creating a plan that reflects both community priorities and public health and medical best practices, while making the bests use of the public resources available. Specific changes we expect to see include:

1. Activity: Organize and facilitate productive meetings between community leaders and by city agencies using a collective impact model that emphasizes continuous communication and backbone support (provided by the SFDPH Office of Health Equity), leading to:
    - Short-term outcome: Improved trust and shared understanding between team members that facilitates practical implementation-ready solutions.
2. Activity: Use of an equity assessment tools in the planning process, leading to:
    - Short-term outcome: Multiple methodologies for community input are sought during the planning process and clear analysis of who benefits or is burdened by chosen activities is included in the plan.
3. Activity: Support for full participation of community members during the planning process, leading to: - Short-term outcome: There is significant incorporation of community input into the implementation plan for the Social Determinants of Health Accelerator Plan.

b) <u>Strategies and Activities</u>

SDOH Priority Areas: The SDOH Accelerator plan improve the disparities and barriers described above in two ways. By focusing on **Food Security** and **Community-Clinical Linkages** the plan can help to bring resources, in this case economic and food assistance, families and housed adults who may have chronic disease are likely to need some food support and unlikely to be receiving it. The clinic-based food pharmacies have demonstrated that identified chronic disease patients will accept food resources as part of their medical care. Currently, food distribution programs rarely account for the specific health-based nutrition needs of the recipients. This plan could improve that by creating stronger connections between clinical staff and food providers, both allowing each side to educate and influence the other. The poor uptake of food and other assistance programs among some B/AA residents is perhaps related to unrecognized need or lack of trust. Patients may not recognize themselves to have food needs if they are able to obtain poor quality food in sufficient quantity. However, chronic disease management requires that patients have high quality food, including fresh produce that may be prohibitively expensive. Referral from trusted providers and education on the role of nutrition in their disease management could increase use of existing resources and therefore food security.

<u>Strategy 1: Convene and Coordinate a Leadership Team Consisting of Multisectoral Partners</u>. *Collective Impact:* A Collective Impact (CI) model as described by John Kania and Mark

Kramer consists of 5 principles; 1.) common agenda, 2.) shared measurement system (e.g. Metrics), 3.) mutually reinforcing activities, 4.) continuous communication, 5.) and backbone support. The last two elements will be provided by the SFDPH Office of Health Equity which will produce regular communications and staff backbone logistical functions. The steering committee and workgroups structure of CI will expand the participants beyond the leadership team and allow for a greater diversity of ideas and multiple substantive strategic directions. CI requires that the Leadership Team first define a common purpose which will help to align the different objectives of the agencies and accelerate mutual understanding, then define concrete metrics for success to drive a focus on feasible activities that can be accomplished with existing or easily obtained resources. The definition of mutually reinforcing activities casts every agency as active participant in implementation and open to adjusting their operations to meet goals.*.*

Training: In the first 6 months of the grant period, we will implement training for all members of the Leadership Team. Office of Health Equity (OHE) staff will provide all members with training on health disparities and other community profile data. The OHE staff will provide the resident members in training on basic public health and chronic disease facts that will help them to understand the goals of the institutional members (e.g. defining food security, the link between nutrition and chronic disease). Community residents will be asked to help shape training for organizational leaders on the team about the history and strengths of the B/AA communities. Organizational leaders will give brief reviews of the resources, priorities and limitations of their agencies. Shared understanding will speed relationship building.

Community Assessment: The Office of Health Equity will work with internal staff and a consultant to conduct ethnographic and quantitative research with B/AA residents and clinic patients about chronic disease, disease management, clinic engagement, food needs and other relevant topics. Some work in these areas has been done in the past, but on a more limited scale. That research was used to design programming that altered the way SFDPH related to B/AA patients around heart health, and the funding of innovative community programs.

Strategy 2: Develop an implementation-ready SDOH Accelerator Plan. *Collective Impact:* The remaining elements of the CI model are a roadmap to the agenda for the Leadership Team meetings. Taken in order, they create a developmental progression that ensures practical and implementation-ready solutions. The shared purpose and shared measurement establish early alignment and build relationships. The mutually reinforcing activities encourage the coordination of existing programs, or the integration of new programs with the current system.

Health Equity Impact Assessment: The SFDPH Office of Health Equity is currently implementing a Health Equity Impact Assessment at the direction of the Health Commission. This tool combines a simplified Health Impact Assessment methodology with a Racial Equity Assessment created by the Government Alliance on Race and Equity (GARE). This tool consists of a series of questions that require program designers to consider disparities data, seek community input and pre-determine mitigating strategies for potential inequitable impacts. The use of this tool to assess the proposed activities in the plan will ensure that the potential positive and negative impacts on both Black and non-Black residents have adequately been considered.

Collaborations: The most important collaborations will be between members of the Leadership Team. Each team member will have unique perspective and scope of influence to contribute. The Leadership Team will initially consist of the following members with the

expectation that others may join either on the Leadership Team or in workgroups as they develop.

- Two Residents: An engaged members of the Patient Advisory Committee for the DPH clinics Rosalind Frasier, and a front-line DPH worker living in the community, Tracy Shaw-Senigar, have agreed to be the initial community members of the Team.
- Community-leader: Dr. Jonathan Butler, a researcher with an extensive history of advocacy and civic participation in the Black/African American Community.
- Community-Based Organization, health and youth: Joi Jackson-Morgan is the Executive Director of the 3rd St Youth Center & Clinic, a local youth-development agency.
- Non-governmental Organization, food: EatSF is a food security organization that provides food vouchers and other programs to San Francisco residents. Their Executive Director is the Chair of the San Francisco Food Security Task Force will join the Leadership Team.
- Community healthcare providers: The Chief Medical Officer of the San Francisco Health Network, an arm of SFDPH will participate to represent the clinics and the ZSFG hospital.
- Governmental agency, human services: The Human Services Agency Equity Lead will participate in their role as owner of the HSA racial equity plan which directs operational changes that advance racial equity.
- Governmental agency, public health: The Chief Health Equity Officer for SFDPH will participate on the Leadership Team.
- Academic Institution: The Director of the UCSF Black Health Initiative will participate to advance the BHI mission to expand the role of UCSF in improving B/AA health.
- CDC-funded Program: The UCSF Prevention Research Center (PRC) which receives funding from the Chronic Disease Prevention and Health Promotion Program and will advise on evaluation and potential models but not serve on the Leadership Team.

Target Population and Health Disparities: According to the 2019 Census population estimate, B/AA residents are 5.2% of the population, roughly 46,000 people. Black residents are more heavily segregated than other racial groups. The population is less widely distributed than other racial groups, mainly concentrated into historically B/AA neighborhoods and/or sites of public housing: Hunters Point at 53.4%, Bayview at 29.6%, Western Addition at 26.7%. In the census tracts covering Bayview and Hunters Point, the Social Vulnerability Indexes range from 0.6425 to 0.8745. The Western Addition neighborhood's SVI is 0.8884. This level of poverty and other negative SDoH leads downstream to poor health-related behaviors. Bayview and Hunters point neighborhoods that have the highest proportion of B/AA residents have the lowest fruit and vegetable expenditures in the city. Adults are also more likely to consume soda if they are B/AA: 59.1% vs. 27.5% if they are white. Black/African American SFUSD students are 2–3 times more likely to consume fast food (64%), or soda (44%) at least weekly, as compared to White students (fast food 35% and soda 17%), and only 15.9% of B/AA students report having the 5 recommended servings per day, though this was low for all students. This is directly related to access, as food insecurity is disproportionately high for B/AA residents.

The conditions and behaviors outlined lead to health disparities that were described in the Black/African American Health report published by SFDPH in 2018, Black/African Americans have the highest mortality rate for 9 of the top 10 causes of death in San Francisco. Life expectancy for Black/African Americans is the lowest of all race/ethnicities in San Francisco.

Based on the most recent data from 2015-2017, a B/AA resident could expect to live 72 years (a bit less for men vs. women), nearly 10 years less than White, Asian, and Latino residents who can expect to live into their 80s. On the other end of the life-course, B/AA infants are five times more likely than White infants to die before their first birthday. Multiple health conditions underly this difference in lifespan. Heart Disease impacts Black/African Americans at younger ages. Rates of heart disease related hospitalizations among Black/African Americans in their 40s and 50s are comparable to those seen in other races/ ethnicities over 75 years of age.

3. APPLICANT EVALUATION AND PERFORMANCE MEASUREMENT PLAN
Collective impact requires that the Team define shared measures that each agency will contribute to improving. This will likely include at least one measurement of clinic engagement and at least one of food security.

4. ORGANIZATIONAL CAPACITY OF APPLICANTS TO IMPLEMENT THE APPROACH
   Community Engagement: SFDPH partners with communities in a variety of ways. Clinical services have Patient Advisory Boards that propose or evaluate patient-related activities and aggregate patient responses and concerns. Patients also service as members of specific committees; e.g. The Hypertension Equity Team. In the Population Health Division, there are examples all along the spectrum of collaboration. Community members are asked their needs or barriers through focus groups as part of the development process for funding announcements. Organized community groups that arose during the COVID-19 response, such as MegaBlack, have met regularly and included SFDPH staff as members who helped to incorporate community ideas and activities into the EOC operations plan. The staff and organizations planning together to improve B/AA vaccination and testing will be sought as partners in this effort.
   Readiness: The staff charged with leading and supporting the Leadership Team and workgroups are already on staff at SFDPH. DPH has significant experience as the lead agency in a number of multisectoral partnerships, generally structured as collective impact programs, but also under the incident command system. Collective impact programs lead or co-lead by DPH include the following among others:
   o The Food Security Task Force: Formed by local statute is chaired by the UCSF Center for Vulnerable Populations, with the DPH Food Security Director as the Vice-Chair and DPH as the backbone agency. The members of the Task Force include diverse feeding agencies (school district, parks department) as well as food-relevant community-based organizations.
   o Getting to Zero: DPH leads this HIV prevention program with 21 organizations as partners and dozens of individual community members and agency representatives.
   o Vision Zero: The San Francisco iteration of the national pedestrian injury and death prevention program, co-lead by DPH and the Metropolitan Transportation Agency, and including local senior and family focused agencies as partners.
   Financial Management: SFDPH has a long history with the CDC as a grant recipient in various areas of public health, including HIV, heart health, STD care, and chronic disease prevention among others. These grants have amounted to millions of dollars with management by SFDPH finance section, as well as the San Francisco City and County Controllers Office. The use of grant funds are also overseen by the Board of Supervisors. Internally, rigorous processes

of documentation and oversight are managed by internal finance staff and compliance office staff.

5. WORK PLAN

Strategies and Activities	Performance Measure	Responsible Position	Completion Date
1. Convene and Coordinate a Leadership Team Consisting of Multisectoral Partners.	• Number and types of partners • Number of meetings and partner attendance • Number of shared goals and activities included in SDOH Accelerator Plans	Office of Health Equity staff	TBD
2. Completed implementation-ready SDOH Accelerator Plan including all required components	Completed SDOH Accelerator Plan, including all required components	Leadership Team OHE staff	June 30
3. Training sessions for Leadership Team members	Completed training by 1 or more resident Leadership Team members.	Project Manager	November
4. Assessment of current conditions	Qualitative and Quantitative data generated to describe current clinic engagement and food security of B/AA population, and links between Leadership Team agencies	Project Manager as contract manager for consultant	TBD
5. Health Equity Impact Assessment used to evaluate plan proposals	Equity impact assessment included in final plan documentation	SFDPH staff	TBD

Sources

Black/African American Health Report. San Francisco Department of Public Health (September 2018). https://www.sfdph.org/dph/files/reports/StudiesData/BAAHI-2018-Black-Health-Report.pdf
San Francisco Food Security Task Force. (2019). Assessment of food security in San Francisco.https://www.sfdph.org/dph/files/mtgsGrps/FoodSecTaskFrc/docs/FSTF_Annual_Report_3_5_20.pdf
SF Food Security Task Force. (April 2021). Food Security and COVID-19 Food Coordination Group. https://www.sfdph.org/dph/files/mtgsGrps/FoodSecTaskFrc/docs/COVID_Food_Coordination_Update_April_2021.pdf

Other Attachment File(s)

* Mandatory Other Attachment Filename: `Table of Contents.pdf`

| Add Mandatory Other Attachment | Delete Mandatory Other Attachment | View Mandatory Other Attachment |

To add more "Other Attachment" attachments, please use the attachment buttons below.

| Add Optional Other Attachment | Delete Optional Other Attachment | View Optional Other Attachment |

Table of Contents for Entire Submission

Documents included:

Project Abstract Summary
Project Narrative
Budget Narrative
Project Management Structure And Staffing
Positional Descriptions
Resumes
Organizational Chart
Leadership Team Letters of Support

The following attachment is not included in the view since it is not a read-only PDF file.

Upon submission, this file will be transmitted to the Grantor without any data loss.

Organizational_Chart.pdf

The following attachment is not included in the view since it is not a read-only PDF file.

Upon submission, this file will be transmitted to the Grantor without any data loss.

Leadership_Team_ Letters_ of_Support.pdf

Positional Descriptions

Leader of Backbone Staff: This position is filled by Dr. Ayanna Bennett, the Director of the Office of Health Equity (OHE) and Chief Health Equity Officer for SFDPH. As Lead, Dr. Bennett will ensure that OHE staff provide logistical and administrative support to the leadership team. Dr. Bennett will also ensure the progression of the group through the stages of the planning process by designing agendas, encouraging attendance and participation by team members, and ensuring sufficient resources for team activities. Dr. Bennett will also serve as a co-lead of the Leadership Team.

Project Manager: As project manager, Gavin Morrow-Hall will organize the logistical needs of the team, track goals and accomplishments, monitor spending, and support data gathering for the team (e.g. arranging focus groups or events).

Administrative support: Tanya Yared is an intern in a multiyear full time position with OHE. She will keep records of meetings and events, produce documents, presentations and other visual aids for the Team as needed. She will also conduct brief research assignments to bring information or models to the Team that is requested.

Leadership Team Co-Lead Paula Jones will help plan agendas, evaluate and source data, ensure the participation of Leadership Team members with special emphasis on those that deliver food resources to community.

A second Leadership Team Co-Lead will be determined by the non-governmental participating in the Leadership Team to establish equal influence of civil servants and CBOs in developing the plan.

Project Management Structure and Staffing

The Leadership Team will be supported by senior leadership within SFDPH. Briefly, the San Francisco Department of Public Health is comprised of two divisions–the San Francisco Health Network and Population Health and Prevention. The SF Health Network is the City's health delivery system and has locations throughout the City including San Francisco General Hospital Medical Center, Laguna Honda Hospital and Rehabilitation Center, and over 15 primary care health centers. The Population Health and Prevention Division has a broad focus on the communities of San Francisco and directs the health promotion and prevention activities, including a Food Security Program. The central administration that supports both divisions includes the Director of Health and executive staff overseeing administrative operations, human resources, policy, compliance and other shared services.

The Office of Health Equity (OHE) will provide the backbone support and facilitation to the Leadership Team. OHE is one of the executive offices within the central administration and the Chief Health Equity Officer, its leader, is a member of the SFDPH senior executive staff. Specifically, a health worker and a public health trainee will provide logistical support and documentation for the Team meetings, as well as managing and reporting data, and providing guidance for quality improvement and evaluation. In addition to administrative support, OHE will conduct the community health ambassador training, based on a peer leadership program currently operated by the YMCA in the SFDPH public housing health program. OHE staff will also assist the community members in contributing to a training for organizational representatives on the team about the history and priorities of their community. This training will be preserved to serve as an orientation for other SFDPH staff doing community engagement work in B/AA communities.

Staff from the Population Health Division of SFDPH will play a significant role. The Director of Food Security with the Population Health Division will act as co-lead for the group. She acts as Vice-Chair of the Food Security Task Force (FSTF) and the producer of the San Francisco Food Security Report. The FSTF meets monthly and will partner with the DPH Office of Health Equity (OHE) in the Social Determinants of Health (SDOH) Accelerator Plan. Evaluation planning will be supported by a SFDPH epidemiologist attached to the chronic disease prevention program in Population Health.

The San Francisco Health Network will recruit patients as participants in the priority setting process and two patient advisory board members for the Leadership Team. The Patient Experience Coordinator in the Primary Care section will provide staff to support the community members on the Team, ensuring they attend trainings, are being treated as respected partners, and removing barriers to their participation. SFHN will also provide data on clinic utilization by B/AA patients with heart disease, and the status of the disparity in hypertension control between B/AA and all patients (this gap has reduced from 8% to 0% over the 5 years of BAAHI, but continues to be monitored).

Ayanna S. Bennett MSPH, MD, FAAP
San Francisco Department of Public Health
(415) 359-5739 | ayanna.bennett@sfdph.org

Education and Training

Pediatric Residency University of California San Francisco, San Francisco, CA Primary Care track	2001-2004
Medical Degree University of California San Francisco, CA	1996-2001
Master's Degree, Health and Medical Sciences University of California Berkeley, School of Public Health, San Francisco, CA • UCB/UCSF Joint Medical Program • Thesis, Ethnographic study of African American women smoking during pregnancy	1996-2001
Bachelor's Degree Stanford University, Stanford, CA Human Biology, Focus on Biosocial Human Development	1991-1995
Government Alliance on Race and Equity (GARE), Learning Cohort	2017
California Health Care Foundation Health Care Leadership Program, Cohort 15	2016-2017
National Incident Management Training (ICS - 100, 200, 400, 700)	2018-2019

Licensure, Certification

California Medical License (A82086-active), 2000	Expires 2022
Board Certified in Pediatrics, American Medical Board, 2004	Expires 2023
Drug Enforcement Administration – current	Expires 2022

Honors and Awards

Excellence in Health Equity Practice Award to the San Francisco Department of Health • Awarded for the Office of Health Equity Black African American Health Initiative	2019
Service Leadership Award, UCB/UCSF Joint Medical Program	2016
Bayview HEAL Zone, Health Hero Award	2015

Leadership Experience

Chief Health Equity Officer (Deputy Director V), San Francisco Department of Public Health • Founding Director, Office of Health Equity, Supporting infrastructure development,	2016-present

training and policy development that advances health equity with an emphasis on populations impacted by racism. Programs include Black African American Health Initiative, Sexual Orientation/Gender Identity Initiative

Incident Commander, Covid-19 Command Center, San Francisco City and County   Apr-Sept, 202
- Co-lead of the Emergency Operations Center, responsible for the strategic and operational leadership of COVID mitigation efforts. Directed strategic focus on congregate settings and skilled nursing facilities, as well as expansion of testing and outbreak management, have resulted in the lowest case and death rate among major cities nationally.
- Supervision of over 600 staff managing COVID response activities with diverse stakeholders including businesses, health systems, schools and city agencies.
- Administration of a budget of over $460 million
- Past Incident Commander for HepA and congenital syphilis emergency activations

Director of Interdivisional Initiatives, San Francisco Department of Public Health   2016-2019
- Supporting integration of population health and healthcare delivery resources in the department to address complex problems.

Interim Medical Director, San Francisco Department of Public Health   2015-2016
- Interim Medical Director, Community Health Programs for Youth. Supervised clinical staff of physicians, nurse practitioners and nurses to deliver care at 7 sites to youth ages 12-25.

Executive Director and Co-Founder, 3rd St Youth Center & Clinic   2004-2015
- Initially served as Medical Director establishing and managing medical protocols and procedures. Transitioned in 2015 to Executive Director with responsibility for fundraising, financial management and staff management.

Member, Executive Board, Bay Area Regional Health Inequities Initiative (BARHII)   2018-present

Member, California Office of Family Planning Clinical Practice Advisory Committee   2015

Professional Activities/Affiliations

Member, American College of Healthcare Executives	2020-present
Member, UCSF Black Health Initiative Council	2020-present
Co-Chair, California Healthcare Foundation, Alumni Equity Interest Group	2020-present
Member, Board of Directors, San Francisco Marin Medical Society	2019-present
Member, Expecting Justice Steering Committee, California Preterm Birth Initiative	2018-2019
Fellow of the American Academy of Pediatrics,	2004-present

Clinical Experience

General pediatrics, Southeast Health Center, SFDPH	2004-2020
Adolescent medicine, 3rd St Youth Center & Clinic, SFDPH	2004-201

General pediatrics, Alameda Pediatrics/Stanford Healthcare, Alameda, CA	2007-2015
General pediatrics, North Oakland Pediatrics, Oakland, CA	2006-2007
General pediatrics, Glenview Pediatrics, Oakland, CA	2004-2006

Research and Publications

N. Rosendale; A. Fishman; S. Goldman, S. Pardo, A. Scarborough; **Ayanna Bennett.** "Systematic Collection of Sexual Orientation and Gender Identity in a Public Health System: The San Francisco Health Network SO/GI Systems-Change Initiative." *Joint Commission Journal on Quality and Patient Safety*. 2020 Oct;*46(10):*549-557, 10.1016

Karmarkar, E. et al; **Bennett, A**. "Timely intervention and control of a novel coronavirus (COVID-19) outbreak at a large skilled nursing facility-San Francisco, California, 2020." *Infection Control and Hospital Epidemiology*. 2020 Dec 14;1-8, 10.1017

Bennett, A. "Facing the Race in Racial Disparities." *San Francisco Marin Medicine*, 2019 Mar/Apr; *92*(2); 15

Bennett, A. Office of Health Equity, Black African American Health Report 2019

Bennett, A;. Phillip, S. "Long-Acting Reversible Contraceptive Access Study." Poster presented at the American Public Health Association Convention 2016

Teaching Experience

UCSF Medical Student Career Panel	2/18/2020
UCSF / ZSFG OBGYN Grand Rounds, Rising Congenital Syphilis in San Francisco	1/27/2020
UCSF Pediatric Grand Rounds, The epidemiology of SARS-CoV-2 among children in the Bay Area, and implications for vaccine roll out"	12/17/2020
Volunteer Clinical Faculty, UCSF	2004-2019

- Preceptor, UCSF Pediatric Residents, Medical and Nurse Practitioner students.

Kaiser Permanente, Diversity CME Series, "Health Disparities in San Francisco", speaker	2019

Speaking Engagements

Panel, The Past is Present: Historical Medical Trauma as a Barrier to Care, UCSF	2021
Panel, Racial Injustice in COVID-19 Vaccine Distribution Consortium on Law, Science & Health Policy, UC Hastings College of the Law	2021
BARHII Embedding Equity into Emergency Operations: Statewide Webinar, panel	2020
Panel, Advocating for Children Together Conference, American Academy of Pediatrics	2020
Panel, Black Covid-19, Black Regional Town Hall (part 1 and 2)	2020
Panel, Uncovering the Hidden Pandemics: COVID and Equity	2020

Panel, Center for Healthcare Innovation, "Diversity Impact on Healthcare Organizations"   2020

Panel, Government Alliance on Race and Equity, California State Convening   2018

Media Experience

New Yorker Magazine. [What the San Francisco Bay Area Can Teach Us About Fighting a Pandemic](#)
January 4, 2021

SF Chronicle (2020): [Does racism make us sick? Amid a national reckoning, the question gains new importance,](#)

KQED (2020): [Laguna Honda's COVID-19 Outbreak Offers Lessons for Other Long-Term Care Homes](#)

SF Chronicle (2020): [Coronavirus testing slow to come to nursing homes, despite 35% of COVID-19 deaths](#)

Wall Street Journal (2020): [California Bungles Its Fight Against Covid](#)

ABC 7 (2020): [San Francisco weighs giving condoms to middle schoolers](#)

Public Service Experience

Secretary, Board of Directors, San Francisco Public Health Foundation	2018-present
Member, Board of Directors, Episcopal Charities	2015-2018
Member, Board of Directors, East Bay Children's Law Offices	2012-2015
Member, Board of Directors, Health & Environmental Resource Center	2006-2008

PAULA JONES, PhD, MA

558 Pacific Avenue, Alameda, CA 94102 ♦ (cell) 415-608-9410 ♦ pkjones1@gmail.com

EXECUTIVE / PROFESSIONAL SUMMARY

Experienced, dedicated team-centered professional with over 20-year track record of developing, implementing, and evaluating policy, programs and funding to increase food security and eliminate hunger in San Francisco.

RELEVANT WORK EXPERIENCE

San Francisco Department of Public Health, San Francisco, CA

Covid Command Food Coordination Group/Public Health Specialist   **2020 - present**
- Member of City's Emergency Response to Covid-19 focusing on supporting the City's food system to align with Covid-19 mitigation and containment strategies.
- Initiate and support food program to support Covid-19 positive households with food during their isolation/quarantine period.
- Aligned DPH funding to support gaps in food supports for low-income families through distribution of grocery vouchers.
- Worked with community organizations and Covid-19 Food Coordination leadership to develop funding proposals for private funders.

Director of Food Security   **2008-present**
- Extensive knowledge of federal, state and local food and nutrition programs including CalFresh, school meals, food pantries, senior nutrition, WIC, Child and Adult Care Food Program, Food as Medicine and healthy food purchasing supplements; maintain strong relationships with the local organizations and public agencies that administer nutrition programs.
- Familiarity with health, social, and other services for older adults, adults with disabilities, families, children and marginalized populations.
- Extensive expertise with community engagement processes, and in using qualitative and quantitative data through a health equity lens, and best practices research to inform, analyze and strengthen city-wide access to services, and food security policy and programs to address unmet nutrition needs through cost effective, culturally appropriate, and community centered solutions.
- Develop and manage advisory boards; lead and coordinate city-wide multi-sector public/private collaborations and task forces focused on reducing food insecurity through strengthening and expanding existing food programs, engaging new stakeholders, developing new interventions including supportive policy and sustainable funding.
- Excellent verbal and written communication skills; experience in leading presentations for public hearings, developing comprehensive reports, policy briefs, outreach materials.
- Lead backbone staff to San Francisco Health Improvement Partnership, a collective impact collaboration of the health sector in San Francisco created to leverage multiple mandated health improvement planning processes to improve population health and focused on eliminating health disparities and inequities.
- Manage communications, design and facilitate regular meetings, coordinate integrated work plans and shared metrics, and prepare progress reports for internal and external advisory committee members, cross departmental work groups and external steering committees.
- Manage and monitor community contracts to reduce food insecurity working with contract office, budget and finance staff, fiscal intermediaries, sub grantees, and consultants to procure and monitor innovative and strategic programs. Lead contract negotiations between multiple providers within parameters.
- Provide training and technical assistance to public and private organizations including community and faith-based organizations to increase their capacity to improve food security.
- Responsible for fundraising, grant management, as well as fiscal and project management.
- Commitment to continuous and collaborative learning, and to mentoring and supporting leadership opportunities for emerging food security specialists, especially from impacted communities.
- Support the creation of the Office of Anti-Racism and Equity in the Population Health Division including the management of $14.9 million in annual funds for the Health and Wellbeing initiatives as well as comprehensive initiatives across departments for the Mayor's Dream Keeper Initiative working the Planning, Budget, Contract offices of Population Health and the SF Health Network.

- Knowledge of principles of supervision and management practices, training, and performance evaluation, design, implementation, and assessment techniques; knowledge of current and complex principles and practices of program development and administration as well as analytical and problem-solving methodology.

San Francisco Food Systems, San Francisco, CA **2002-2008**
(A fiscally sponsored project of Community Initiatives)

Executive Director
- Created the first food system program embedded in city government in the United States focused on building sustained collaborations and implementing supportive policies and sustainable programs.
- Implemented EBT systems at all farmers markets in San Francisco to ensure that CalFresh clients were able to use their benefits to purchase produce at farmers markets. Raised private funds for staffing, outreach, and supplies to support the transition from paper vouchers to EBT.
- Directed all aspects of developing a San Francisco Collaborative Food System Assessment including data analysis, coordination of a community steering committee, event management, and communications.
- Provided technical assistance to SFUSD Student Nutrition Services program and developed new funding sources to pilot and evaluate innovations to increase access to fresh produce, expand participation, and upgrade infrastructure.
- Analyzed public food service program infrastructure and procurement practices to identify opportunities and barriers to improving the quality of food through the use of fresh, local and regional food products.
- Developed and managed Mayor Gavin Newsom's Executive Directive on Healthy and Sustainable Food requiring all city departments to align with, advance, and report on city wide food system priorities; created the Mayor's Food Policy Advisory Council responsible for overseeing and providing recommendations for policy, programs and funding to implement the Executive Directive.
- Developed policy memos and briefings on food security and sustainable food systems.
- Led and managed fundraising and grant management, successfully securing multi-year federal, state and local public and private funding. Managed multi-year city contracts ensuring compliance and deliverables were met.

San Francisco League of Urban Gardeners (SLUG), San Francisco, CA **2000-2002**

Director of Urban Agriculture and Food Systems
- Led team of managers and coordinators for three programs: the Urban Agriculture Program focused on operating food production sites at three public housing developments in the Southeast sector of San Francisco (Alice Griffith, Alemany, and Sunnydale) which served as job training sites for the Youth Development Program, and at the Log Cabin Ranch youth detention facility in San Mateo County; the Food Security Program operated multiple initiatives including a food pantry in Hunters Point, a farmers market in Bayview, a sliding scale community supported agriculture, and a youth-led Food Enterprise Program operating out of a commercial kitchen in the former Naval Shipyard.
- Conducted community level food system assessments to inform program and policy priorities.
- Managed all aspects of fundraising for federal and local grants. Managed multiple City contracts from SFDPH, DCYF, MOCD, and OEWD ensuring contract compliance and deliverables were met.

EDUCATION

Doctor of Philosophy: Environmental Studies, University of California, Santa Cruz — June 2012
  Focus: food and agriculture policy.
  Dissertation: *The City Feeds the Poor: the struggle for sustainable food systems in San Francisco*
Master of Arts: International Relations, San Francisco State University — August 1995
Bachelor of Arts: French with minor in marketing, University of Illinois, Champaign-Urbana — August 1987

Other Qualifications
Publications (*selected*)
Peer Reviewed

Grumbach K, Vargas RA, Fleisher P, Aragón TJ, Chung L, Chawla C, Yant A, Garcia ER, Santiago A, Lang PL, Jones P, Liu W, Schmidt LA. Achieving Health Equity Through Community Engagement in Translating Evidence to Policy: The San Francisco Health Improvement Partnership, 2010-2016. *Prev Chronic Dis*. 2017 Mar 23;14:E27. doi: 10.5888/pcd14.160469. PMID: 28333598; PMCID: PMC5364731.

Brown E., Laraia, B., Gruneisen K., Jones P., Seligman H. (2018) Food insecurity and hunger safety net use among single-room occupancy tenants in San Francisco, CA. *Journal of Hunger & Environmental Nutrition*. Published online September 20, 2018.

Bhatia R., Jones P., Reicker Z. (2011). Competitive Foods, Discrimination, and Participation in the National School Lunch Program. *Am J Public Health 101*(8), 1380-1386.

Jones, P., Bhatia, R. (2011). Supporting Equitable Food Systems through Food Assistance at Farmers' Markets. *Am J Public Health 101*(5), 781-783.

Jones P., Bhatia R. (2007). Public-Private Partnerships Improving the San Francisco Food System, *San Francisco Medicine*, April 2007.

Technical Reports
San Francisco Food Security Task Force (2018). *Assessment of Food Security in San Francisco 2018.* San Francisco, CA.

San Francisco Food Security Task Force (2013). *Assessment of Hunger and Food Insecurity in San Francisco 2013*. San Francisco, CA.

Jones P. (2010). *Summary Report, Executive Directive on Healthy and Sustainable Food.* San Francisco, CA: Mayor's Food Policy Council, San Francisco Department of Public Health.

Boulé D, Jones P. (2010). *Hunger and Food Insecurity on the Rise in San Francisco. San Francisco Food Security Task Force Annual Report*. San Francisco, CA: San Francisco Food Security Task Force.

Jones P., Albert L. (2009). *Evaluation Report on the Salad Bar Program for San Francisco Unified School District*. San Francisco, CA: San Francisco Department of Public Health and Department of Children, Youth and their Families.

Jones P., Ona F., Rimkus L., Wells Z. (2005). *San Francisco Collaborative Food System Assessment*. San Francisco, CA: San Francisco Food Alliance.

Rimkus L., Jones P., Ona F. (2003). *An Assessment of Farm to School in San Francisco Unified School District*. San Francisco, CA: San Francisco Food Systems and San Francisco Department of Public Health.

PROFESSIONAL SERVICE (selected)
Local
Member, Our Children Our Family Council, Service Inventory Workgroup (2015-2020)
Staff, San Francisco Health Improvement Partnership *(*2014 - 2020*)*
Vice-Chair, San Francisco Food Security Task Force (2017-present)
Member, San Francisco Food Security Task Force (2010-present)
Staff, San Francisco Food Security Task Force (2008-present)
Steering Committee Member – Shape Up Coalition (2006 - 2012)
Chair, San Francisco Unified School District Food and Fitness Committee (2011-2013)
Member, San Francisco Unified School District Student Nutrition and Physical Activity Committee (2003-2013)
Steering Committee Member, San Francisco Unified School District, School Meal Reform Initiative (2012-2013)

Staff, Mayor Gavin Newsom's Food Policy Advisory Council (2009-2011)
Steering Committee Member, San Francisco Food Bank, SFUSD School Food Assessment (2011-2012)
Steering Committee Member, Mayor Gavin Newsom's Urban Rural Roundtable (2008-2009)
Member, San Francisco Food Alliance (2003-2006)

<u>State & Regional</u>
Nutrition Team member – University of California Office of the President (2016-2019)
Representative, California Food Policy Council (2012-2016)
Steering Committee Member, San Francisco Urban Rural Roundtable (2008-2010)
Co-chair, California Nutrition Network's Food Security Task Force (2003-2006)

<u>National</u>
City Food Policy Advisors committee, US Conference of Mayors (2010-present)
Evaluation Advisory Committee Member, School Food FOCUS, Midwest Regional Learning Lab (2013-2016)
Food Security Committee member, National Association of City and County Health Officers (2007-2010)
Training and Technical Assistance Committee Member, Community Food Security Coalition (2002-2005)

<u>Grant Review</u>
Reviewer, San Francisco Department of Children, Youth and their Families (2017)
Review Panelist, USDA, Rural Business Enterprise (2010)
Review Panelist, USDA Community Food Projects Program (2004-2006)

SKILLS

- Supervision and management
- Communication management
- Public speaking
- Process design and facilitation
- Policy analysis, development, and implementation
- Fundraising and donor relations
- Excellent verbal and written communication

- Team building and conflict transformation
- Data integration and analytics
- Qualitative and quantitative research methods
- Project management
- Budgeting and financial management
- Contract development and monitoring
- Program development and evaluation

Gavin Morrow-Hall
2261 Market Street Unit 408
San Francisco, CA 94114
415/722-8196
gavinmorrowhall@gmail.com

EMPLOYMENT

Office of Health Equity/Office of Interdivisional Initiatives
San Francisco Department of Public Health, San Francisco, California
Coordinator of Equity Learning (2017 to present)

- Develops curriculum and conducts equity learning trainings and other educational programing.
- Conduct educational trainings and presentations related to Black/African American Health and Health disparities within DPH and for community-based organizations.
- Develops evaluation tools and conducts evaluation of equity programing.
- Convene and coordinates interdivisional leadership meetings.
- Provides technical assistance within DPH to departments developing equity programs
- Coordinates, plans and assist in facilitation of Equity Leadership Team Meetings
- Organize, and facilitate quarterly DPH -wide Equity meetings.
- Assemble and distribute monthly equity communications.
- Serve as liaison between DPH Executive Leadership and other staff on matters of equity programs.
- Represent the Office of Health Equity in behavioral health and health disparity meetings.
- Assists in the development and planning of city-wide health initiatives.
- Monitor data and report on various health matrix of Black/African Americans

Community Health Equity Promotion Branch
San Francisco Department of Public Health, San Francisco, California
Health Worker 2 (2015-2017)

- Plan, directs and coordinates educational activities of the Black HIV Equity Committee to address HIV Health Disparities of African Americans.
- Assist in the development and preparation of training and educational materials.
- Convene and coordinate meetings between CHE&P Branch and, community based organizations and community members in support programmatic goals and objectives.
- Assist in the development of HIV and STD curricula.
- Conduct educational trainings and presentations related to community health, HIV Health disparities and STDs for community based organizations and community members.
- Assist in the development and execution of community assessment instruments.
- Develop tools to assess the success of educational and training activities.

- Assists in the evaluation and interpretation of needs assessment data.
- Conduct interviews and screening of patients seeking STD, HIV and family planning services
- Conduct STD and HIV Screening at various venues throughout San Francisco.
- Counsel clients seeking Post Exposure prophylaxis and Pre Exposure Prophylaxis.
- Assist with the development of educational campaigns directed at African American gay and bisexual men.

Community Health Equity Promotion Branch
San Francisco Department of Public Health, San Francisco, California

Evaluation Assistant (2012 to 2015

- Organize community meetings and forums to address HIV health disparities in Black/African-American communities
- Conduct qualitative and quantitative interviews with clients and service providers
- Coordinate data collection activities with providers while ensuring adherence to all relevant compliance requirements with minimal disruption to services
- Participate in operations team meetings
- Facilitate communication between the Department of Public Health and service providers
- Assist in the development of integration of service models
- Developed recruitment plan for local community based organizations
- Developed HIV Risk assessment for use in local evaluation
- Tracked, located, and contacted grant participants to ensure completion of evaluation measures

HIV Research Section
San Francisco Department of Public Health, San Francisco, California
Coordinator of Community Programs (2007- 2011)

- Developed recruitment and educational campaigns in support of PrEP and other HIV prevention studies
- Served as lead Community Educator for preventive HIV Vaccine studies
- Served as Community Educator representative on the HVTN 505 protocol team
- Conducted trainings locally and nationally on HIV prevention strategies
- Liaison between SFDPH and local service providers
- Developed and implemented a community needs assessment regarding the HIV prevention needs of gay men who live in underserved neighborhoods of San Francisco
- Led successful recruitment effort to increase membership in and diversify the Community Advisory Group
- Hired and led teams of neighborhood advocates who implemented HIV prevention strategies
- Supervised recruitment team
- Organized small and large scale community events and forums
- Facilitated community organizing and dissemination of information about HIV prevention strategies
- Coordinated production of Rising Blackness, a television program about Black men who live in the Tenderloin

HIV Research Section
San Francisco Department of Public Health, San Francisco, California
Community Educator (2000-2007)

- Developed and conducted educational sessions to community based organizations throughout the Bay Area
- Interviewed and scheduled volunteers for various HIV prevention studies
- Developed protocol for recruitment of study volunteers at City Clinic of San Francisco
- Led successful recruitment efforts directed at gay and bisexual men into HIV research studies
- Assisted in the development of recruitment strategies for DPH studies
- Facilitated monthly Community Advisory Group meetings
- Promoted DPH efforts through one-on-one and group meetings
- Revised protocols for data tracking and collection

Intergroup Clearinghouse, San Francisco, California
Community Organizer (2001-2002)

- Developed and implemented community needs assessment strategies
- Developed training guidelines and curricula for Hate Violence Prevention Initiative
- Supervised team of Community Advocates
- Conducted workshops and trainings on intergroup relations
- Coordinated community-wide activities
- Developed promotional materials

Black Coalition on AIDS, San Francisco, California
Program Coordinator (1999-2000)

- Conducted community and organizational retreats
- Organized and facilitated community forums and trainings
- Created the Leadership Advisory Committee and developed the Man2Man public awareness campaign
- Created community organizing component to program services and managed program activities
- Developed and implemented periodic communication vehicles including an internet newsletter and listserv bulletins
- Conducted training for youth outreach workers

Saint Columba Neighborhood Club, Project Fire 2, Newark, New Jersey
Program Coordinator (1998-1999)

- Developed and implemented a community needs assessment to determine the HIV prevention needs of African American and Latino gay and bisexual gay men and transgendered women
- Served as a consultant to the New Jersey AIDS Education and Training Center
- Trained Community Health outreach workers
- Supervised, developed and implemented the Prevention Case Management Program

- Advocated for and created Gay Men's Committee for the Ryan White Council of the Newark Eligible Metropolitan Area

National Taskforce on AIDS Prevention, San Francisco, California

Coordinator of Community Education & Training/Director of Technical Assistance and Training (1991 to 1998)

- Managed and coordinated NTFAP's risk reduction component
- Provided training to facilitators and trainers
- Coordinated national and regional conferences
- Developed and conducted community and organization needs assessments
- Created and implemented training guidelines
- Acted as a liaison and facilitator for departments of health and community based organizations
- Provided technical assistance and training to over 40 community-based organizations and departments of health

Planned Parenthood of New Jersey, Newark, New Jersey

Coordinator of AIDS Education Project (1988-1990)

- Authored Centers for Disease Control proposal to conduct risk education workshops and form Teen AIDS Task Force
- Negotiated workshops in 25 schools in Newark
- Developed curricula for AIDS reduction workshops
- Conducted training for health educators and supervised development of the HIV/AIDS Knowledge, Attitudes, Beliefs and Behaviors Survey
- Advised and counseled students on sexual health issues
- Worked with school administrators and staff to promote health fairs and outreach programs

Education

- Rutgers University 1988-1990

Tanya Yared

1980 Allston Way Rm H-105, Berkeley, CA 94704-1463.

Experience

San Francisco Department of Public Health

Equity Intern (April 2020 – Present)

- Assists the Director of Office of Health Equity with presentations
- Assists in coordination of equity educational programming.
- Coordinates communication within the Office of Health Equity
- Reviews and analyzes equity data.
- Assist OHE team with communication tools and dissemination.

Collective Impact

Assistant Consultant (August 2019 to May 2020)

- Developed and disseminated community newsletter.
- Assisted with development of communication tools.
- Conducted community needs assessment and provided analysis of data
- Assisted in the writing of grant for health programing for youth and families.

AmeriCorps, Berkeley, Ca

Health Educator (August 2018 to May 2019)equity programs

- Facilitated workshops on equity and nutrition
- Assisted families meet nutrition, fitness and educational goals
- Assisted in the development of equity programs

Health Equity Institute

Equity Research Assistant July 2017 to June 2018)

- Conducted community engagement activities with SFSU students
- Facilitated trainings and workshops on health equity

Education

San Francisco State University

- MPH, May 2021
- BA, Urban Studies and Planning, 2018

The following attachment is not included in the view since it is not a read-only PDF file.

Upon submission, this file will be transmitted to the Grantor without any data loss.

PPMR-G-CDC-Risk-Questionnaire.pdf

Contract Encumbrance and Payment Process Manual

Contract Accounting Review

A contract encumbrance request package from the Contracts Office requires funding certification and full review in accounting prior to entering the data in FAMIS Purchasing. A request typically includes a Contract Purchase Order Input form and a signed contract boilerplate along with the applicable appendices. Such review in Fiscal - Contracts Payable Unit (Fiscal) should entail:

a) Checking whether all required original signatures are present together with the funding certification from the fund accountants,
b) Verifying vendor information and compliance, contract amount and terms on the request, and matching them with the actual contract,
c) Reconciling Blanket Purchase Order (BPO) balance including applicable contingency amount for contracts with multiple years. Unless otherwise stipulated in the contract, contingency is normally computed at 12% of the total contract amount and serves as a cushion for any unanticipated increase in award amount to a contractor without going through the Health Commission and/or Board of Supervisor's approval process,
d) Comparing the contract encumbrance request by funding source with the award letter,
e) Verifying mathematical accuracy and completeness of the contract and appendices making sure that the contract encumbrance request, contract budget (Appendix B) and the invoice templates (Appendix F) are reconciled and the contract budget complies with the fringe benefit rate and indirect cost rate policies and procedures,
f) Verifying accounting codes,
g) Checking insurance documents for required coverage or approved insurance waiver, period covered should be current,

Any discrepancy should trigger a rejection of the package to the appropriate contract analyst.

Contract Encumbrance

San Francisco Charter Article IX Section 9.118-b provides that "any contract or agreement entered into by a department, Board or Commission having a term in excess of ten years, or requiring anticipated expenditures by the City and County of ten million dollars, or the modification or amendments to such contract or agreement having an impact of more than $500,000 shall be subject to approval of the Board of Supervisors by resolution."

A contract usually covers multiple years and makes a provision for contingency, requiring a blanket purchase order to be established in FAMIS Purchasing. Upon review and approval of the contract and blanket purchase order by the Office of Contract Administration (OCA), a purchase order (PO) is released where payments are drawn.

Additional encumbrance requests for contracts funded by general fund should be submitted no later than the deadline enforced by the Office of Contracts Administration normally set towards the end of May of the applicable fiscal year. Moreover, additional requests for special project and grant funded contracts should be submitted 7 business days prior to the expiration of the project or grant.

Contract Blanket Purchase Order Set Up
Completing a BPO requires data in the following fields in FAMIS Purchasing:

- **Purchasing Type –** DPH uses purchasing type Contract Blanket (CB) for its professional service contracts.
- **Contract Amount –** is the total compensation amount including applicable contingency for the full term of the agreement.
- **Effective and expiration dates –** is the full contract period indicated in the agreement.
- **Discount term –** term "net" should be used to indicate that contractual services are not subject to any discount and all invoices are due and payable upon receipt.
- **BPO title –** a short description of the contracted services.
- **Department –** use HMH for mental health and substance abuse services and HCH for community health services.
- **Buyer –** the assigned OCA purchasing officer for DPH.
- **Purchasing Authority –** use the appropriate authority, most commonly used for professional services contracts are as follows:

  - **Profserv-bid** – for contracts selected through the Request for Proposal (RFP) process.
  - **Profserv-nos** – for non-competitively bid contracts where a sole source waiver has been approved by the Contract Monitoring Division (CMD, formerly Human Rights Commission) and OCA. A copy of the waiver should be secured from the assigned contract analyst for audit purposes.
  - **Profserv-10K** – contracts less than $10,000 is exempt from the RFP process.
  - **21.42 –** SF Administrative Code Chapter 21.42 authorizes the Health Commission to designate as sole source professional services contracts for health and behavioral health services and support, where such services are provided by non-profit organizations and a sole source designation is recommended by the San Francisco Department of Public Health. A copy of the Health Commission approval should be secured from the assigned contract analyst for audit purposes.

- **BPO Department Security and Authorized Users –** these fields enable authorized users and departments to release a PO from the blanket. (Note: If the contract includes other department or other division budget

---

3

allocation, the BPO Department Security needs to be updated to enable release(see sample on page 12).

- **Blanket Purchase Order detail entry –** indicate the commodity code, unit of measurement (U/M) and enter pertinent information such as the description of services, contract term and compensation amount in the specification information while unit cost should be left blank. Information in this section is transposed to the purchase order upon release.
- **Notepad –** all pertinent information should be indicated for audit trail purposes: (see page 13 for sample of notepad language)

    o short description of contracted services
    o contract term and option to renew, if applicable
    o total compensation which includes total contract amount and contingency amount
    o previous encumbrances affecting the BPO amount to be set up
    o net BPO amount to be set up

For FAMIS Purchasing procedure, click here.

For reference purposes, Fiscal retains a mini subset copy of the contract package after processing the request. The rest of the package is returned to Contracts Office for further processing and review by OCA.

Contract Purchase Order Release
Once approval of the Contract Blanket PO and the contract package is secured from OCA, a PO can be released to encumber the funds by completing the fields described below in FAMIS Purchasing.

- **BPO ID –** once the contract BPO is entered in the PO header screen, all information such as the purchaser, vendor information and purchasing authority are populated.
- **Purchasing Type –** type "CT" should be used for any releases against a contract BPO.
- **Match Type –** match type "AB" or no tolerance should be used. This means that total payments to contractors cannot exceed the PO amount.
- **PO title –** a short description of the services to be provided by the contractor.
- **Delivery date –** ideally, is the start date when the services will be rendered by the contractor. In some cases, the delivery date used is either 1 week after or the current date when the PO is released.
- **Expiration date –** although contract POs are normally released on an annual basis, this field is left open for payment purposes which may extend beyond the applicable year of the PO.
- **Discount term –** term "net" should be used to indicate that contractual services are not subject to any discount and all invoices are due and payable upon receipt.

4

- **Accounting Distribution Method –** "M" or multiple should be used. This will facilitate creating various PO detail lines representing various funding sources. It will also enable adding new funding source or PO detail line during the applicable year through a PO change order process.
- **PO detail entry –** all information from the blanket detail entry will be populated such as the commodity code and specification information. The accounting codes are also entered in this screen based on the Contract PO Input form submitted with the contract. A separate PO detail entry line should be set up for each accounting code/index code indicated in the form.

For FAMIS Purchasing procedure, click here.

Upon approval of the PO, Fiscal makes a print-out of the official PO, also known as the water seal PO, and forwards it to the Contracts Office.

Contract Payment

An accountant issues a payment only after encumbering the funds and reviewing an invoice that is duly approved by the program manager and/or the invoice analyst.

The certified contract provides the invoicing methodology the contractor shall use in recovering their costs.

- Cost Reimbursement – where actual costs are classified by expense categories and line items set forth in the budget. Each expense category and line items are detailed in the Contractual Services Invoice Procedures Manual page 17.

- Fee for Service – where the contractor measures and bills services based on contracted units of services and unduplicated clients delivered at a particular period multiplied by a stipulated or approved negotiated rate. Contracted units of services are budgeted by program and modality.

Payment may only be made upon verification that invoices are according to appropriate departmental and city policies and procedures.

Review for payment of invoices requires that the:

a) Invoice is original (date-stamped upon receipt) and has been properly approved by authorized signatories. Invoices stamped as "Electronic Invoice" and submitted by an approved contractor are also considered "original".
b) Budget amount on the invoice matches the latest approved contract documents by funding source.

c) Amount invoiced does not deviate from budgeted amount, by program and funding source according to the approved contract.

d) Personnel expenditures for cost-reimbursement invoices are supported by details as required on Appendix F of the contract.

e) Invoice is free of mathematical errors.

f) YTD total does not exceed the budgeted amount by category or program, subject to established threshold.

- For Cost Reimbursement invoice, threshold should comply with the DPH Contractual Services Invoice Procedures Manual section X.

- For Fee for Service invoice, contractor may exceed the contracted units of services (UOS) among program modalities as long as the cumulative billing will not exceed the certified exhibit budget.

g) Initial payment, if applicable, is normally computed at 25% of the total general fund and MHSA (Prop 63) portion of the current award amount unless otherwise stipulated. This information is indicated in Appendix B, Calculation of Charges. However, this amount may not exceed the Fidelity Bond provided by the contractor.

h) Any invoice accruing against initial payment as well as cost report settlement should be properly offset and reflected in the Payment Record Worksheet. According to contract provision, an initial payment is recovered in equal parts from October through March billing. In some cases, it is recovered based on an approved repayment plan.

i) All required insurance coverage is current at the time the service was provided. Expiration date should at least cover 2 weeks of the billed month.

j) The program manager and/or invoice analyst should approve and indicate whether a partial payment is being made on an invoice.

For FAMIS Purchasing procedure, click here.

Contract Modifications and Change Orders

Health Commission Contract Policy Directive #4 states that all material changes in a contract for personal services shall be submitted in writing and subject to the same approval process as the original contract. Non-material changes as outlined in the Department of Public Health guidelines shall require written approval of the Program Chief or Director of the services.

Modifications

Modifications to an existing contract, whether formal or informal, follow a strict set of procedures.

Formal contract modifications (or contract amendments) are subject to the same approval process as new and renewal contracts.

Informal modifications (or internal contract revision) do not affect the total contract compensation and contract terms, requiring approval only of the Program Director or his designee. In some instances, these modifications are effected by a revised award letter or funding notification.

Budget Revision is an informal change of an existing expense category to a contract that does not change the total funding amount in the contract.

Complete definitions and policies are explained in the [DPH Contractual Services Invoice Procedures Manual Section X and IX](#).

Change Orders

Change Order is a systematic process of modifying or cancelling an accounting document previously posted in FAMIS Purchasing. Details of the change order are usually specified in the notepad for audit trail.

The following instances shall trigger a change order in FAMIS Purchasing.

For blanket purchase order:
- Contract modification to change the total contract compensation and/or contract term,
- Change in department security to allow other DPH divisions (SFGH and Laguna Honda) or other departments to release from the blanket pursuant to the provisions of the contract, or
- Correction of errors in the contract or BPO.

For contract purchase order:
- Contract modification to revise the funding sources without affecting the total compensation amount,
- Change in accounting codes,
- Cost settlement offsets,
- No cost contract modification and minor changes in the document not affecting the encumbered amount (The purpose of the modification should be indicated in the notepad for audit trail purposes.),
- Correction of errors in the document,
- A contract PO including all its lines is automatically cancelled or liquidated upon indicating F (final) on the invoice payment

Contract Encumbrance and Payment Record Worksheet

Organized by fiscal year, this spreadsheet holds historical accounting data for each provider/contractor, comprising of:

7

- Contract Blanket and Purchase Order numbers
- Insurance information
- Encumbrance period
- Amount by funding sources and corresponding invoice exhibits
- Initial payment and recovery, if applicable
- Voucher and invoice payments
- Cost report settlement, if applicable
- Unpaid invoice amount
- Journal entries

This worksheet helps Fiscal in adequately monitoring the balances and payment activities for each contract. Detailed information on initial payment, cost report settlement as well as the unpaid portion of the contractor's invoice is not readily retrievable from FAMIS. Any offsets and adjustments made on the contract are not usually reflected on the FAMIS Purchasing document, requiring thorough account reconciliation. Therefore, the worksheet is periodically updated to ensure that FAMIS balances are well aligned with underlying contract transactions.

A contract database was created in fiscal year 2011-12 for this purpose.

CBHS Contract Payment Worksheet

Public Health Contract Payment Worksheet

Cost Settlement

In a cost settlement, SFDPH reconciles actual provider billings that were paid during the contract period with what was received from the State. The main purpose of the settlement is twofold: a) to reconcile globally the actual units delivered by the county to the State reimbursement, and b) to reconcile locally the actual units delivered by a provider to DPH payment per contract. Final settlement is applied against general fund and Prop 63 (Mental Health Services Act) fund portion of the contract. For more detailed information click here.

The Cost Settlement process usually begins in October and ends in April of the following year. The Cost Report Unit sends out the settlement letter to the contractors and at the same time provides a summary of settlement of accounts to Fiscal which shows the amount due (to) or from contractor, and also serves as a basis for calculating the monthly deduction, normally made in equal parts as offsets against July through September contract invoice billing depending on the materiality of the amount. In some limited cases, cost settlement is recovered based on an approved repayment plan (requests are approved by the Deputy Chief Financial Officer). On the other hand, amount due to contractors are paid upon receiving a settlement invoice normally due on the 31st of May.

On a quarterly basis, Fiscal prepares an accounting entry to reflect the correct contract expenditures and available contract balance in FAMIS, after applying applicable offset resulting from the cost report settlements.

Electronic Invoicing Policy and Electronic Approval

In September 2006, DPH implemented electronic invoicing for contractors based on guidelines from the Controller's Office. This will eliminate the requirement for original hard copy documentation and facilitate timely review and approval of invoices.

Contractors may submit electronic invoices for review and approval via email, fax or COOL (Contracts Online). Back up documentation may be submitted electronically. The complete list of approved contractors may be accessed through the COOL System.

CBHS Contracts

Health Commission Contract Policy Directive #5 states that contract renewals shall be based upon the submission of a new proposal by the contractor and that the contractor applying for contract renewal shall be judged upon past performance and any additional information which pertains to the new contract.

While CBHS contracts are selected through an RFP process, annual CBHS contract negotiations are complex and require several months to complete. To facilitate continuity of services to DPH clients as well as payment for those services, Contracts Office assembles multi-year encumbrance (MYE) request packages every year for continuing contracts to allow Fiscal to encumber funds and issue payments on the interim while negotiations take place. The interim encumbrance is computed at approximately 50% of the previous year's certified contract or the current fiscal year's anticipated funding amount, whichever is less. Additional interim encumbrances in excess of that established threshold through a contract modification may be allowed on a case by case basis as long as the final encumbered amount does not exceed the certified BPO and contingency amount.

When negotiation is completed, the Contracts Office builds a full contract encumbrance package, which prompts Fiscal to encumber the remainder of the contract award of the current fiscal year.

Guidelines

Controller's Office Prompt Payment Guidelines
http://famis.sfgov.org/controllerspolicies/001-07_PromptPaymentGuidelines.pdf

Controller's Office Payment Processing Guidelines
http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2178

DPH Health Commission Contract Policies
http://dphnet/sites/default/files/contpols.pdf

DPH Policy on Advance (Initial) Payment
http://www.sfdph.org/dph/files/PoliciesProcedures/F$C4_AdvancePaymentPolicy%20.pdf

Controller's Office Policy on Advance (Initial) Payment
http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2071

CCSF Contractual Services Process Chart
http://famis.sfgov.org/contractguidelines/Overview/ProfessionalServicesFlowchart2011_06.pdf

Controller's Office Accounting Policies and Procedures – 2015 Edition
http://sfcontroller.org/modules/showdocument.aspx?documentid=6828

References

Office of the Controller:
- Contracting Guidelines, http://famis.sfgov.org/contractguidelines/
- Electronic Payment Requests from Nonprofit Contractors, http://mission.sfgov.org/DOCUMENT_CENTER_DOCUMENTS/DC1737.pdf
- Finance Guide for Nonprofit Contractors, http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=613
- Resources for Nonprofits, Citywide Nonprofit Monitoring and Capacity Building Program, http://www.sfcontroller.org/index.aspx?page=50#FinanceGuide
- FAMIS System Information, http://sfcontroller.org/index.aspx?page=203
SF Legal Authorities:
- San Francisco Charter Section 9.118 (b) Contract and Lease Limitations, http://library.municode.com/index.aspx?clientId=14131&stateId=5&stateName=California
- San Francisco Administrative Code, Chapter 12B Nondiscrimination in Contracts http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1

Sample of BPO Department Security with other division/department allocation


```
Famis-Marge - RUMBA Mainframe Display                                    _ □ X
File  Edit  View  Connection  Transfer  Options  Tools  Help

PCHL2341 V5.1    CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        09/16/2014
LINK TO: ....                 BPO DEPARTMENT SECURITY             11:16 AM

BPO/CONTRACT ID : BPHC14000041          BPO AMOUNT :   3,099,936.00

  SEL    DEPT      DEPARTMENT NAME  BPO ALLOCATION RELEASED AMT  REMAINING AMT
   .     HCH..... COMMUNITY HEALTH S ..3,041,936.00   690,950.00  2,350,986.00
   .     HLH..... LAGUNA HONDA HOSPI .....58,000.00    32,360.00     25,640.00
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
```



```
Famis-Marge - RUMBA Mainframe Display                                    _ □ X
File  Edit  View  Connection  Transfer  Options  Tools  Help

PCHL2341 V5.1    CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        09/16/2014
LINK TO: ....                 BPO DEPARTMENT SECURITY             11:23 AM

BPO/CONTRACT ID : BPHC09000110          BPO AMOUNT :   1,156,400.00

  SEL    DEPT      DEPARTMENT NAME  BPO ALLOCATION RELEASED AMT  REMAINING AMT
   .     DBI..... BUILDING INSPECTIO ....593,475.47   299,784.15    293,691.32
   .     HCH..... COMMUNITY HEALTH S ....562,924.53   536,907.68     26,016.85
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
   .     .......                       ............
```

Sample of Notepad Language for Blanket PO


```
PCHL9100              CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          12/10/2012
LINK TO:  _ _ _ _            ELECTRONIC NOTE PAD                          1:23 PM
                                                                 PAGE  01 OF 07

BPO HEADER        2342                   DOCUMENT ID :  BPHM11000036

11-30-10 REQUEST APPROVAL OF NEW CONTRACT FOR COMMUNITY AWARENESS AND
         TREATMENT SERVICES, INC. FOR THE PERIOD 07/01/10-12/31/15:
--------------------------------------------------------------------------
         TOTAL CONTRACT AMOUNT 07/01/10-12/31/15      $11,129,209.00
         CONTINGENCY @ 12% X $11,129,209.00             1,335,505.00
                                                      --------------
         TOTAL CONTRACT AMOUNT 07/01/10-12/31/15      $12,464,714.00
         LESS: PREV.ENCUM.FY10-11 PER BPHM07000056      2,548,816.00
                                                      --------------
         NET BLANKET AMOUNT 07/01/10-12/31/15       -  $ 9,915,898.
                                                      ============
         CONTRACT DOCUMENTS ARE ON ITS WAY TO THE OFFICE OF CONTRACT ADMIN.
         FOR APPROVAL PROCESSING.   H.SANGALANG 255-3479
```



```
PCHL9100              CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          12/10/2012
LINK TO:  _ _ _ _            ELECTRONIC NOTE PAD                          1:25 PM
                                                                 PAGE  01 OF 03

BPO HEADER        2342                   DOCUMENT ID :  BPHM11000035

11/30/10 - REQUEST APPROVAL OF BPHM11000035 BY AN AGREEMENT TO HAVE UC
COMMUNITY FOCUS (SPR) PROVIDE INTEGRATED OUTPATIENT BEHAVIORAL HEALTH
SERVICES TO REDUCE UNNECESSARY INSTITUTIONAL CARE OF HIGH RISK, SERIOUSLY
MENTALLY ILL TRANSITIONAL AGED YOUTH, ADULTS, AND OLDER ADULTS.
--------------------------------------------------------------------------
         7/1/10 - 12/31/15:                  $18,175,564
         CONTINGENCY:                          2,181,069
                                             -----------
         TOTAL                               $20,356,633
                                             ===========
```



```
PCHL9100              CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          12/10/2012
LINK TO:  _ _ _ _            ELECTRONIC NOTE PAD                          1:40 PM
                                                                 PAGE  01 OF 03

BPO HEADER        2342                   DOCUMENT ID :  BPHM11000026

11/18/10 - REQUEST APPROVAL OF BPHM11000026 BY AGREEMENT WITH INSTITUTO
FAMILIAR DE LA RAZA TO PROVIDE MENTAL HEALTH SERVICES.
--------------------------------------------------------------------------
NOTE: $1,211,814 OF THE TOTAL CONTRACT AMOUNT FOR PERIOD 7/1/10 TO 12/31/10
THAT WAS ORIGINALLY IN BPHM07000052 WILL BE INCLUDED IN THIS AGREEMENT. UPON
EXECUTION OF THIS AGREEMENT, ALL TERMS WILL SUPERCEDE AGREEMENT
BPHM07000052 FOR FY 10/11.          .

CONTRACT DOCUMENTS ARE ON ITS WAY TO OCA FOR APPROVAL.
```

14

15
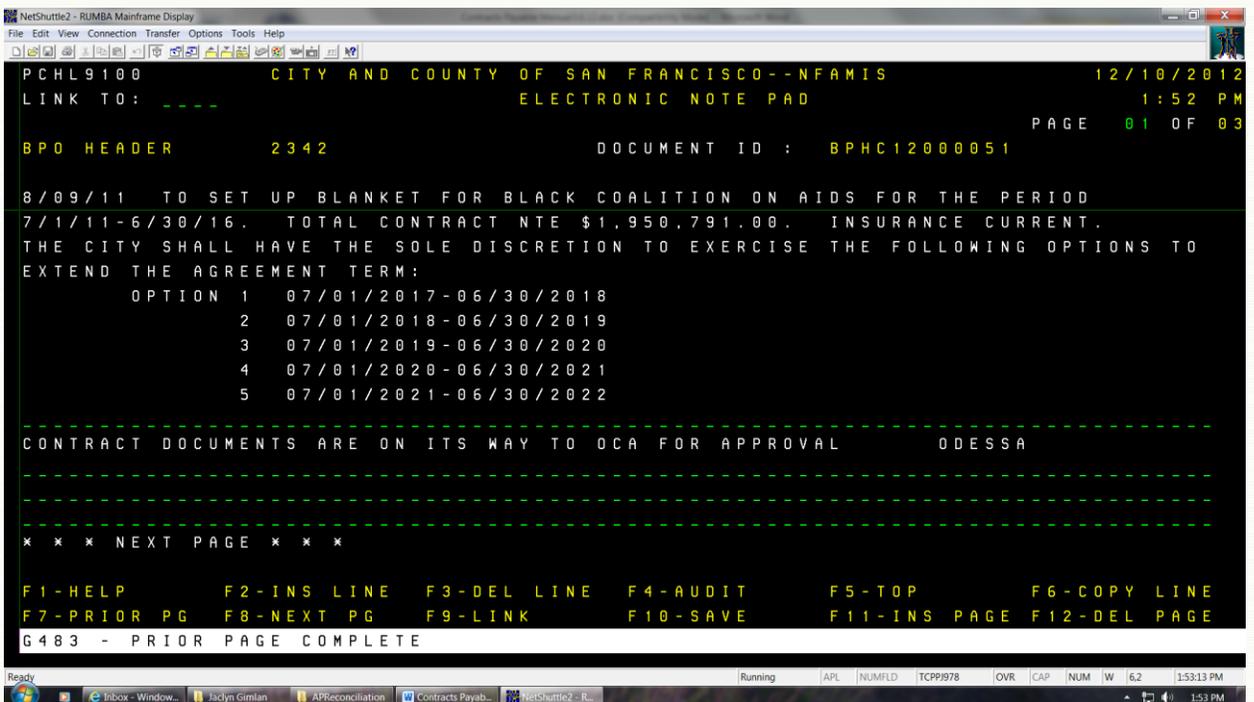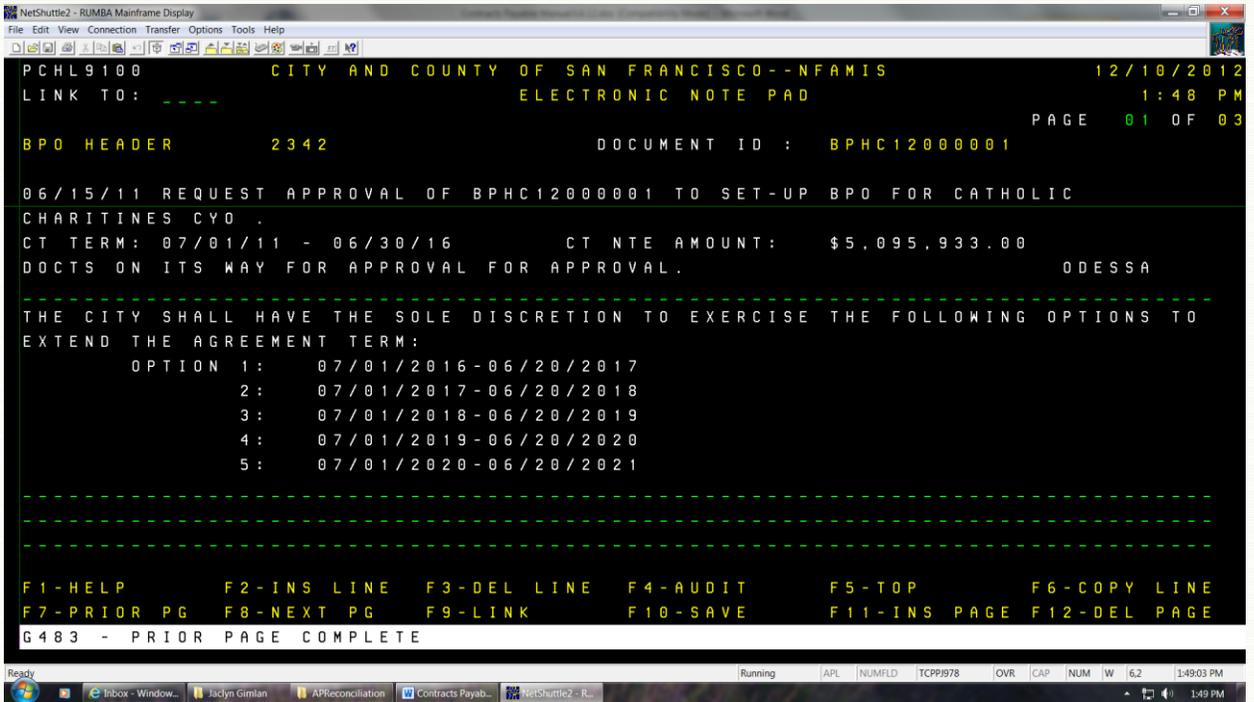
DEPARTMENT OF PUBLIC HEALTH

Fiscal, 1380 Howard Street

Procurement and Accounts Payable Process Manual

January 2014

Introduction

Fiscal – Procurement and Accounts Payables Non-Contracts Unit developed this Manual to provide fiscal and program staff with a comprehensive guide in understanding the procurement and payable process in accounting. This manual shares relevant procurement and payment provisions that are mainly required by the Office of Contracts Administration (OCA) and the Office of the Controller. The manual has been designed to describe the distinct characteristics of the common purchasing/payment documents and explain how the requisite provisions are followed in Fiscal in processing those documents. Integral to the internal control framework, Fiscal maintains up-to-date communication of relevant procedures to department staff.

Goals of Procurement and Accounts Payable Unit

The unit's overall goal is to promote accurate and efficient processing of procurement and disbursement requests with the following objectives in mind.

Perform error-free accounting
Comply with administrative policies and procedures
Process documents within the required timeframe
Accomplish audits successfully
Provide fiscal support to programs
Build strong relationship with Programs and other stakeholders

Policies and Procedures: Procurement

Overview

Departmental purchases are generally subject to all the procurement provisions of the Charter, Administrative Code and City ordinances. This section is intended to give you a summary of key requirements involved in processing purchasing requests in fiscal.

Authorization Signature Policy

The Department of Public Health Fiscal Division keeps original authorization signature cards and maintains its database. Compliance with the signature authorization policy must be observed at all levels of management consistent with the organizational structure of the department. Delegations are approved by the Department Head downward to the next in line authority. In the absence of an individual having primary responsibility, an authorized staff may serve as an alternate approver.

A signature authorization is a delegation of authority and remains in effect until canceled or the employee leaves the department. Fiscal staff reviews the approver to ensure strict compliance to City and departmental guidelines, policies

and procedures. Staff who approves Procurement and Accounts Payable documents are accountable for the documents they approved.

Below is the step-by-step process:
1. Requestor fills out an authorization form with the Date, Employee Name, Employee Civil Service Class #, Department/Program/Unit and Address and checks the appropriate boxes for the applicable document types.

2. Authorized signatory approves/signs the authorization form then send the original form to Fiscal, 1380 Howard, room 418. The approver should have a valid authorization form on file with Fiscal.

3. Account Clerk date stamps, scans and updates the spreadsheet in the "Active" tab for a summary of the following: Division, Section, Unit, Program, Authorized Signatory, Authorized by, Effective Date, Class #, Address, Phone and checks requested document types.

4. Accounts Payable/Procurement Assistant Manager verifies the approver and hyperlink each authorization form and specimen signature to each authorized staff data.

5. When an authorized staff leaves the department, the Accounts Payable/Procurement Assistant Manager updates the spreadsheet and transfer data from "Active" to "Separated" tab.

Vendor Compliance Requirements

In order to be compliant, a vendor needs to submit these mandatory forms according to OCA. Check reference for a complete listing of the <u>required vendor forms</u>.

1. **Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification)**. This form provides the City with the vendor's taxpayer ID number, which is then used to assign a Vendor Number in the City's accounting system, Financial Accounting and Management Information System (FAMIS). If a vendor has a different name in the quote or invoice, the vendor must submit a W-9 for the Controller to set up an alternate name.

2. *Treasurer/Tax Collector Form P-25 (Business Tax Declaration)*. This form is used to determine if the vendor is physically "doing business in San Francisco" and therefore is required to pay business tax. For the City to do business with a vendor, the vendor's Business Tax Status must be

3

current. Some vendors must register with the Tax Collector, and some need not.

3. **Human Rights Commission Form 12B-101 (Declaration: Nondiscrimination in Contracts and Benefits)** with supporting documentation. This form is used by the City's Human Rights Commission (HRC) to determine if the vendor has employees and offers benefits to these employees. If the vendor does, it must prove that equal benefits (health, sick leave, retirement, etc) are offered to employees with spouses and to employees with domestic partners by submitting copies of its benefit plans and personnel handbook.

When a vendor provides service or performs service within City premises, the vendor must provide a **valid certificate of insurance** documenting the specified coverage and naming the department as the certificate holder. Please see OCA's requirement and sample.

See http://mission.sfgov.org/DOCUMENT_CENTER_DOCUMENTS/DC2392.doc for instruction on how to look up vendor status information in FAMIS.

If a prospective vendor is not 12B-compliant, check if an approved sole source waiver for a specific purchase request is on file in Contracts Online (COOL). To request for waivers, contact Mark Laws at (415) 554-2839 at DPH Contracts Office. The waiver information such as amount, period and approval date should be indicated in the notepad.

Program units are responsible in making vendors comply with the above requirements since they make decisions in dealing with the vendors. On the other hand, Fiscal may provide some assistance in explaining the requirements. If a vendor has alternate names, the Requesting unit needs to submit a W-9 for vendor file update.

City Charter Section 3.105

The City and County of San Francisco Charter Section 3.105 states that:
    All disbursements of funds in the custody of the Treasurer must be authorized by the Controller. No officer or employee shall bind the City and County to expend money unless there is a written contract or other instrument and unless the Controller shall certify that sufficient unencumbered balances are available in the proper fund to meet the payments under such contracts or obligation as these become due.

Certification of available funds for all purchases, contracts, and other obligations is done by posting an encumbrance transaction in the Controller's citywide financial and accounting system, FAMIS.

After selecting a vendor in accordance with the City's purchasing and contracting procedures, departments must encumber funds in FAMIS before issuing a purchase order, contract, or other commitment to a vendor. The encumbrance process may not be applicable under certain justifiable situations, which are discussed later in this manual.

FAMIS-Purchasing Encumbrances

Aside from Charter 3.105, Encumbrances are discussed in Administrative Code Section 10.06. When making a request for materials, supplies, equipment or general services, one of the following forms must be used:

1. For recurring order, Department Blanket Purchase Order and Release Input Form (BPO form) serves any request for recurring and repetitive type of materials or supplies and general services (e.g. courier services, refrigeration services, etc.)
2. For one-time or non-recurring order, Requisition for Materials, Supplies, Equipment and Services (Requisition form).

When processing any request, here's a helpful guide that can be followed:
- We recommend checking the Virtual Warehouse before purchasing new items, by going to the Available Items. All items in the Virtual Warehouse are free. The Virtual Warehouse serves to implement the SF Administrative Code Chapter 21.03(i) (Disposal of Surplus) and the SF Environment Code Chapter 5 (Resource Conservation Ordinance).
- Ensure that the BPO form or Requisition form is filled out completely and approved/signed by authorized personnel. Original signature cards are maintained by Fiscal and an electronic version is at the Accounting shared drive.
- Verify if the required vendor quote is valid as to expiration date, dollar limit and negotiated terms. A valid vendor quote should be submitted on the vendor's letterhead with vendor signature or explanation why the vendor cannot provide signature and should indicate the shipping terms. FOB destination is preferred.
- Request for services should be accompanied by the vendor's valid Certificate of Insurance.
- Request should be approved by the designated fund accountant indicating that enough funds are available.
- Double check the accounting codes: index code, sub-object, and project code/project detail or grant code/grant detail.
- For grant-funded requisitions, the Grant procurement guideline should be identified in the FAMIS Notepad, including the funding source and the Grant Fund contact person who could answer any questions which OCA may have regarding the grant restrictions and provisions. Please note that OCA requires submitting grant checklist and grant funded documents **at least 90 days prior to the expiration date.**
- Verify vendor status to ensure vendor compliance requirements are met.

5

- Verify if vendor address on the quote is in the system.
- Check if tax computation is correct. For further guidance on California sales and use tax, see http://www.boe.ca.gov/sutax/faqpurch.htm.
- For any change order request involving increase/decrease of the purchase order amount, the proposed modification may either be accomplished on the BPO form or through an email from the Requesting unit's authorized signatory.
- Before closing any Purchase Orders, verify that there is no outstanding order from the Requesting unit or unpaid invoices to the Vendor. The Office of Contracts Administration (OCA) requires an email from the vendor confirming such and should be indicated in the FAMIS notepad

Depending on the nature and amount of purchasing request, the flowchart below depicts how each of the possible request scenarios is processed in accounting.

How to Buy Something in ADPICS

Color Coding:
Dept = Gray
OCA = Blue
ADPICS = Green
Vendor = Yellow

Department needs item (product or service)

Is it available from the Citywide Blanket? — Yes → PO Release from Citywide Blanket (Screen 2360) → Encumber funds → Send PO to Vendor / Send PO to Vendor

No ↓

Is item repetitive, small, and being used throughout the year? — Yes → Departmental Blanket (Over 10K, If not ↓) (Screen 2342) → PO Release from Dept'l Blanket (Screen 2360) → Encumber Funds

DB less than 10K ↓

No ↓

Is item less than $10K and not a Technology Store or restricted item? — Yes → Delegated Dept'l PO by dept. (Screen 2360) → Encumber funds

No ↓

Send requisition to Purchasing (Screen 2100)

↓

Purchasing determines procurement method → Quote/Bidding process → Issue contract or purchase order → Encumber funds

Vendor ships and invoices

Dept. receives item and approves packing slip

Dept. matches invoice, packing slip, and PO

Dept. enters and posts an invoice in ADPICS (Screen 1500)

System creates a voucher with the payment due date

Dept. approves/posts voucher (Screen 1410)

Controller makes electronic payment or mails check

Blanket Purchase Order (BPO)

Blanket Purchase Orders (BPO) do not encumber funds. They are used to secure the approval of OCA for future anticipated purchases of certain commodities from a vendor for specific time period and dollar limit. There are two types of BPO:

1. Citywide BPOs also known as Term Contracts are negotiated by OCA to offer departments common commodities that are competitively-priced. See OCA's link for more on term contracts.

2. Departmental BPOs are more tailored to serve the needs of a unit or group within DPH. Departmental BPOs are typically created for recurring and repetitive services and must be more than $10,000 unless a recommended vendor is a certified Local Business Enterprise, LBE. See HRC's link for further information.

   Before creating a Departmental BPO for a certain request, verify if there is an existing Citywide BPO for the same. If there is, the Citywide BPO should be utilized. Verify the effective and expiration date of the BPO. Products or services ordered should be within the BPO period.

See the Controller's Office link on how to process or modify a BPO, http://sfcontroller.org/ftp/uploadedfiles/controller/intranet/FAMIS/BPO.pdf

Please note Fiscal accepts electronic or PDF copy of requisition form or DBPO and Input Release form in lieu of original as long as it is signed by an authorized signatory.

Releases from BPO

In all cases, before placing orders or issuing contracts, Fiscal must record an encumbrance against the BPO. This is done in FAMIS Purchasing, using a purchase order release. Prior to creating releases, the terms of the BPO such as item description and pricing should be reviewed. Click **here** to view OCA's list of term contracts.

See the Controller's Office link on how to release a PO from a BPO, http://sfcontroller.org/ftp/uploadedfiles/controller/intranet/FAMIS/DPO.pdf

Direct Purchase Order (DP)

Otherwise known as Prop Q, Delegated Departmental Purchasing Authority (DDPA) allows DPH to purchase certain goods and non-recurring general services up to $10,000 including tax and shipping without requiring approval from OCA, per Admin Code 21.04. These purchases are handled in FAMIS

8

purchasing by generating a Direct Purchase Order (DP). Specific to processing a DP, here are some tips that can be followed:

- Ensure the completeness and propriety of quote. OCA and DPH recommend that multiple quotes are obtained to ensure that resources are being utilized wisely.
- Review if the proper Match type (determines one-time or progress payment) and Purchasing authority are entered in the document.
- Check other requests from the Unit to ensure order splitting does not exist.

See the Controller's Office link on how to process or modify a DPO, http://sfcontroller.org/ftp/uploadedfiles/controller/intranet/FAMIS/DPO.pdf

Requisition and Standard Purchase Order

Requisition (RQ) is not an actual contract but merely a request to OCA to enter into a contract for goods or services amounting to more than $10,000 for non-technology items. When a requisition is entered into FAMIS Purchasing, the RQ document pre-encumbers the funds. After OCA completes the bidding process which typically takes three to six months, a Standard Purchase Order is issued which in turn liquidates the RQ creating an encumbrance in FAMIS. Other factors that should be considered when processing this type of request are:

- OCA may process request amounting to over $10,000 and below $400,000 through informal bidding, requiring only one quote. In rare situations, OCA may require DPH to provide additional quotes to complete the request.
- RQ is also used for Computer Store and Information Technology (IT)-related transactions regardless of amount as they require an approval path in FAMIS Purchasing specific to Department of Technology (DT). Email quote to DT for approval.
- RQs are normally for single orders; but in situations when recurring/multiple orders are needed, it should be indicated in the requisition and FAMIS notepad in order for OCA to classify the POs as recurring/multiple orders.

Novation

According to SF Admin Code, Section 15.104, "The Director of Health is hereby authorized to apply and pay for membership of the Department of Public Health in the University Health Systems Consortium and the University Health Systems Consortium Services Corporation. The Director of Health is also authorized to enter into and execute written agreements and execute purchase orders on behalf of the City and County of San Francisco with suppliers of goods and materials selected by the University Health Systems Consortium Services Corporation through its competitive bidding process".

Staples Advantage

- OCA creates a City-wide BPO for "Miscellaneous Office Supplies" with a dollar limit based on prior and estimated future usage.
- Each department will create a release against this City-wide BPO in the amount of their budgeted spend for the time period.
- Departments will conduct a 3-way match between (1) the order summary page printed by departmental order initiators, (2) the Priced Pack list which will arrive with the package at the time of delivery and (3) the invoice.
- Program staff who received items should verify the Priced Pack List for quantities and pricing accuracy against the order summary page. This receiver should sign or initial on the Priced Pack List. If there are any discrepancies between the order page and the Priced Pack list, program staff should contact Staples dedicated customer service directly to resolve the issue and request accurate Priced Pack list and invoices so payment can be processed. For any issues with Staples Advantage orders, below are the contact information:
  - Dedicated Customer Service for CCSF: 888-438-4804
  - Dedicated Email: CtyCntySanFran@staples.com
  - For copies of priced pack slips email: cec.email.calnorth@staples.com
- Once the Priced Pack List got verified, the authorized signatory will sign to approve for payment, and forward the Priced Pack List to Departmental Accountants who will then process a progress payment for the amount of the invoice against the previously created BPO release. The Priced Pack List should be signed by the person who received the item and then by an authorized payment (Staples Priced Pack List/Receiving Report) approver. The receiver cannot be the same person who ordered the items, approved the order or the person who approved the Priced Pack List for payment.

Policies and Procedures: Payables

Overview

Similar to the procurement process, payment for goods and services are governed by the City's Charter and Administrative Code, and the Controller's Office instructions including the Prompt Payment Guidelines. This section demonstrates how the payment process is accomplished in compliance with those requirements.

When processing any payment requests, the following basic steps should assist in verifying accuracy and completeness of supporting documentation. Please refer to the Controller's Payment Processing Guidelines.
- Mark an invoice with the "receive date" and write initial or name of the staff receiving the invoice.
- Match invoice to evidence of receipt of good.

Examples of supporting document include:
- ➢ Goods – packing slip
- ➢ Office supplies – priced pack list
- ➢ Service – service call documentation, work order, job order, etc.
- ➢ Copier (Konica) - meter usage log
- ➢ Document storage (GRM) – log and workorder
  These supporting documents should be acknowledged by the person who received the items or service.
- Ensure that request for payment is approved/signed by an authorized personnel, while matching original signatures with the current signature card; or that the applicable payment request form is filled out completely.
- Verify vendor status to ensure vendor compliance requirements are met.
- Check if vendor payment address is accurate in the system.
- Ascertain that invoices are original or certified-original and payment documents are complete and original.
- Check the mathematical accuracy of the form and/or supporting paperwork.
- Double check the accounting codes: index code, sub-object, and project code/project detail or grant code/grant detail.
- Observe payment due dates stipulated in the contract/invoices to adhere to contractual obligations and avail of vendor discounts. See Prompt Payment Guidelines issued by the Controller's Office for certain mandated payment procedures.
- The detailed justification and corrective actions should be included in FAMIS notepad when required.

Electronic Invoice
With the Controller's approval, DPH Fiscal accepts electronic invoices and keeps records for audit purposes. Fiscal encourages vendors to apply for such method to facilitate processing. To qualify, the vendor's official representative should submit a letter to DPH Procurement and Accounts Payable in advance, requesting to use electronic invoice while indicating what electronic method will be utilized (email or fax). Accounting will notify the vendor when to start sending electronic invoice to 1380howardfiscal@sfdph.org.

Electronic Payment to Vendor
DPH encourages vendors to sign up with the Bank of America to get electronic payments or ACH (Automatic Clearing House). The Controller makes daily electronic payments and provides the same information currently printed on the checks.

See the Controller's Office link on how to enroll in ACH Payments.

Electronic Approval
Due to the volume of invoices DPH receives, various program locations and prolonged time to receive back approved invoices, the Office of the Controller

approved DPH's request for electronic approval for commodity vendors only. The approver should be have an authorized signatory card on file and the email approval should indicate the invoice number, amount, billing period, date product/service received and PO number.

FAMIS Purchasing Payments

The City uses an encumbrance method of accounting to help ensure that obligations are not incurred or expenditures made in excess of available funds, allotments, or appropriations. This method of accounting requires that certain department commitments be encumbered so that funds and/or spending authority are reserved for the future payment of goods that have not been received or for services that have not yet been rendered. In some cases where terms are provided in the purchase order, the final payment may exceed the encumbrance balance by $1,000 or 10% of the adjusted encumbrance amount whichever is less. The documents in this section are only processed in conjunction with the appropriate purchase order.

Voucher Payment (VC)

VCs are used for payment of goods and services encumbered through the procurement process via a Purchase Order, either single or progress/recurring/multiple orders.

Single Order Payment

Single Order Payments are non-recurring payments to vendors for work or goods satisfactorily performed or delivered.

Progress Payment

Progress Payments are periodic payments to vendors for work or goods satisfactorily performed or delivered within the period specified on the purchase order agreement.

The payment process requires validation of receipt of goods or services and a matching of the invoice details with the specifications on the purchase order. Vendors should charge DPH units only for services at the rates specified in its contract. In verifying a payment request, invoices should:

- Be original and approved by the authorized Program staff. The Program staff is responsible to request the Department Head or the authorized designee to certify a copy if it is used as original. Please email Faye DeGuzman, Director's Executive Assistant for certification request with an explanation of why the original is unavailable.
- Have been verified by Program staff as to the satisfactory receipt of goods/services substantiated by a signed packing list, service confirmation, copier usage log, tracking log, or other form of

documentation. If an item is not in accordance with the PO specifications/pricing, program staff dispute the invoice with the vendor within seven (7) days and ask for a revised invoice or credit memo with the current date. Invoice Dispute Notifications by email to vendors are acceptable. The dispute should be documented and the prompt payment clock starts after dispute resolution.

- Be signed by someone other than the program staff who placed the order and who received the order. According to the Controller's Payment Processing Guidelines, "Segregation of duties requires that different staff have responsibility for different steps in the process. Ordering, receiving, approving invoices and processing payment should not be done by the same staff person".
- Show the date of Fiscal and program's receipt, which is a required field in FAMIS Purchasing.
- Indicate the correct purchase order number, verified by Program staff as to the validity.
- Match the respective purchase order and packing slips or service confirmation for appropriateness by both program and fiscal staff. Packing slip and service confirmation should also indicate the correct PO number and must be signed and dated (when items are received).
- Display that the date of the invoice is not prior to the date of the purchase order. Receiving goods/services prior to issuance of a purchase order is prohibited.
- Be processed timely or within 30 days upon receipt according to the Prompt Payment Guidelines.

If the PO states "NOT LIMITED TO", provide written order confirmation or quote (please check term contract provision or purchase order specifications) to verify invoice price.

When sending approved invoice to Fiscal, attach the supporting documents (packing slip, service call documentation, job order, work order, copier meter usage, courier waybill, etc.).

If sales tax appearing on the invoice is lower than the City & County of San Francisco's rate or out of state vendors do not include used tax at all, Fiscal submits a journal entry to account for the difference to allow proper tax remittance to the state. Program should have enough budget to post sales or use tax.

Fiscal handles vendor credit memos by offsetting such amounts with outstanding invoices for the same PO.

See the Controller's Office link on how to process a voucher, http://sfcontroller.org/ftp/uploadedfiles/controller/intranet/FAMIS/Voucher%282%29.pdf

13

Direct Voucher (DV)

Direct Voucher (DV) is used only in unusual situations where funds were not encumbered first. When processing direct voucher in FAMIS Purchasing, here are items you need to consider:

- The detailed justification and corrective action plan must be included on the electronic notepad. The requestor should provide explanation to the following questions as required by OCA and Controller:
    1. If an error occurred when encumbering funds or making payments, what happened?
    2. If no error occurred, why were services or items obtained without first having a certified contract or purchase order in place, and who authorized this?
    3. Why is the price reasonable, or is it close to a price provided in a competitive process?
    4. What procedures are being implemented by the department to avoid a recurrence?
- Invoices must be original. If not, it must be certified by the Director of Public Health, Barbara Garcia or authorized designee .
- Provide signed and dated packing list, acknowledgement of service or other supporting documentation.
- Ensure that the direct payment request form is original, filled out completely and approved/signed by authorized personnel.
- Request should also be approved by the designated fund accountant indicating that enough funds are available.
- Double check the accounting codes: index code, sub-object, and project code/project detail or grant code/grant detail.
- Verify vendor status to ensure vendor compliance requirements are met.

See the Controller's Office link on how to process a DV, http://sfcontroller.org/ftp/uploadedfiles/controller/intranet/FAMIS/Direct_Voucher.pdf

FAMIS Accounting Payments

In contrast to FAMIS Purchasing payments, FAMIS Accounting payments are accomplished for items that are exempt from the encumbrance mandate as a matter of instructions from the Controller's Office, nevertheless they are subject to the established budget and appropriation control.

Direct Payment to Vendor (PR/RM)

Direct payment requests are used for specific type of non-encumbered transactions that cannot be processed in FAMIS purchasing via direct vouchers.

14

In other words, direct payments are made to vendors without an encumbrance or purchase order. Unencumbered disbursements bypass OCA's purchasing system and should only occur where normal purchasing procedures for goods or services are not available. Examples of DPH transactions in this category include requests for:

- External training (conferences, workshops, classroom style, etc.)
- Official advertising – note, recurring advertisements are recommended to be processed through the City's purchasing procedure
- Membership dues approved by the Board of Supervisors per SF Administrative Code, Chapter 16, Article 1, Sec 16.6.
- Subscriptions or renewal
- Garbage and refuse liens
- Interim Assistance Reimbursement Program
- Remittances to the State of California
- Payments to other government agencies
- Miscellaneous payments such as postages, judgment/claims, other employee benefits with appropriate provision in the MOU and payments to PPN providers

Garbage and Refuse Lien

Administered by DPH Environmental Health Section (EHS) with authority from the Public Health codes, this program involves placing a lien on the properties of San Francisco residents and businesses as a result of non-payment of garbage charges.

As garbage collection vendors, Recology Sunset Scavenger Company and Recology Golden Gate Disposal & Recycling Co. refer delinquent garbage accounts to EHS, which in turn creates garbage and refuse lien list. That list containing names, addresses, delinquent garbage fees and a minimal $50 administration fee imposed by DPH is submitted to the City's Assessor/Recorder Office for property lien processing whereby those charges are incorporated into the next property tax billing.

In order to issue checks to Recology Sunset Scavenger Company and Recology Golden Gate Disposal & Recycling Co. for the uncollected fees, Fiscal receives a request for payment from EHS, together with a Letter of Certification from the Director, a copy of the Garbage and Refuse Lien List, white copy of the original invoices issued to residents and business owners, and funding certification page showing the appropriate index code and project code/detail approved by the project fund accountant.

Interim Assistance Reimbursement Program (IARP)

Managed by the Community Behavioral Health Services-Adult System of Care, the purpose of IARP is to assist clients in obtaining placement into residential

care facilities by paying for their residential care rent charges and monthly incidental allowances while applying for entitlements such as Supplemental Security Income or State Supplemental Program with the Social Security Administration Office. IARP recovers funds from clients when they actually start receiving their retroactive benefits. Program staff should monitor from setting up the vendor to closing their file upon final payment. The fiscal process includes:

- Requesting the program coordinator to submit a letter applying for a new client account set-up, the client's W-9 and a memo authorizing the placement.
- Asking the Placement Team to request the vendor to be compliant
- Requiring the program coordinator to submit monthly payment request forms and invoices approved by an authorized signatory to pay for the residential care rent charges and the incidental allowances.
- Updating the client's individual file to reflect all repayments received from clients, and forwarding the repayment checks to the Cash Receipts Unit for processing.

Remittance to the State

Remittance of the State's share in San Francisco's revenues includes amounts from certified copies of birth and death certificate issuances, burial permits and other fees collected in accordance with California Health and Safety Code and Penal Code by the Office of Vital Records and other DPH units, which have been processed by the Cash Receipts Unit.

Depending on the type of fees, Fiscal completes the remittance on a monthly or quarterly basis upon receiving an approved Direct Payment Request form and by sending a check to the State along with required state remittance form.

Payment to Other Government Agencies

Payments to other government entities are generally made based on prevailing laws and are exempt from city's compliance and purchasing requirements.

An example of this payment is the city's share of expenditures incurred in the California Children's Services (CCS) program which is mandated by federal laws as the funds pass through the state. Fiscal completes the payment upon receipt of a bill from the state agency, which is verified and approved by the Cost Reporting Unit responsible for the fiscal monitoring and financial reporting for this program. The payment package should include:

- An approved Direct Payment Request from the Cost Reporting Unit,
- State Claim Cover Sheet,
- State billing invoice, and
- SF County Quarterly Expenditure Report as supporting documentation.

Official Legal Advertising (OA)

This section pertains to official advertisement mandated by law, and other advertising required by SF Administrative Code, Chapter 2, Article IX, Section 2.8 for meetings of the Board of Supervisors and its special or standing committees.

According to the provisions of Proposition J, ten percent (10%) of the amount billed for legal advertisements placed after June 30, 1995 must be set aside for advertisements in outreach periodicals such as San Francisco Bay View, Asian Week, Small Business Exchange, Sing Tao Daily, World Journal, Bay Area Reporter, El Reportero, etc. The Controller's Office has established an Outreach Fund where the 10% of the DPH legal advertisement costs is posted using index codes HCH2SGSFORF and HMH2SGSFORF for CHS and CBHS transactions respectively.

Request for payment of legal advertisements should include an approved Direct Payment Request Form, original invoice and a proof of publication. Payment using document type OA in FAMIS includes:

- Line 01 – Direct Expenditure to Vendor (90% of the invoice amount).
- Line 02 – Increase expenditure as advertising expense (10% of the invoice amount).
- Line 03 – Record 10% set aside as revenue in the outreach fund.

Revolving Fund Replenishment (RF)

Revolving Fund provides a payment mechanism for minor or non-recurring goods and general services that are immediate and cannot be conveniently paid by the issuance of a Controller's check. DPH revolving funds in the amount of $44,000 have been established and approved by the Board of Supervisors through various ordinances as required by SF Administrative Code Chapter 10, Article XV, Sections 10.154 and 10.154-1.

DPH follows the provisions of the SF Administrative Code Chapter 10, Article XV, Section 10.125 through 10.131 and the Controller's Office Guideline No. 003-008, Revolving Fund Administration Guidelines in administering the revolving funds, for the purpose of small purchases of non-recurring goods or services of $200 or less from any single vendor and reimbursements to employees for minor out-of-pocket authorized expenses less than $50.

DPH has partly used revolving funds in issuing stipend, recovery, emergency and change funds for various programs based on approved protocol. In administering a revolving fund account, Fiscal requires approval of the protocol and any changes therein. A good protocol should adhere to the following:

- Use of funds should conform to the stated purpose of the account.

- Custody of funds must be separate from the expenditure review/approval function.
- The protocol should specify the appropriate disbursement and replenishment procedures, record retention policy, and yearend and closing instructions.
- Custodian should keep the funds in a secured place.
- A reconciliation of the account should be performed on a regular basis.
- Program Administrator should report changes in protocol immediately to Fiscal Unit.
- Because of audit requirements, program should maintain adequate documentation for a good audit trail.

Revenue Refund (RR/RD)

Revenue Refund allows the return of fees, or amounts imposed for licenses, permits or penalties erroneously collected by the department. It is governed by the SF Administrative Code Chapter 10, Article VI, Section 10.43.

Most DPH revenue refund requests originate from the Environmental Health Services (EHS). EHS collects a deposit fee from applicants prior to any inspection. At the completion of the inspection, EHS refunds any excess of the deposit received after applying the amount based on the actual hours worked and the applicable rate.

In order to process a revenue refund, Fiscal requires a duly authorized Claim for Refund form from the requesting unit signed by the Claimant, a copy of the official receipt issued by DPH, a charge slip showing the details of computation, and other related refund documents that prove actual booking of revenues. Prior to generating the actual revenue refund (RR/RD) in FAMIS, the receipt to which the refund is being made must be verified to have cleared the bank.

One-time Payment (OT)

One-time Payment documents allow check disbursements in FAMIS for authorized non-recurring and non-1099 reportable payments to one-time vendors. It must not be used for employee reimbursements or purchase of materials and supplies or services.

For further guidance, see the link to the Controller's Office Departmental Guidelines No. 004-11.

To request for one-time payment, Units should submit an authorized Direct Payment Request form; a memo explaining the nature and purpose of the payment, the reason for using this payment method; and a documentation evidencing the amount to be paid.

Employee Reimbursement

These reimbursements represent costs incurred by employee while conducting official business for the department. They include:

- Travel and training costs
- Local field expenses
- Professional license fees, certification fees and parking tickets as allowed by MOU provisions
- Other non-recurring work-related expenses

In FAMIS, document type TT is used when processing travel and training reimbursements, while document type TE is used for all other employee reimbursements that are not related to travel and training. In order to process reimbursement timely, employees should submit the completed original form along with original receipts and required documentation within 10 business days after travel or incurring the expenditure.

Travel and Training Reimbursement (TT)

DPH staff must adhere to Controller and DPH travel policy before a travel expense reimbursement request can be processed in the Fiscal Unit. Travel expenses will be reimbursed for employees traveling on official business that is consistent with the mission of DPH. For the complete DPH travel policy, see http://www.sfdph.org/dph/files/PoliciesProcedures/F$C1_TravelGuidelines.pdf. Refer to Controller's instructions on Travel & Official Business Reimbursements for further guidance,

Employees should submit required documentation within 10 days after return to DPH. Prior to submitting a TT – travel and training reimbursement requests (no advance) in FAMIS, review these items for completeness and appropriateness:

- Travel must be pre-approved and supported by a Travel Authorization form.
- Request must be made in a properly approved Travel Expense Voucher.
- Original receipts should be attached to the request for each item of reimbursement to demonstrate proof of payment.
- Transportation, lodging and other related costs should be made in the most economical manner. Otherwise, an adequate justification with approval from the supervisor should be forwarded to Fiscal Unit.

Request for reimbursement of conference or training registration fees occurring within the nine bay area counties should be charged to training object 022. Any employee reimbursement request for events outside the nine bay area counties should be treated as travel expenses, chargeable to travel object 021.

When registration fees are payable directly to the vendor, expenses should be charged to training subobject 02202 regardless of the location of the training.

19

Local Field Expense Reimbursement (TE)

This type of employee request normally includes public transportation costs, mileage, parking fees, bridge tolls, parking meters and telephone charges.

In accordance with Section 10.28-1 of the San Francisco Administrative Code, the mileage rate for payments to officers and employees for use of privately owned automobiles in connection with any official duty or service shall be at the rate established by the Controller. Controller's Office adopts the standard rates established by IRS for mileage reimbursement except for request funded by grants where certain rates are specifically provided. For further guidance on the Controller's Office instruction, refer to http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2173

Fiscal should also ensure that the following information is present in the request:
- Purpose and travel routes should be adequately explained and without the use of abbreviations.
- Mileage should be reasonable and appropriately reflect the actual travel routes. Beginning and ending odometer reading should be clearly indicated.
- Field expenses should be approved by an authorized signatory.
- Work on weekends or holidays should be supported by a written approval of the immediate supervisor.
- Meetings outside San Francisco should be supported by agenda and/or email invitation.
- Parking within city limits can be reimbursed with an explanation why public transportation could not be used.

If an employee is requesting solely for mileage reimbursement, the FAMIS document should use the subobject 02301-auto mileage. However, if the request includes other expenses, the subobject 02302-local field expenses should be used.

Professional License Fee, Certification Fee and Parking Tickets (TE)

Employees may request reimbursement for these items provided that the current Collective Bargaining Agreement (CBA) between the City and the employee's Labor Union stipulates such provisions. Payment request for license fees typically includes:

- Professional License Reimbursement Request Form approved by the HR manager or designee,
- Copy of the license/certification application or renewal form,
- Copy of the newly issued license or certificate,
- Proof of payment such as official receipt, cleared check or copy of the credit card statement, and
- A copy of the CBA provision.

Other Non-recurring Work Related Expense

Employees may also seek for reimbursement of minor non-recurring purchases up to $200 from any single vendor provided that such expense is approved in advance by authorized personnel. Required attachments to the payment request are: original official receipt, a memo addressed to the Accounts Payable Unit Head showing the purchase date, description of expense, business need and purpose. Fiscal will deny any request without a prior approval including items that should have gone through the normal procurement procedures.

Payment to Other Department

Parking Tickets and Transit Passes

According to DPH Policy, "When on official City business, DPH staff may park City-owned vehicles or their privately-owned vehicles in metered spaces without paying the meter fee when using a parking permit. Alternatively, employees may be provided with pre-paid parking cards to pay the parking meter".

Upon ordering from Municipal Transportation Agency (MTA), program staff should provide parking permit application to Accounts Payable to support payments to MTA.

Program staff may order clipper cards, MUNI passes or tokens for official City business use or patient incentives. Every month, each program submits requisition form approved by an authorized signatory. The form should have the complete information including the purpose or specific staff using the transit pass.

Programs should comply with the following Internal Control requirements:

(1) Expenditures must meet Program requirements;
(2) Expenditures must meet eligibility requirements;
(3) Requested items must be kept in secure place;
(4) Program must maintain logbook of how these items are distributed or used;
(5) Program must keep records and supporting documents onsite for 5 years and maybe subject to audit.

Approval and Timelines

Fiscal – Procurement and Payables Unit ensures timely processing of documents. Its goal is to initiate documents in FAMIS within 5 business days of receipt unless there is a pending issue and to approve them within 5 business days after input in FAMIS. Some documents go to the Department of Technology, Office of Contract Administration and the Controller for final

approval. To comply with Internal Control's segregation of duties, the document initiator should not approve own documents.

Safety Vault

Valuable and sensitive documents and accounting records are kept in a safety vault with limited access to assigned staff and a back-up. Safe combination is changed every two years or when there is change in staff, whichever is first.

Incoming Documents

An assigned Account Clerk sorts and distributes incoming documents. All incoming documents are stamped with receipt date to assist in tracking compliance with the Controller's Prompt Payment Guidelines. Depending on the document types, some are scanned and some are not.

Record Retention and Destruction Policy

Procurement and Accounts Payable documents are filed systematically for easy access and later audits. DPH Record Retention and Destruction Policy has been adopted pursuant to Chapter 8 of the San Francisco Administrative Code, which requires each department head to maintain records and create a records retention and destruction schedule.

The goals of this policy are to retain important documents for reference and future use, to delete documents that are no longer necessary, organize important documents for efficient retrieval, and ensure that employees know what documents should be retained and the length of their retention.

Please refer to DPH link regarding records management policy that applies to Fiscal Purchasing and Accounts Payable units.

Appendix Section

Appendix A: Forms

Forms in this appendix are for the purpose of showing images but the latest version can be retrieved using this web link http://dphnet/Documents.

- Authorization
- Departmental Blanket Purchase Order and Release
- Requisition for Materials, Supplies, Equipment and Services
- Direct Payment Request
- Claim for Refund Request
- Travel/Training Authorization
- Travel Expense Voucher
- Field Expense Report
- Checklist for Grant Funded Requisitions and Contracts
- Department CIO Review Technology Request

City & County of San Francisco
Public Health - Population Health and Prevention

A U T H O R I Z A T I O N

Date: _____

Printed Name: (LAST NAME,   FIRST NAME)

CS Class #   Signature

Department/Program/Unit

Address: Phone #:

☐ DP   ☐ DBPO   ☐ PO   ☐ PR

☐ Invoices   ☐ Field Expense ☐ Travel   ☐ Petty Cash

☐ Staples Priced Pack List/Receiving Report   ☐ Other-Pls. Specify:

DP = Direct Payment/Direct Voucher	Note:
DBPO = Departmental Blanket Purchase Order	Staff who act as buyer for your program
PO = Purchase Order	should not be designated as authorized
PR = Purchase Requisition of Materials & Supplies	signatories on Purchase Requisition.

I do hereby authorize the person whose signature appears above, to sign or approve, in my name, documents mentioned above, for this department/program/unit.

**

Printed Name / Signature of Person Authorizing

(Do not write below this line.)

Date Cancelled

** 1. *GREG WAGNER*   Central Admin
** 2. *ROLAND PICKENS*   SF Health Network
** 3. *TOMAS ARAGON*   Population Health

Note: This form supersedes previous authorization forms.

24

ADPICS/FAMIS - FY ___-___

CITY/COUNTY OF SAN FRANCISCO

DEPARTMENTAL BLANKET PURCHASE ORDER
AND RELEASE INPUT FORM

<u>INSTRUCTIONS:</u>

(1) COMPLETE BOX #1 OR #2

(2) COMPLETE ALL OTHER UNSHADED ITEMS

DOCUMENT NUMBERS

DEPARTMENT

DEPARTMENT CONTROL NO.

DATE

PAGE _____ OF _____

PURCHASING AUTHORITY   PERIOD COVERED

#1 *Complete for Non-Term Contract TPA-type purchases*

a DEPARTMENT BLANKET PURCHASE ORDER (DBPO)   **TOTAL ESTIMATED AMOUNT FOR PERIOD COVERED $ _____**

b RELEASE AGAINST DBPO   **RELEASE (ENCUMBRANCE) AMOUNT $ _____ (MUST EQUAL SUM OF ACCOUNTING LINES)**

FROM

TERM CONTRACT #   TO

#2 *Complete for Term Contract TPA-type purchases*

RELEASE AGAINST CITY TERM CONTRACT   **RELEASE (ENCUMBRANCE) AMOUNT $ _____ (MUST EQUAL SUM OF ACCOUNTING LINES)**

VENDOR:

ADDRESS

VENDOR # _____ Sfx:_____

FEIN/SSN No. _____

Phone # _____

DELIVER TO:

SEND INVOICES IN DUPLICATE TO:

TERMS OF PAYMENT   FOB POINT   CENTRAL DEPARTMENT USE

COMMODITY OR SERVICE CODE #   **DETAILED DESCRIPTION OF PRODUCT OR SERVICES**

(REQUIRED WHEN BOX #1 IS CHECKED)

STAFF AUTHORIZED TO RELEASE AGAINST THIS BLANKET (For on-line Departments use only)   **ATTACHMENTS - Please identify by title or description**

NAME   PHONE   FAMIS ID   NAME   PHONE   FAMIS ID

1 _____   3 _____

2 _____   4 _____

PREPARED BY (Print)   **APPROVALS**

Phone #   Fax #

APPROVED BY   CHIEF ADMINISTRATIVE OFFICER   MATERIALS, SUPPLIES, & SERVICES - PURCHASER

(Print Name & Sign)   BOARD OR COMMISSION   REAL PROPERTY LEASES & RENT - DIRECTOR OF PROPERTY

Line	Document Number						Project		Grant		
No.	Number	Suffix	Amount	Index Code	Sub-Object	User Code	Project	Project Detail	Grant	Grant Detail	ADDENDUM ATTACHED
1											Nos. of Pages _____

PUBLIC HEALTH
POPULATION HEALTH AND PREVENTION
1380 HOWARD STREET, RM 418, SAN FRANCISCO, CA 94103
REQUISITIONS FOR
MATERIALS, SUPPLIES, EQUIPMENTS & SERVICES

PO No.	accounting use only

PO / DP NUMBER MUST APPEAR ON
ALL INVOICES AND DELIVERY DOCS.

DATE

Division:
Prepared by: Telephone #
Quoted by: Telephone #

VENDOR

HRC CODE #

DELIVER TO

INDEX CODE

SUB OBJECT

Project Code
Phase
Grant Code
Detail
Vendor
No.
Remittance
Code
Purchasing
Authority

Vendor Status

Contract No.

Item No.	Quantity Unit	Price Unit	Commodity Code	Description	Amount

GROSS AMOUNT	OTHER	FREIGHT/HANDLING	8.75% SALES TAX	INVOICE TOTAL
$	$	$		$

Remarks (Any Special Requirements, Reference to Attached Forms or Samples, Previous P.O. #, or DPO #, etc.)

Unit/Section Head Approval (Print Name & Sign)   Public Health - PHP Purchasing

FOR INTERNAL USE ONLY

Division Head Approval (Print Name & Sign)   Fiscal Head Approval

One-time purchase ☐   **Recurring purchases** ☐

Revised January 2014

26

ADPICS/FAMIS -   FY _____

CITY/COUNTY OF SAN FRANCISCO

DIRECT PAYMENT REQUEST FORM

(Doc. Prefix)   (Document Number)

DEPARTMENT	**DPH-PHP**
DEPARTMENT CONTROL NO.	
DATE	

To: _____   *invoice#* _____

Address:

_____

_____

_____

Invoice Date | | | | | |

Date Received | | | | | |

Due Date | | | | | |

Multiple Payees ☐

Scheduled Payment ☐

One-Time Vendor ☐

COMMODITY OR SERVICE CODE #	**Description:**

PREPARED BY (Print Name and Sign)	APPROVALS (IF REQUIRED, SEE INSTRUCTIONS)		
APPROVED BY (Print Name & Sign)			
DEPT. HEAD/BOARD OR COMMISSION	MATERIALS, SUPPLIES & SERVICES PURCHASER	CHIEF ADMINISTRATION OFFICER	CONTROLLER

Ln.	Trans. Code			Index Code	Sub-Object	User code	Grant		Project		General Ledger		Addendum
No.	Trans.	Suf.	Amount				Grant	Detail	Project	Detail	GL	Subsid.	Attached
													Nos. of Pages ____

CLAIM FOR REFUND

Claimant makes this claim for refund of money paid the City and County of San Francisco.

1. **Claimant's name:** _____

2. **Claimant's address:** _____

3. **Site address:** _____

4. **To whom payment was made:** _____
   (Give name of Department; If possible, attach copy of your receipt)

5. **Purpose of payment: Describe generally (Example: Building Permit)**
   a. ( ) For a permit _____
   b. ( ) For a license _____
   c. ( ) As a cost _____
   d. ( ) As a penalty _____

6. Amount Paid: _____ Date Paid _____ Check #:_____ Receipt #_____

   Refund Requested: _____

7. Refund is requested for the following reason:
   a. ( ) Duplicate payment
   b. ( ) Payment in excess of amount due
   c. ( ) Payment erroneously collected by reason of City clerical error
   d. ( ) Penalty payment collected by Central Permit Bureau and reduced in amount by action of the Board of Permit Appeals
   e. ( ) Permit issued by Central Permit Bureau as provided in BUILDING CODE and NO WORK HAS BEEN DONE. Project has been abandoned due to causes beyond permittee's control.
   f. ( ) Permit issued by Central Permit Bureau as provided in BUILDING CODE and permit has been cancelled or denied by a department, board or commission having jurisdiction.

8. Describe any other facts surrounding your transaction and request for refund so as to permit an understanding of the merits of your claim

   _____
   _____
   _____
   (attach additional sheet if necessary)

This claim should be filed within **SIX MONTHS** after the last item of the account or claim accrued, with the head of the department, board or commission originally receiving the money and the amount claimed is justly due.

I DECLARE (OR AFFIRM) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

(Signature over printed name) _____

Place of Execution _____
                    (City, County, State where executed)

Date of Execution _____
                    (If signed by another, state relationship, name, address)

Form NOT to be used for refund of property taxes, real estate taxes, improvement taxes, personal property taxes, special assessment district taxes.

To: Controller's Office, Room 300 City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102
I certify that the claim made above is legally allowable and recommended a refund of $_____
under authority of **SF Administrative Code 10-43**

Signed _____
        (Department Head or designee)
Department: _____
Date: _____

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC HEALTH

TRAVEL / TRAINING AUTHORIZATION

From:		No.		Date of Request:	
Print Name		Civil Service Class			

Work address: (Please include room#)

	Travel/Training Authorization No.

Through:				
Immediate Supervisor (print name and sign)	Date	(All)*	

Through:			(If Travel/Training	Program Name
Manager (print name and sign)	Date	Expense)*	

Budget Codes:
 Index Code

Through:			(If Travel/Training	Fd Type/Fd/Sub Fd
Division/Deputy Director	Date	Expense)*	Sub Object

To:			(If Travel/Training	Grant/Proj Code
Barbara Garcia - Director of Health	Date	Expense >$500)*	Detail

Accounting Signature

Date/s of travel:

Travel to:

Meeting/Conference Name:

Benefits to you and the Department:

How will this conference impact Community?

I will provide a full report to my supervisor, and complete a travel expense voucher within 10 days of my return.

Requested by:

	[Signature]	[Telephone No.]	[Date]	

AIRLINE	**Date**	**From (City)**	**To (City)**	
				Sub-total

CAR RENTAL COMPANY	**City**	**No of Days**	**Rate**	
				Sub-Total

HOTEL/ACCOMMODATIONS	**City**	**No of Days**	**Daily Rate**	
				Sub-Total

PER DIEM / MEALS	**NOT REIMBURSABLE**	
OTHERS		
		Sub-Total

(Conference/registration fee, local transportation, etc./amount)

GRAND TOTAL $

Check as applicable

*1 ___ IN STATE; ___ In County; ___ Out of County; ___ No expenses other than salary or Field Expense.
     Only required signature is that of Immediate Supervisor, who shall retain this form.
*2 ___ IN STATE; ___ Greater than $500. Submit this form to Accounting.
*3 ___ IN STATE; ___ In County; ___ Out of County; ___ Less than $500. Submit this form to Accounting.
*4 ___ OUT OF STATE; ___ No expense other than salary; ___ Less than $500; ___ Greater than $500. Submit this form to Accounting.

PLEASE CHECK TRAVEL AGENCY BEING USED:

____	Airport Travel Agency	Tel: (650) 877-0422; Fax: (650) 877-0285	
____	Clement Travel Services, Inc.	Tel: (415) 386-2535; Fax: (415) 386-2580	
____	Orientex Travel, Inc.	Tel: (415) 788-1711; Fax: (415) 398-0465	**Revised: January 2014**

29

CITY AND COUNTY OF SAN FRANCISCO
TRAVEL EXPENSE VOUCHER
TRANSMIT ORIGINAL COPY TO CONTROLLER (WITH REQUIRED RECEIPTS ATTACHED)

DEPT: _____ **DATE:** _____
DIVISION: _____ **TRIP TO:** _____
PURPOSE: _____ **TRIP DATE:** _____

DATE	DESCRIPTION	REGISTRATION FEE	HOTEL	AIRFARE/ AUTO	MEALS	PER DIEM	OTHERS	TOTAL
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
TOTALS		$ -	$ -	$ -			$ -	$ -

					AMOUNT	
DATE:	ADVANCE DOCUMENT NO.: TT#		PR#		ADVANCED	

REFUND [ ] CR#
AMOUNT DUE [ ] $ -

CERTIFICATION is hereby made that expenditures claimed hereon are true and correct, and were incurred according to law and in connection with official business of the City and County of San Francisco.

DEPT. HEAD APPROVAL: _____ EMPLOYEE SIGNATURE: _____

Print Dept. Head Name: _____ Print Employee Name: _____

COMPLETE SECTION BELOW FOR DEPARTMENT ACCOUNTING INFORMATION:

INDEX CODE:	SUBOBJECT:	PROJECT OR GRANT:	PRJ OR GRNT DTL:	

LEGALITY VERIFIED: ORDINANCE NO.   RESOLUTION NO.

APPROVED FOR PAYMENT: BD. OR COMMISSION RES. NO.:   AUTHORITY:

30

Form 300.xls
CITY AND COUNTY OF SAN FRANCISCO   SHEET NO. _____
FIELD EXPENSE REPORT
Dept: _____   **Date:** _____ , 20_____

Reimbursement is requested for field expense on official business for month of: _____ , 20_____

DATE	PURPOSE	TRAVEL (From-To)	RT Y/N	ODOMETER READINGS	MILES	PARKING METER	CAR-FARE	TELE-PHONE	OTHER (Receipt Required)

Subtotal Parking Meter, Carfare, Telephone & Other			$ -	$ -	$ -	$ -

| Total of last four columns above | | | | | | $ - |

| Make and Model Car | | License | Number | Total Miles | 0 | Rate Per Mile | $0.500 | - |

THE UNDERSIGNED HEREBY CERTIFIES that the above is a true statement of travel mileage and expense incurred in official business of the City and County of San Francisco.   **GRAND TOTAL** $ -

_____
Manager/Immediate Supervisor (signature over printed name)

_____
Employee's Signature

Expense incurred by (print name of employee)

_____
Dept. Head or Authorized Signatory (signature over printed name)

Civil Svc class no: _____   **Phone#:** _____

Clinic/Unit: _____

INDEX CODE: _____   **Work Address** _____

SUBOBJECT: _____

31

Checklist for Grant Funded Requisitions and Contracts

Instructions: All City Departments are required to submit a completed checklist for all grant funded requisitions and contracts. Attach this completed form and the supporting documents for grant funded requisitions and contracts and submit via email to: dem_grants@sfgov.org

1. ☐ Project/Requisition Summary (please limit to 3-5 sentences):

2. ☐ Requisition/Blanket #:
3. ☐ Enter ECD coding in the department field of the 2100 requisition header screen (ECDFIR for the Fire Department, for example)
4. ☐ Grant code and grant code detail is entered in the accounting line of the requisition (Not applicable for blankets)
5. ☐ For technology related requisitions, change the doc type to RT on the 2100 requisition header screen and submit for DT CIO review. For both requisitions or blankets include the transaction number in the message line of the email, attach supporting documents, include a brief summary of your request and send to following email address: CIO.Review@sfgov.org
6. ☐ Name of Grant:
7. ☐ Type of grant (Federal, State, Local or Private): Choose an item.
8. ☐ Federal catalog or CFDA number:
9. ☐ Grant Year: Choose an item.
10. ☐ Grant/Project expiration date: Click here to enter a date.
    Please note: Grant funded requisitions and contracts must be submitted to OCA a minimum of 90 days prior to the grant expiration date. For complex projects and vehicle purchases it is recommended to submit requests at least 6 months prior to the grant expiration date. Any requests submitted less than 90 days prior to the grant expiration date may result in the loss of the grant funding due to inadequate time for processing.
11. ☐ For multiple grant funding sources complete Attachment 1 – Multiple Grant Worksheet
12. ☐ AEL (Authorized Equipment List Number):
13. ☐ MOU (Memoranda of Understanding) or LOA (Letter of Agreement)
14. ☐ Performance Bond. Departments MUST obtain a Performance Bond for any equipment item over $250,000 or any vehicle, aircraft or watercraft, financed with homeland security dollars.
15. ☐ Grant guidance or grant procurement guidelines electronically attached or web address provided. Web address:
16. ☐ Grant terms and conditions, forms or attachments to be included in the bid solicitation. Please include details below.
    a.
    b.
    c.
17. ☐ Vendor's quotation or pricing proposal attached
18. ☐ Is this a sole source? If yes, please attach the following:
    a. Approval of sole source contract by the granting agency (This may not be required if the cumulative amount of the project will not exceed $100,000 within the specific grant and grant period)
    b. HRC sole source waiver
    c. OCA sole source waiver
    d. Departmental justification memo
19. ☐ Financial Management Workbook

Attachment 1 - Multiple Grant Worksheet

Instructions: All City Departments are required to submit Attachment 1 - Multiple Grant Worksheet for all grant funded that utilize multiple grant funding sources. Please note: For procurement and auditing purposes, the combined requirements for all grants that are combined into multiple grant funding sources will apply to the procurement and any resulting contract. Departments are advised that this may result in complications in the procurement process and fulfillment of the grant requirements by the department.

Grant #2

1. ☐ Name of Grant:
2. ☐ Type of grant (Federal, State, Local or Private): Choose an item.
3. ☐ Federal catalog or CFDA number:
4. ☐ Grant Year: Choose an item.
5. ☐ Grant/Project expiration date: Click here to enter a date.

Grant #3

1. ☐ Name of Grant:
2. ☐ Type of grant (Federal, State, Local or Private): Choose an item.
3. ☐ Federal catalog or CFDA number:
4. ☐ Grant Year: Choose an item.
5. ☐ Grant/Project expiration date: Click here to enter a date.

Grant #4

1. Name of Grant:
2. ☐ Type of grant (Federal, State, Local or Private): Choose an item.
3. ☐ Federal catalog or CFDA number:
4. ☐ Grant Year: Choose an item.
5. ☐ Grant/Project expiration date: Click here to enter a date.

General Funds

1. ☐ Total amount of general funds:
2. ☐ Index code:
3. ☐ Sub-object code:
4. ☐ Project code (if applicable):
5. ☐ Project code detail (if applicable):

Department CIO Review Technology Request

Complete this form and forward to the CIO.Review@sfgov.org.

Department: _____ Date Submitted _____
Requisition: _____
Blanket PO: _____

Requestor:_____ Telephone #: (415) ____ - _____

Describe in detail the Equipment/ Software/ Services to be purchased:

[ ]

Detail the intended use of the equipment/software/services described above:

[ ]

Specify the intended use: ☐ New Service/Activity ☐ Enhancement ☐ Replacement
☐ Support/Maintenance Existing System

Is this a COIT approved project? ☐ Yes ☐ No

Is this request a component of an ongoing project?
☐ Yes, identify the project [ ]
☐ No

Estimated cost of the equipment/software/services described above: $_____

Request Information for Funding: Index Code: _____ Project Code:_____

Department Head Signature: _____
Department Head   Date

Finance   ☐ Approved
Contracts   ☐ Approved   _____
Department of Technology/CIO   Date

34

Appendix B: Checklists

Fiscal developed a series of checklists for selected accounting documents to guide requesting units in completing the forms and submitting the required information. Checklists in this appendix are for the purpose of showing images but the latest versions can be retrieved using this web link http://dphnet/Documents by searching the form or checklist name. Each form has a checklist on a separate tab of the Excel file.

- Vendor Compliance
- Term Contract or Citywide Blanket Purchase Order Release
- Departmental Blanket Purchase Order and Release
- Requisition for Materials, Supplies, Equipment and Services
- Direct Purchase Order
- Staples Advantage
- Invoice Payment
- Direct Voucher
- Direct Payment Request – Vendor Payment
- Claim for Refund Request
- Direct Payment Request – Employee Reimbursement
- Travel/Training Authorization
- Travel Expense Voucher
- Field Expense Report

	VENDOR COMPLIANCE CHECKLIST
☐	**1. VALID BUSINESS TAX CERTIFICATE OR NO SF PRESENCE (Per FAMIS screen 9560)**
☐	**2. HBC & HBN - "YES COMPLIES" per FAMIS screen 9560**
☐	**3. IF VENDOR IS NON-COMPLIANT, APPROVED SOLE SOURCE WAIVER (per COOL-Contracts on Line)**
☐	**4. VALID INSURANCE CERTIFICATE (for services) ON FILE WITH FISCAL**

IMPORTANT REMINDERS

Please check if the vendor information is set up in FAMIS. If not, refer to the mandatory forms per OCA website http://sfgsa.org/index.aspx?page=4762

For sole source waiver, please contact Mark Laws @ 554-2839

TERM CONTRACT OR CITYWIDE BLANKET PURCHASE ORDER RELEASE CHECKLIST

A term contract is a contract bid by the Office of Contracts Administration (OCA) and used by one or more City departments. The term contract allows the department to order as much of the commodity or service as it wants, whenever it wants, limited only by the term contract's duration and dollar limit.

☐ COMPLETED DEPARTMENTAL BLANKET PURCHASE ORDER AND RELEASE INPUT FORM

- All required fields filled out
- Approved/signed by the ordering unit's authorized signatory
- Certified/signed by the designated Fund Accountant.
- Verified accounting codes: index code, sub-object, and project code/detail or grant code/detail.
- Indicated the BPO number or indicated this is a release from Citywide BPO
- Indicate if one-time or recurring order

IMPORTANT REMINDERS

PDF copy of complete documents email to DPH-1380 Howard Fiscal/DPH/SFGOV is acceptable.

If your program has an account number with the vendor, please include it.

Please refer to the list of term contracts thru this website: http://www.sfgsa.org/Modules/ShowDocument.aspx?documentID=11323.

DEPARTMENTAL BLANKET PURCHASE ORDER (DBPO AND PO RELEASE)

DBPO is a non-encumbrance request of more than $10,000 to secure approval from Office Contracts & Administration (OCA) for future anticipated purchases of certain commodities from a vendor that are recurring in nature for specific time period and dollar amount. Before requesting a DBPO, verify if there is a Citywide BPO or term contract.

A RELEASE is used to request an encumbrance against DBPO.

☐ 1. CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)

☐ 2. COMPLETED DEPARTMENTAL BLANKET PURCHASE ORDER AND RELEASE INPUT FORM

- All required fields filled out
- Approved/signed by the ordering unit's authorized signatory
- Certified/signed by the designated Fund Accountant.
- Verified accounting codes: index code, sub-object, and project code/detail or grant code/detail.

☐ 3. VALID QUOTE FROM THE VENDOR

- Quote's term (beginning and end date)
- Quote submitted on vendor's letterhead
- Vendor's signature on the quote or a printout of the email/fax confirmation from the vendor with the quote as attachment
- Indicate if there are taxable and non-taxable items (if applicable)
- FOB destination is preferred
- Shipping/freight, if justifiable, should be indicated
- Indicate whether the freight charges are taxable or not

☐ 4. FOR KONICA CONTRACTS, attach properly filled out CopySmart form

IMPORTANT REMINDERS

PDF copy of complete documents email to DPH-1380 Howard Fiscal/DPH/SFGOV is acceptable.

Fiscal combines program request if more than $10K to set up a blanket.

OCA will not accept departmental blankets below $10K unless the vendor is an LBE-Local Business Enterprise.

If your program has an account number with the vendor, please include it.

36

REQUISITION (RQ) FOR MATERIALS, SUPPLIES, EQUIPMENT & SERVICES

RQ is used to procure materials, supplies, equipment, and general services non-recurring in nature. This form is also used for computer stores and IT related transactions regardless of amount.

1. **CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)**

2. **COMPLETED REQUISITION FORM**
   - All required fields filled out completely, with adequate and plain descriptions of each items requested
   - Ordered by a program staff (other than the approver and receiver)
   - Approved/signed by the ordering unit's authorized signatory
   - Certified/signed by the designated Fund Accountant
   - Verified accounting codes: index code, sub-object, and project code/detail or grant code/detail
   - Indicated if one-time or recurring purchases

3. **VALID QUOTE FROM THE RECOMMENDED VENDOR (Standard Requisition Only)**
   - Quote's expiration date has not ended
   - Quote submitted on vendor's letterhead
   - Vendor's signature on the quote or a printout of the email/fax confirmation from the vendor with the quote as attachment
   - Indicate if there are taxable and non-taxable items (if applicable)
   - FOB destination is preferred
   - Indicate shipping/freight, if any
   - Indicate if freight & handling charges are taxable or non-taxable items

4. **VALID QUOTE FROM THE RECOMMENDED VENDOR - (IT Related Requisition)**
   - Quote will not end within 3 weeks of Fiscal received date
   - Quote submitted on Technology Store Form and signed by the vendor
   - Quote approved by DPH IT staff or Department of Technology
   - If item is $10K or over, OCA may conduct either informal or formal bidding depending on the dollar amount of the requisition and complete the process of PO generation
   - Indicate if there are taxable and non-taxable items (if applicable)
   - FOB destination is preferred
   - Indicate shipping/freight, if any
   - Indicate whether the freight charges are taxable or not

5. **Department CIO Review Technology Request (IT Related Requisition)**

6. **SIGNED OR STATEMENT OF WORK, IF FOR SERVICE**

7. **CIVIL SERVICE APPROVAL BY LOCAL 21, IF FOR SERVICE**

8. **GRANT CHECKLIST, IF GRANT FUNDED**

IMPORTANT REMINDER

PDF copy of complete documents email to DPH-1380 Howard Fiscal/DPH/SFGOV is acceptable.

37

DIRECT PURCHASE ORDER (DPO-PROP Q) REQUEST CHECKLIST

Otherwise know as Prop Q, Delegated Departmental Purchasing Authority (DDPA) allows departments to purchase goods and **non-recurring general services** up to $10,000 including tax and shipping without approval from the Office of Contracts Administration (OCA). DPO is used to encumber or set aside funds. Order splitting is prohibited to stay below the $10,000 limit.

1. **CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)**

2. **COMPLETED DEPARTMENTAL BLANKET PURCHASE ORDER AND RELEASE INPUT FORM (PROGRESS PO) or REQUISITION FOR MATERIALS, SUPPLIES, EQUIPMENT AND SERVICES FORM (ONE-TIME PO)**
   - All required fields filled out
   - Approved/signed by the ordering unit's authorized signatory
   - Certified/signed by the designated Fund Accountant
   - Verified accounting codes: index code, sub-object, and project code/detail or grant code/detail

3. **VALID QUOTE FROM VENDOR**
   - Quote's expiration date has not ended
   - Quote submitted on vendor's letterhead
   - Vendor's signature on the quote or a printout of the email/fax confirmation from the vendor with the quote as attachment
   - Indicate if there are taxable and non-taxable items (if applicable)
   - FOB destination is preferred
   - Shipping/freight, if justifiable, should be indicated
   - Indicate whether the freight charges are taxable or not
   - OCA and DPH recommend obtaining multiple quotes to ensure wise use of resources

IMPORTANT REMINDER

PDF copy of complete documents email to DPH-1380 Howard Fiscal/DPH/SFGOV is acceptable.

If your program has an account number with the vendor, please include it.

Staples Advantage Encumbrance, Ordering & Payment

Office of Contract Administration	Ordering Department	Department Accounting	Controller's Office
• Sets up Blanket Purchase Order in FAMIS Purchasing (ADPICS) for "Miscellaneous Office Supplies from Staples" • Monitors Staples' pricing, invoicing and order fulfillment on a monthly or quarterly basis	• Authorized user places order online using Staples portal, and prints Order Page for authorized signatory to approve and sign • Forwards the original Order Page to Dept. Accounting for approval • A different person other than the ordering user and authorized signatory receives delivery and verifies goods on Priced Pack List with Order Page, and sign or initial as "the receiver" • Authorized signatory of Staples Priced Pack List signs it to approve • Forwards the authorized original Priced Pack List to Dept. Accounting	• Creates PO release against OCA's BPO for anticipated spend on office supplies • Receives approved Order Page from the Program and approves order using Staples portal • Receives original invoice from Staples • Receives signed and approved Priced Pack List from Program authorized signatory/ Approver • Perform matching of quantity and amount of each invoice with the order page and Priced Pack List • Keys the invoice into FAMIS Purchasing and creates a voucher	• FAMIS Accounting produces electronic payments to Staples

39

INVOICE PAYMENT CHECKLIST

☐ **1. CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)**

☐ **2 INVOICE**
- Mark with received date (Program and Fiscal)
- Write initial or name of the person receiving the invoice
- Should be original
- A copy is acceptable **ONLY** if it is certified as original by the Department Head
- Electronic invoice is acceptable **ONLY** if the vendor is pre-approved by Fiscal
- Approved/signed and dated by the ordering unit's authorized signatory. Approval thru email is acceptable.
- Verified sales tax calculation using the rate applicable to San Francisco County

☐ **3. PACKING LIST OR SERVICE CONFIRMATION**
- Date stamped
- Signed and acknowledged by the receiver other than the person who placed and approved the order

☐ **4. THREE-WAY MATCH**
- Invoice (1), packing list or service confirmation (2) and PO specification or order confirmation (3) should match

☐ **5. VALID PURCHASE ORDER NUMBER**
- Indicate valid PO # on the invoice and should match with the evidence of receipt of item or service.
  (If no valid PO number, invoice will be returned)

IMPORTANT REMINDERS
Purchase Order should be set up or funds encumbered before processing payments.
Check Blanket PO expiration, if release from a blanket.
Program should have enough budget for sales tax not included on the invoice.

DIRECT VOUCHER (DV) REQUEST CHECKLIST

DV is used only in unusual situations where funds were not encumbered first or relevant PO was closed. It should not be used for recurring purchases.

Please note that Direct Payment Request form is used for Direct Voucher payment.

☐ **1. CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)**

☐ **2. ORIGINAL COMPLETED DIRECT PAYMENT REQUEST FORM**
- All required fields should be filled out completely
- Approved and signed by the ordering unit's authorized signatory
- Certified/signed by the designated Fund Accountant.
- Verified accounting codes: index code, sub-object, and project code/detail or grant code/detail

☐ **3. INVOICE**
- Mark with received date (Program and Fiscal)
- Write initial or name of the person receiving the invoice
- Should be original
- A copy is acceptable **ONLY** if it is certified as original by the Department Head
- Electronic invoice is acceptable **ONLY** if the vendor is pre-approved by Fiscal
- Approved/signed and dated by the ordering unit's authorized signatory

☐ **4. PACKING LIST OR SERVICE CONFIRMATION**

- Date stamped
- Signed and acknowledged by the receiver other than the person who placed and approved the order

☐ **5. WRITTEN DETAILED JUSTIFICATION (Required by OCA-Office of Contracts Administration and Controller)**
- If an error occurred when encumbering funds or making payments, what happened?
- If no error occurred, why were services or items obtained without first having a certified contract or purchase order in place, and who authorized this?
- Why is the price reasonable, or is it close to a price provided in a competitive process?
- What procedures are being implemented by the department to avoid a recurrence?

IMPORTANT REMINDERS

DV amount that exceeds $1,000 is subject to review by OCA and Controller.

Transactions that are not justified (to the satisfaction of OCA or Controller) will be returned.

Provide other supporting documents such as quote/s, expired PO, etc.

DIRECT PAYMENT REQUEST (DPR) CHECKLIST

DPR is used for requesting payment of the following: conference registration fees, training fees, non-recurring advertisements, legal advertisements, interim assistance reimbursement program (SSI) payments, subscription renewal, and membership fees approved by the Board of Supervisor, payment to government agencies, revolving fund replenishments and all other payments that do not normally go through the procurement procedures.

Submit original and completed DPR form duly approved by an authorized signatory with appropriate attachments.

[ ] 1. **CHECK VENDOR COMPLIANCE (Refer to Vendor Compliance Checklist)**

Attachments for conference registration fees and training fees:

[ ] 2. **COPY OF TRAVEL/TRAINING AUTHORIZATION FORM** (pre-approved and completed prior to the travel date)

[ ] 3. **ORIGINAL INVOICE or COPY OF FULLY ACCOMPLISHED REGISTRATION FORM**

[ ] 4. **CONFERENCE/TRAINING INFORMATION** (such as invites, announcements, email confirmation, etc.)

Attachments for non-recurring advertisements and legal advertisements:

[ ] 1. **ORIGINAL INVOICE** (A copy is acceptable only if it is certified by the Department Head)

[ ] 2. **PROOF OF PUBLICATION**

Attachments for other payment requests (subscription, membership, SSI payments, RF, remittances, etc)**:**

[ ] 1. **ORIGINAL INVOICE, BILLING OR RECEIPTS** (A copy is acceptable only if it is certified by the Department Head)
   - A monthly statement is not acceptable as a substitute for original invoice

[ ] 2. **OTHER VENDOR REQUIRED ATTACHMENTS**

IMPORTANT REMINDER
   For revolving fund, please check program's protocol.

CLAIM FOR REFUND FORM (RR) CHECKLIST

Claim for Refund form is used to request a refund for any excees payment of fees, or amounts imposed for permits and licenses, or penalties, costs or deposits erroneously collected by the department. Refunds will be processed in accordance with SF Administrative Code Chapter 10, Article VI.

☐	1.	**ORIGINAL and COMPLETED CLAIM FOR REFUND FORM** (signed by **claimant** and approved by authorized signatory)
☐	2.	**COPY OF CHARGE SLIP** (to support the amount due and amount refundable to payee)
☐	3.	**COPY OF RECEIPT ISSUED BY DPH (If no OR, other proof of payment)**
☐	4.	**OTHER REQUIRED SUPPORTING DOCUMENTATION**

- FAMIS print out of Cash Receipt document number (e.g. CRHC14000050 06)
- EHS Vector Housing Program: copy of check log batch print out, notification letter to clients

IMPORTANT REMINDER

Provide W-9 for recurring refunds to set up a permanent vendor number (if not yet set up in FAMIS).

DIRECT PAYMENT REQUEST (DPR) CHECKLIST

DPR is used for employee reimbursement requests for certification, professional license fees and parking tickets if specifically provided in the MOU. EMPLOYEES MUST NOT PROVIDE THEIR SSN in the form.

Submit original and completed DPR form duly approved by an authorized signatory with appropriate attachments.

Attachments for employee reimbursement for certification, professional license renewal (with MOU provision)**:**

☐ 1. **PROFESSIONAL LICENSE REIMBURSEMENT REQUEST FORM** (duly Approved by HR Manager)

- The form is available in DPHNET: http://dphnet/node/773

☐ 2. **COPY OF LICENSE RENEWAL FORM**

☐ 3. **COPY OF NEWLY ISSUED LICENSE/CERTIFICATE**

☐ 4. **PROOF OF PAYMENT** (official receipt, front and back copy of cleared check, or copy of credit card statement)

☐ 5. **COPY OF THE CURRENT MOU PROVISION** **stating that the City shall reimburse employee for such payment** (Please attach only the page that states the provision.)

Attachments for employee reimbursement request for parking tickets (with MOU provision)**:**

☐ 1. **REQUEST FOR PARKING TICKETS REIMBURSEMENT FORM** (approved by supervisor)

- The form is available in DPHNET: http://dphnet/node/108

☐ 2. **ORIGINAL NOTICE OF PARKING CITATION**

☐ 3. **PROOF OF PAYMENT** (official receipt, front and back copy of cleared check, or copy of credit card statement)

☐ 4. **COPY OF THE CURRENT MOU PROVISION stating that the City shall reimburse employee for such payment** (Please attach only the page that states the provision.)

TRAVEL/TRANING AUTHORIZATION (TTA) CHECKLIST

TTA is completed prior to travel or training when employees will be requesting reimbursement for business related expenses after traveling to conferences and trainings on official city business. You do not need a TTA when seeking reimbursement for mileage and field expenses. If there are no other costs associated with travel, please submit a Field Expense Report.

PLEASE DO NOT INCLUDE YOUR SSN.

1. COMPLETED TRAVEL/TRAINING AUTHORIZATION FORM

- All required fields should be filled out completely
- List all expense items on form with an estimate of the associated cost
- Complete budget code information
- Must have signature section completed up to Deputy Director if total is $500 or less and up to the Director of Health if over $500

2. ATTACH AIRLINE QUOTE FROM CITY-APPROVED TRAVEL AGENCY

- Must obtain Travel/Training Authorization number in order to book the flight through the City Approved Travel Agent.
- If purchasing air fare from a non-city approved agency, staying additional days, choosing alternate airport or choosing to drive, provide written comparison quote from the City approved travel agency to verify savings or show any price difference.

3. ATTACH CONFERENCE INFORMATION

4. IF PLANNING TO RENT A CAR, IT MUST BE JUSTIFIED AND PRE-APPROVED ON TTA

- Written justification to demonstrate that this chosen mode is the most efficient, direct and economical mode of transportation.
- The city is self insured so no reimbursement for insurance

5. ATTACH HOTEL RESERVATION INFORMATION

- Lodging is reimbursable only up to the maximum Federal per-diem GSA (General Services and Administration) rate, unless documentation of the conference hotel rate is provided.
  For lodging details, please refer to page 6 and 7 of the Controller's Business Travel Reimbursement Guidelines at http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2174.

6. SUBMIT TO APPROPRIATE ACCOUNTING UNIT

- If funded by a grant, submit to grant accountant @ 1380 Howard, 4th Floor
- If funded by a workorder or special revenue fund, submit to 101 Grove Room 110
- If funded by general fund, submit to Accounts Payable @ 1380 Howard room 418 - only need to submit to accounting before travel if TTA # is needed for airfare.

NON-REIMBURSABLE TRAVEL/TRAINING EXPENSES

- ✿ Meals per diem allowance unless it is approved as an exception by the department head or expressly stated in employee's MOU
- ✿ Items not supported by original or certified receipt, except for toll, bart, MUNI, parking meter and public telephone
- ✿ Cancellation fees/charges resulted from unjustified cancelled or modified travel arrangements
- ✿ Auto/Flight insurance
- ✿ Tips and gratuity
- ✿ When combining personal travel with official business travel, there is no reimbursement for lodging, meal per diem, or any other expense incurred before/in between/after the conference/ official business starts /concludes.

45

TRAVEL EXPENSE VOUCHER (TEV) CHECKLIST

TEV is used for requesting reimbursement of business related expenses when traveling to conferences and trainings on official city business. Please use the Field Expense Report when seeking reimbursement for mileage and field expenses if there are no other costs associated with travel.
PLEASE DO NOT INCLUDE YOUR SSN.

- [ ] **1. TRAVEL/TRAINING AUTHORIZATION FORM** (pre-approved and completed prior to the travel date)

- [ ] **2. ORIGINAL and COMPLETED TRAVEL EXPENSE VOUCHER**
  - All required fields should be filled out completely; and the form must be signed by the requestor and approved by the authorized signatory.

- [ ] **3. CONFERENCE / TRAINING / MEETING AGENDA OR SCHEDULE**

- [ ] **4. CONFERENCE REGISTRATION FEE - PROOF OF PAYMENT**

- [ ] **5. ORIGINAL ITEMIZED HOTEL RECEIPT**

- [ ] **6. TRANSPORTATION: AIRFARE, if using non-city approved agency where savings can be documented.**
  - Written price quote from one of the City-approved travel agencies (Orientex / Clement Travel / Airport Travel Agency) to verify the savings
  - Original Receipt with complete and detailed itinerary indicating the amount paid

- [ ] **TRANSPORTATION: CAR RENTAL** (pre-approved by Dept. Head):
  - Original receipt with detailed rental agreement indicating the amount paid, along with written justification to demonstrate that this chosen mode is the most efficient, direct and economical mode of transportation available.
  - The city is self insured so no reimbursement for insurance

- [ ] **TRANSPORTATION: Using PERSONAL VEHICLE when air transportation option is not economical:**
  - Written price quote from one of the City-approved travel agencies (Orientex / Clement Travel / Airport Travel Agency) to verify the savings
  - Written justification for use of personal vehicle approved by authorized personnel
  - The form should indicate the starting point and destination, odometer readings, vehicle make, model and license number.

- [ ] **7. ORIGINAL RECEIPT FOR ALL OTHER REIMBURSABLE EXPENSES**
  - Luggage fees (limited to first-checked bag per person)
  - Transportation costs: to and from airport - shuttle, public transportation, cab (up to $50 each way to and from home airport, subject to Controller's change)
  - Parking at airport (maximum of $18 Per Day, up to $120 full duration of travel, subject to Controller's change)
  - Parking at hotel (should be lowest cost parking available)
  - Reasonable business related costs: telephone calls, copying, fax, internet charges (purpose and necessity must be indicated).

QUICK GUIDELINES: TRAVEL and TRAINING REIMBURSEMENT REQUEST

ACCEPTABLE FORM OF RECEIPT
- Original receipt from the vendor; **OR**
- Copy of receipt from the vendor CERTIFIED and SIGNED by DEPT. HEAD as TRUE and NOT SUBMITTED PREVIOUSLY ; **OR**
- Copy of a bank-cleared check showing purchase information such as date, amount paid and description of item; **OR**
- Copy of bank or credit card statement (account number, and/or personal information BLOCKED) showing payment information.
- For conference registration fee, email from the conference host showing conference host name, email address, payment date and description and payment amount may be accepted by Fiscal in lieu of original receipt.

NON-REIMBURSABLE TRAVEL/TRAINING EXPENSES
- Meals per diem allowance unless it is approved as an exception by the department head or expressly stated in employee's MOU
- Items not supported by original or certified receipt, except for toll, bart, MUNI, parking meter and public telephone
- Cancellation fees/charges resulted from unjustified cancelled or modified travel arrangements
- Auto/flight/travel insurance
- Personal telephone calls
- Parking and moving violation tickets or similar penalties
- Vehicle repair and maintenance costs
- Tips and gratuity

IMPORTANT REMINDERS
- TEV must be submitted within ten (10) business days after the last date of travel.
- Mileage is not reimbursable when using city car.
- Lodging is reimbursable only up to the maximum Federal per-diem GSA (General Services and Administration) rate, unless documentation of the conference hotel rate is provided.
- LODGING is not allowed within the nine (9) Bay Area Counties unless pre-approved by the department head.
- Submit your reimbursement request with the required documentation on the checklist within 10 business days after travel or incurring expenditure to:
  - Accounts Payable and Procurement Section, San Francisco Department of Public Health
  - 1380 Howard Street, Room 418, San Francisco, CA 94103

- For additional reference, please visit the following weblinks:
  - DPH Travel Policy, http://dphnet/dphpolicies/Policies/TravelPolicyRev102007.pdf
  - Controller's Office Department Instruction, http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2174
  - Federal rates, http://www.gsa.gov

46

FIELD EXPENSE REPORT (FER) CHECKLIST

FER is used for reimbursable expenses (i.e. mileage and other field expenses) when attending meetings and conducting official business functions when there are no registration, hotel or other expenses involved.

PLEASE DO NOT WRITE YOUR SSN.

1. ORIGINAL and COMPLETED FIELD EXPENSE REPORT

- All signatures (employee, supervisor, authorized signatory) must be original, NO stamped signature.
- Description in the "PURPOSE" column must be comprehensible. NO ABBREVIATIONS.
- For each route, provide legible beginning and ending odometer reading, and the starting (i.e. worksite or home, whichever is the closer of the two) and destination point.
- Write the vehicle make, model, and license number
- Write the funding source: index code and, if applicable, the grant code and detail or project code and detail

2. AGENDA OR SCHEDULE, BROCHURES, EMAIL CONFIRMATIONS

- For meeting outside of San Francisco, submit email invitation, schedule, confirmation, or minutes
- For training outside of San Francisco, submit agenda, brochures, and/or completion certificate???

3. WRITTEN justification, approved by the supervisor, IF submitting a LATE Monthly Field Expense Report

- Reports should be received by Accounting no more than 30 days after the expense

4. WRITTEN approval from the supervisor, IF reimbursement request involves weekend or holiday work

5. WRITTEN explanation on why public transportation could not be used IF requesting reimbursement for parking within City limits

IMPORTANT REMINDERS

Submit one combined FER for the month

Paking within city limits is reimbursable with explanation why public transportation could not be used

Mileage rate is established by the controller

Mileage is reimbursed when using personal vehicle, fuel is not reimbursed.

Personal expenses such as private vehicle repair and maintenance are not reimbursable.

Parking violations, moving violations and towing charges are not reimbursable under any circumstances.

Bridge tolls, parking meters, pay phones and public tranporation will be reimbursed without reciept

All passengers in the vehicle must be on official business

For additional reference, please visit the following weblinks:

Controller's Office Department Instruction, http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2173

Federal rates, http://www.gsa.gov

CITY & COUNTY OF SAN FRANCISCO – OFFICE OF THE CONTROLLER

7/1/2016	Accounting Policies & Procedures

Ben Rosenfield, Controller

Contact: Jocelyn Quintos, Jocelyn.Quintos@sfgov.org, 415-554-6609

City & County of San Francisco – Office of the Controller

ACCOUNTING POLICIES & PROCEDURES

Contents

Sections in the Table of Contents marked with an asterisk (*) indicate that the topic is still under review.

List of Tables

List of Figures

1 | OVERVIEW

1.1 | Purpose of this Document

This *Controller's Office Accounting Policies & Procedures* is established by the Office of the Controller, Accounting Operations and Systems Division (AOSD) to provide general guidelines to City departments on how to properly process accounting transactions. Departments can use this document when creating the more specific and detailed policies and procedures required for their operations. All department accounting guidelines must be submitted to AOSD for review through the annual internal control questionnaire (ICQ) process. All policy exception requests must be approved by the Director of AOSD or designee.

This document does not provide all the detailed instructions for entering transactions into the financial system. Please see Controller's Office – FAMIS Accounting, Executive Information System (EIS), Purchasing, and Grants Training for further information: http://sfController.org/index.aspx?page=452.

1.2 | Roles and Responsibilities

This policy and procedure manual is an important reference for department administrators, and it is intended to be supplemented by documents issued by other City control entities, including but not limited to the following:

- AOSD (http://www.sfController.org)
  The AOSD is responsible for ensuring that the City is in compliance with generally accepted accounting principles (GAAP) and standards (GAAS), applicable pronouncements established by Governmental Accounting Standards Board (GASB) and by Financial Accounting Standards Board (FASB), and internal control policies. The AOSD acts as the City's main coordinator and liaison with auditors and the City's contracted independent Certified Public Accountant (CPA).

  AOSD's primary mission is to oversee the financial activities of the City. The division certifies contracts, pays vendors, approves personnel requisitions and reviews, monitors, controls, and projects department expenditures on a continuous basis to assess overall fiscal condition. The division assists departments to achieve fiscal compliance, accuracy, timeliness and meaningfulness for the resulting financial information. The division is also responsible for producing the City's annual audited financial statements, including the *Comprehensive Annual Financial Report* (CAFR), the *Single Audit Report*, and other reports required by federal, state, and local regulations. Other functions include developing and maintaining City-wide financial systems, system policies, procedures, training, security, and documentation.

- GSA: Office of Contract Administration (http://sfgsa.org/index.aspx?page=359)
  The General Services Agency (GSA) maintains the Office of Contract Administration (OCA).
  Guidelines issued by the OCA specify the rules to follow when City departments are ordering,
  contracting, purchasing, or bidding goods and services; see the OCA website for more
  information: http://sfgsa.org. The OCA supports City departments with the contracting and
  procurement of material, equipment, and services that are essential to providing government
  services. The OCA works with departments to ensure compliance with the City's legal
  requirements, while upholding the highest ethical and professional standards.

- GSA: Contract Monitoring Division (http://sfgsa.org/index.aspx?page=6058)
  GSA's Contract Monitoring Division (CMD) implements and enforces the *Chapter 12B Equal Benefits
  Ordinance*, the *Chapter 14B Local Business Enterprise Ordinance*, and the *Chapter 14C Benefit
  Corporation Discounts Ordinance* adopted by the Mayor and the Board of Supervisors to protect
  the public interest in equality throughout the City & County of San Francisco's government
  contracting process.

- GSA: Office of Risk Management (http://sfgsa.org/index.aspx?page=825)
  The Office of Risk Management provides services to City departments by assisting them in
  managing their risks of injury to people (including employees and the public at large) and City
  property. This program purchases insurance on behalf of, and acts in an advisory capacity to,
  City departments with respect to workers' compensation, public liability, City property, and City
  contracts. Risk Management is also active in bond and insurance matters to facilitate small-
  business contracting with the City.

- GSA: Office of Labor Standards Enforcement (http://sfgsa.org/index.aspx?page=391)
  The Office of Labor Standards Enforcement (OLSE) enforces labor laws adopted by San Francisco
  voters and the San Francisco Board of Supervisors. OLSE ensures that public works contractors
  comply with prevailing wage regulations, enforces the *Minimum Compensation Ordinance* and
  Health Care Accountability Ordinance, and administers the City's *Sweatfree Contracting Ordinance*.
  OLSE also enforces labor laws of general application, including the San Francisco *Minimum Wage
  Ordinance*, *Paid Sick Leave Ordinance*, the *Health Care Security Ordinance*, the *Family Friendly
  Flexible Workplace Ordinance*, and the *Fair Chance Ordinance*.

- OEWD (http://oewd.org)
  The Office of Economic Workforce Development (OEWD) oversees activities and programs
  related to business attraction and retention, workforce development, international business,
  development planning, and neighborhood commercial revitalization.

- Treasurer-Tax Collector's Office (http://sftreasurer.org)
  The Treasurer manages all City funds in order to gain the maximum return with low risk and high
  liquidity, including investing the City's portfolio of pooled funds. The Treasurer works with all City
  departments to ensure that funds are received, deposited, and reconciled as quickly and
  accurately as possible, so as to provide maximum interest and investment returns for the people of
  San Francisco. The Treasurer administers and monitors the deposit accounts and wire transactions

of all City agencies and contracts with banks for financial services. The Treasurer also disburses payments on the City's General Obligation municipal bonds.

▪ City Departments
City departments are responsible for providing efficient and effective services to the public. To do so, they are responsible for adhering to all City rules and regulations, and for documenting their department-level policies and procedures. Department procedures must follow City policies and incorporate internal controls that are appropriate to the department's operations, organizational structure, and risks. Departments must regularly communicate these policies and procedures to all staff who have a role, responsibility, or authority in the process.

Department internal policies and procedures that represent exceptions to City policies and procedures must be documented and then reviewed and approved by the Department Head and Office of the Controller.
Refer to *Section 1.6 Exceptions to This Policy* for information regarding how a City department can request an exception to these policies and procedures.

1.3 | General Principles

The City & County of San Francisco is responsible for safeguarding taxpayers' money and making the best use of its financial resources. It must comply with significant legal restrictions on its use of public funds specified by external resource providers—such as federal and state grantors—and embody the restrictions in the appropriated budget. It is important that City departments ensure and demonstrate compliance with all legal restrictions in using taxpayers' money and financial resources. City departments have a special responsibility to demonstrate:

- *Fiscal accountability*—we can justify that our actions in the current period have complied with public decisions concerning the raising and spending of public money
- *Operational accountability*—we can report on the efficiency and effectiveness of public programs.

These Controller's Office *Accounting Policies & Procedures* have been developed to provide City departments with guidelines on how to conduct their accounting operations in a manner that will achieve fiscal and operational accountability. In addition to these specific guidance contained in this document, City department personnel should exercise common sense and good judgment when conducting their accounting-related activities. Common sense considerations include:

- Is this activity reasonable and necessary?
- Is there an appropriate audit trail?
- Will this activity pass audit review, or public scrutiny?
- Has this accounting transaction complied with basic principles of separation of duties and internal controls?

Any doubt to these, or other, considerations should lead to further discussion or questions with management for clarity. City departments should understand that it is important that they comply with both the letter and the spirit of this document.

1.4 | Governing Laws, Rules, and Regulations

These accounting policies and procedures have been issued under the Controller's authority under the following:

- San Francisco *City Charter*
- San Francisco *Administrative Code*
- San Francisco Ordinances
- US Internal Revenue Services (IRS) Regulations
- California State Franchise Tax Board Regulations
- *California Civil Code*
- Governmental Accounting Standards Board (GASB) "Blue Book" of *Generally Accepted Accounting Principles*
- American Institute of Certified Public Accountants (AICPA) *Audit Guide of State and Local Government Units.*

Refer to each section of these Controller's Office *Accounting Policies & Procedures* for citations of the specific governing laws, rules, and regulations that affect a particular functional area.

1.5 | Revisions and Updates

The Controller's AOSD will be conducting annual updates to these *Policies & Procedures*. Interim notifications to City departments will be issued electronically and posted on the Controller's Office website.

1.6 | Exceptions to this Policy

Department requests for exceptions or addendums to this policy as they relate to a specific department's needs and Charter requirements can be made by contacting the Controller's Office and submitting the following in writing:

- An explanation of the business need or other circumstance(s) necessitating an exception to these Controller's Office *Accounting Policies & Procedures*

- A description of how the department policy and procedure is <u>more restrictive</u> and places <u>greater control</u> on department operations than what is specified in these Controller's Office *Accounting Policies & Procedures*
- An explanation of how the department policy and procedure satisfactorily meets all control objectives specified in these Controller's Office *Accounting Policies & Procedures.*
- The full language of the department policy and procedure that differs from these Controller's Office *Accounting Policies & Procedures*
- The Department Head's signature on the exception request.

The Controller's Office will review and respond to requests for exceptions on a case-by-case basis.

1.7 | Internal Controls

City Department Heads are accountable for the funds and assets entrusted to them. They have to ensure that assets and funds are used effectively and efficiently for stated purposes. To discharge this responsibility, they must establish and maintain an adequate internal control structure and documentation that provides reasonable assurance of fiscal and budgetary accountability.

The City uses the "COSO Internal Control Integrated Framework" as its internal control framework. All departments shall maintain effective internal control systems as an integral part of their management practices. City departments must establish and maintain policies and procedures with department-specific details supplementing the framework described here. All such policies and procedures are subject to Controller's Office review.

Effective internal control should provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized access, use or disposition; transactions are executed in accordance with management's authorizations; financial and statistical records and reports are reliable; applicable laws, regulations and policies are adhered to; and resources are efficiently and effectively managed. Controls help us run our operations efficiently, report information and comply with laws and regulations. Control systems shall be continuously evaluated and weaknesses, when detected, must be promptly corrected. A satisfactory system of internal control shall be built to achieve, but not be limited to, the following:

- Control Objectives
    - Operational Objectives
    - Safeguarding of Assets
    - Reporting Objectives
    - Compliance Objectives
- Control Environment
    - Supportive Attitude
    - Integrity of Competent Personnel

- o   Supervision and Accountability
- o   Providing discipline and structure
- Risk Assessment
  - o   Specifying objectives with clarity
  - o   Identifying risks to achievement of objectives
  - o   Fraud awareness and prevention
- Control Activities
  - o   Authorization, execution, and recording of transactions
  - o   Segregation of duties
- Information and Communication
  - o   Documentation of system
- Monitoring Activities
  - o   Performing ongoing evaluations/monitoring
  - o   Communicating deficiencies in a timely manner for corrective action

Control Objectives

Control objectives in the areas of operations, reporting, and compliance are to be identified or developed for each organizational activity. Objectives are connected to goals and should be measurable.

Safeguarding of Assets

Access to City assets should be limited to authorized personnel who require these assets in the performance of their assigned duties. Access can be defined as both direct physical access and indirect access through the preparation or processing of documents that authorize the use or disposition of resources.

Supportive Attitude

Executives, managers, and employees should maintain a supportive attitude towards internal controls. They should establish standards of conduct and address deviations in a timely manner.

Integrity and Competent Personnel

Key personnel should have high standards of integrity, and be competent through education, training, or experience to accomplish their assigned duties.

Supervision and Accountability

Qualified and continuous supervision shall be provided to assure that approved procedures are followed and are operating as intended. Lines of personal responsibility and accountability should be clear.

Supervision should be competent and continuing so as to ensure the achievement of internal control objectives.

Risk Assessment

Risk assessment involves a dynamic and iterative process for identifying and analyzing risks to achieving the entity's objectives, forming a basis for determining how risks should be managed. Management must consider possible changes in the external environment and within its own business environment that may impede its ability to achieve its objectives.

Segregation of Duties

> **Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. For example, ordering, receiving, approving invoices, and processing payment should not be done by the same staff person. The extent of controls put into any payment process should be designed to mitigate risks such as misappropriation.**

Assuming that the department has complied with the City's rules and regulations for ordering of goods and services, the process for receiving, reviewing, and approving payments must follow good internal controls. This involves certifying that all transactions are valid, legal, and properly authorized. Also required is a segregation of duties for each part of the payment process and that all transactions and supporting documents are accurately and properly recorded on the documents and records.

Departments shall develop a plan of organization that provides segregation of duties appropriate for proper safeguarding of the City's assets. Key duties such as authorizing, approving or recording transactions, issuing or receiving assets, making payments, and reviewing or auditing shall be assigned to separate individuals to minimize the risk or loss. A satisfactory internal control system depends largely on the elimination of opportunities to perpetrate and then conceal errors or irregularities. This, in turn, depends on the assignment of work in such a fashion that no one individual controls all phases of an activity or transaction.

Authorization, Execution, and Recording of Transactions

A system of authorization and record-keeping procedures is needed to provide effective accounting control over assets, liabilities, revenues, and expenditures. Independent evidence shall be maintained to document that authorizations are issued by persons acting within the scope of their authority and that transactions conform to the terms of the authorizations. Documentation shall provide an adequate audit trail. Transactions shall be accurate, timely, properly recorded, and properly classified. Computer system controls should be utilized to safeguard records and preserve data integrity.

A department may have many levels of approval for internal control purposes. It is important to have the signatures documented and a copy submitted to the Controller's Office any time there are changes in approvers.

> **Signature cards for employees authorized by their department to approve financial documents, either hard copy or in FAMIS must be submitted to the Controller's Office. These will be checked in post-audits conducted by the Controller's Office. Contact your department's designated Controller's Fund Accountant for the *Signature Authorization Form*.**

Because only the Department Head has authority and responsibility to approve transactions, the Department Head must sign each signature card delegating approval authority to others. For FAMIS approvers, this is done separately from the FAMIS profile setup. Ensure your department's *Signature Authorization Forms* (Figure 1-1) are on file with the Controller's Office by contacting your designated Fund Accountant. To find your designated Controller's Fund Accountant, go to the Accounting Operations and Grants Contacts link: http://sfController.org/modules/ShowDocument.aspx?documentid=2286

FIGURE 1-1. SIGNATURE AUTHORIZATION FORM

Office of the Controller	Signature Authorization Card

Department Name _____

Section I. Declaration of Department Head

I, _____, am the department head for the above named city department. As such, I am authorized to sign all documents used to conduct city business.

_____ _____
Department Head Signature   *Date*

Section II. Authorize a Designee

I hereby authorize _____ , _____ , _____
           (Print or Type Name)   *(Title)*   *(Job Class)*

Whose signature appears below, to sign and/or approve for my department/division: _____

☐ Employees Travel & Training Reimbursement Requests	☐ Invoices
☐ Purchase Orders	☐ Certify Copy Invoices As Originals
☐ Journal Entries	☐ Retrieve Checks
☐ Revolving Fund Reimbursements	☐ Other Documents: (please explain in the space below)

_____ _____
Signature Of Designee   *Date*

Section III. Cancel a Signature Authority

_____ _____ _____
Effective Date of Cancellation   *Department Head Signature*   *Date*

Controller
Use Only: _____ _____
              Approved By   *Date*

Please use this form for authorizing a designee to sign documents or retrieve checks from the Controller's Office on their behalf. This signature authority will be used to verify proper authorization during our Post Audit process.

Section I – Declaration of Department Head
- This section is to be signed by the department head. Only the department head has the authority to delegate signature authority for departmental activities.
- This section is also used by the Controller to have the department head's signature on file.

Section II – Authorize a Designee
- The name, title, and job code of the person authorized to sign documents on behalf of the department head.
- Leaving the department/division field blank will authorize for all department's documents. Only complete the department/division if you wish to limit the authority for the person.
- Checking the box in each category gives the designee the authorization to sign those particular documents or to retrieve checks from the Controller's Disbursement Unit.
- Only check which categories of documents the person is authorized to sign.
- Please include initials if the authorized designee uses their initials to sign documents.

Section III – Cancel a Signature Authority
- Date of the cancellation or revocation of signature authority. This must be signed by the department head and cannot be delegated.

Documentation of System

All departments should have an established system of policies and procedures to be followed in the performance of duties and functions. Such a system shall include, but not be limited to, documentation of internal controls, accountability for resources and recording of financial transactions, and such documentation shall be communicated and made available to all employees and auditors.

> **Departments must have a documented system of internal controls to meet the guidelines identified in this section.**

Monitoring Controls

An effective system of internal review by both the department and the Controller's Office should be established and documented. Managers should periodically monitor that internal control procedures are complied with and documented. The results of the periodic monitoring findings should be communicated to staff so that any deviations from policy may be corrected. Communication of results of periodic monitoring should be documented.

Reasonable Assurance

Internal control systems shall provide reasonable, but not absolute, assurance that the internal control objectives will be achieved. This standard recognizes that the cost of internal controls should not exceed the benefits derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives.

1.7.1 | Internal Control Questionnaire

Each year, departments are asked to complete an internal control questionnaire (ICQ). The ICQ must be signed by the department Chief Fiscal Officer (CFO). The ICQ is part of the Controller's internal control monitoring activities, and is used to design the post-audit procedures for each year.

TABLE 1-1. INTERNAL CONTROL QUESTIONNAIRE TEMPLATE

Department/Division:		Date:	
Prepared by:	Title:		Phone No.:
Reviewed and confirmed by:	Title:		Phone No.:
Controller's review by:	Title:		Phone No.:

Please provide detailed responses to the following internal control questions. If the relevant specific controls are described in your department's policies & procedures, please cite the section and page number. Cells that are greyed out are not "yes or no" questions, please include your answer in the "Explanation" column. Please note that department review and confirmation by the CFO are required above.

			Yes	No	Explanation
	ADMINISTRATION AND GENERAL				
1	Department accounting procedures:		███	███	
	a. How are they communicated to employees, and how often?		███	███	
	b. How are they periodically compared to actual practices in the department?				
	c. The procedure categories marked with "Yes" are on file with the Controller's Office. If you have procedures for the categories that are marked "No" please forward them to us, otherwise please provide an estimated date of completion in the "Explanation" column. (Some categories may be N/A)				
	1. Cash Handling				
	2. Revenue				
	3. Purchasing & Payables				
	4. Payroll				
	5. Grants				
	6. Journal Entries				
	7. Budget Entries				
	8. Debt				
	9. Fixed Assets				
	10. Inventory				
	11. Trustee accounts				
	12. Claims				
2	Are valuable and sensitive documents and accounting records physically safeguarded in areas with limited access?				
	a. Who has access? Is backup considered? Please provide names and titles.		███	███	
	b. How often are the combination/keys changed?		███	███	
	c. Where in the department's procedures is this documented?		███	███	
3	Has the fiscal leadership or key fiscal personnel in your department changed in the past 12 months? If so, please describe. **Please provide your most updated fiscal organizational chart.**				
4	Do you have a record retention policy in place that satisfies legal and program requirements? If yes, please provide the latest copy.				
5	How does the department ensure that only appropriate staff have access to electronic information and software/systems?				
6	How does your department track changes in relevant legal and program requirements? Do managers periodically monitor compliance with requirements?				
7	How does the department ensure that only appropriate staff are permitted to authorize all types of transactions: payroll, cash receipts, accounts payable, *etc.*?				
8	Have you received any audit findings from any auditor or government agency in the past 12 months? If so, describe.				

			Yes	No	Explanation
9	Is your department responsible for a source of funds not part of the City budget or financial statements (such as a facilities district or financing district)? If so, explain.				
			Yes	**No**	**Explanation**
I	**CASH HANDLING**				
10	Does the department collect any cash? Cash includes coins, currency, checks and money orders.				
11	Provide names and titles of ALL persons performing the following duties:				
	- Collecting cash				
	- Recording cash receipts				
	- Revolving fund custodian(s)				
	- Revolving fund reconciliation(s)				
	- Banking and account maintenance				
	- Transmitting collections from satellite offices to the department's main accounting office? Please note the frequency of such transactions or N/A.				
12	a. List all City Treasury or other bank accounts that the department deposits to and their frequency (daily, weekly, monthly)?				
	b. Are cash collections verified daily by someone other than the cashiers? Please provide the names and titles.				
	c. Give names and titles of those who account for cash overages and shortages.				
	d. How are cash collections documented (cash register tapes, pre-numbered receipt forms)? Are pertinent information (date, payer, means of payments, teller's ID, account distribution, *etc.*) recorded?				
13	Controller's Office guidelines require that checks are endorsed immediately upon receipt and are deposited by the next business day. Do you have any cash collection points where deposits are not made daily? If so, please provide reason in the Explanation section or provide the pertinent procedures.				
14	Are unidentified receipts regularly monitored to ensure that they are reclassed into the proper revenue or general ledger accounts within 15 business days?				
15	Does your department deposit any cash collections as an abatement of expenditures instead of revenue? If so, please provide explanation and examples.				
16	Does your department prohibit cashing of checks against cash collections? If not, please explain.				
17	Where and how are undeposited collections physically safeguarded? Provide names and titles of persons responsible.				
18	Provide list of all revolving fund / imprest cash / change fund accounts, along with last reconciliation as of 12/31/2014 for all accounts. Please include the location of the revolving fund, amount, and custodian of the fund.				
II	**REVENUE**		**Yes**	**No**	**Explanation**
19	Who in your department is responsible for monitoring revenue?				
20	Do you have any new funding sources or sources of revenue this year?				
III	**PURCHASING AND PAYABLES**		**Yes**	**No**	**Explanation**
21	In the procedures provided to the Controller's Office please provide the page numbers where the following explanations for non-professional services procurement can be found:				
	a. Bid procedures and the thresholds your department follows for procurement of commodities, general services, and professional services.				
	b. Receipt of goods or services (*e.g.* how packing slip, delivery receipt are verified)?				
	c. Processing vendor invoices including ensuring only original invoices are submitted for payment.				

22	In the procedures provided to the Controller's Office please provide the page numbers where the following explanations for professional services procurement can be found:			
	a. Civil Service Commission approval			
	b. Request for Proposal process to select the vendor			
	c. Determining if contractor meet the IRS definition of a non-employee			
	d. Ensuring the department does not buy equipment or supplies under professional service contracts.			
23	Provide names and titles of people who perform the following duties:			
	a. Approving goods or services for order, and their approval limits if applicable.			
	b. Approving purchases and invoices for payment (should have signature card on file with Controller).			
	c. Signing for goods received.			
24	Provide names and title of people authorized to do Prop Q purchases, and dates they last attended Prop Q classes.			
25	Before committing unencumbered funds, how does staff verify that they are sufficient to meet the proposed expenditures?			
26	Does your department purchase from out of state vendors? If so, please provide procedures for accruing sales tax.			
27	a. Who is the department's equal benefits liaison with the Contracts Management Division (12B Compliance)?			
	b. Does this liaison have written procedures to follow?			
28	a. Does your department have a policy or program on the use of DBE vendors?			
	b. If yes, is there any documentation of this policy or program?			
29	Has your department had an emergency that necessitated the purchase of a commodity or service in the last year? If yes, describe the procedure used to make the emergency purchase and please provide any declarations.			
30	For all professional services:			
	a. Does your department get Civil Service Commission approval?			
	b. Does your department conduct a Request for Proposal process to select the vendor?			
	c. Does the department use a contract purchase order?			
	d. Does the contractor meet the IRS definition of a non-employee?			
	e. Does your department follow the checklist provided by OCA – Purchasing?			
31	Does the department have approval from the Controller's Office on procedures for accepting electronic invoices (fax, e-mail) from vendors? If so, please provide a list of vendors and personnel authorized to accept them for processing.			

IV	PAYROLL	Yes	No	Explanation
32	Please attach any updated electronic version of the department's payroll processing policies/procedures since the last audit. If a control procedure already for exists in these policies, please reference it by giving section and page number. If no written policy exists, please attach a written description of how the department accomplishes the control objective asked about.			
33	Does the department ensure that field employees, whose time is not closely supervised, are actively engaged in assigned duties? If so, how is this accomplished?			
34	Are salary and benefits costs by appropriate funding source and sub-object for each pay period reconciled between the department's systems that record actual hours by pay period, and total expenditures by funding source and sub-object in FAMIS?			
35	For terminating employees, are final payment calculations reviewed and approved by the CFO or his/her designee?			
36	If employees are not directly supervised by the person who authorizes timesheets, are there procedures in place for verifying time worked and leave taken during each pay period?			
37	If employee pay is charged to more than one funding source, how does the department ensure that actual wages and benefits are charged to funding agencies based on actual time spent on the funding objective?			

38	Are Acting Assignments, Suspension of Z, Exemplary Pay, and Extended Range reviewed and approved by finance before approval by HR? Are the spending impacts of these approvals included in the department's spending projection?				

V	GRANTS		Yes	No	Explanation
39	Does your department receive government or private grant funds?				
40	a. Does the department follow grants-related guidance issued by one or more funding agencies?				
	b. Please provide list of these funding agencies and internet links to any such guidance.				
41	a. Does the department have written instructions for how to set up grants in FAMIS?				
	b. Please provide documentation for any rules governing the pattern of grant details, including required relationships to projects or other codes. If in accounting procedures, please indicate where.				
42	a. Is authorization to perform grant accounting in FAMIS restricted to designated staff?				
	b. Please provide names and job class for authorized staff.				
	c. Do grants accounting staff receive specialized training?				
	d. Please provide documentation of any grants training.				
43	a. Are all grant funded positions included in the ASO or supported by accept and expend authority?				
	b. If so, please provide a list of grant funded positions for the post audit period.				
44	Are all grants received set up as grants in FAMIS? If not, please provide the grant information.				
45	a. Do any of the department's grants require funding agency approval for budget modifications? If so, which ones?				
	b. Please provide copies of Board notifications for any grant budgets that had line item increases over 15% during 2014.				
46	Do you include indirect costs in all of your grant budgets? If not, please explain why, and indicate whether an appropriate waiver was included in the Accept and Expend resolution/ordinances, if used.				
47	a. What is the departments' indirect cost rate for grants?				
	b. How is the indirect cost rate determined? Please provide supporting documentation.				
	c. Are indirect costs recovered from grants on a timely basis?				
48	Do any of your grants require matching funds? If so, how do you reflect them in FAMIS?				
49	For recovering grant funds expended:				
	a. Are reimbursement requests submitted according to a schedule?				
	b. Does the department ensure they receive the funds requested?				
	c. Does the billing cycle match the grantor's requirements?				
50	a. Are grantor's budgetary spending controls reflected in FAMIS?				
	b. What controls are in place to ensure expenditures are in compliance with grantor's provisions?				
51	Does the department retain documentation of all staff time worked on grants?				
	If time not recorded on functional time sheets, how are allocated hours and benefits documented?				
52	Have you received any communication from a funding agency that reports the results of a desk audit, site visit, fiscal or program monitoring, or grant/program audit? If so, please provide copies.				
53	Has the department taken all corrective actions agreed to for any and all audits by funders, external auditors, and the Controller's post audit from the past two years? Please document.				
54	Has the department refunded any revenue to grantors? If so, why?				
55	a. Does the department pay grant funds to sub-recipients?				
	b. If so, are sub-recipients monitored? Please provide documentation of monitoring activities.				

56	a. Are periodic and final grant reports reviewed by a supervisor prior to submission?			
	b. If so, how is review documented?			
57	a. Are grants reconciled by the department at least quarterly?			
	b. Was the most recent quarter's grant reconciliation sent to the Controller's Office?			
58	Does the department ensure that grant funded purchases are made in compliance with grantors' requirements? Please describe how.			
59	Has the dept. received any gifts or bequests in the calendar year? If so, were they reported to the Board of Supervisors? If so, please provide a copy of the letter to the Board.			

VI	JOURNAL ENTRIES (including all adjusting doc types BA, JE, PJ, RE, RA, RT).	Yes	No	Explanation
60	List the employees who initiate, review, and approve Journal Entries?			
61	What are the usual reasons Journal Entries are initiated? Correction of errors, routine transactions that require journal entries, or closing?			
62	What are the key transaction cycles or reconciliations used to initiate or generate journal entries?			

VII	BUDGET	Yes	No	Explanation
63	Who are the employees responsible for:			
	Developing your AAO budget?			
	Obtaining supplemental appropriations?			
	Initiating and reviewing Budget changes or reallocations?			
	Determining what budget authority will be used in requesting a change, and that the proposed change is within the scope of that authority?			
64	How do you determine a budget entry is needed? (example: quarterly projections, unable to process a transaction)			
65	Does your department internally monitor budget-to-actual performance in any way? Please explain.			
66	What are the key transaction cycles or reconciliations used to initiate or generate journal entries?			
67	Are there budget authorities that you cite specific to your department? Please cite AAO, Code, or Charter section.			

VIII	DEBT	Yes	No	Explanation
68	Is your department directly responsible for paying debt or bondholders? (most likely through a trustee or financial institution)			
69	If yes, who are the key employees responsible for debt accounting?			
70	Are there any other significant debt-like or debt-related transactions in your department (*e.g.* capital leases or indirect payments of debt through another department)?			

IX	FIXED ASSETS	Yes	No	Explanation
71	Who are the key employees responsible for fixed asset accounting and/or capitalization of assets?			
72	Is your department a FAACS department? Online or offline?			

X	INVENTORY	Yes	No	Explanation
73	Who are the key employees responsible for inventory accounting?			
74	Do you perform regular physical inventory counts?			

XI	TRUSTEE ACCOUNTS	Yes	No	Explanation
75	Does your department have custody over or expend funds which are not on deposit with the Treasury (other than petty cash or revolving funds)?			
76	If you have trustee accounts, do you have trustee accounts for the repayment of debt and required by bond agreements?			
77	If you have trustee accounts, do you have accounts to be used for expenditures other than debt payment (*e.g.*, project expenditures)?			
78	If yes, what are the funding sources for these accounts? What agreements require the funds to be held outside the treasury?			

XII	CLAIMS	Yes	No	Explanation
79	Does your department make claims?			
80	Who are the key employees responsible for initiating and approving claims?			

2 | BUDGETING & APPROPRIATIONS

2.1 | Overview

This section provides an overview of the City's budgeting and appropriations process, and its practical implications for accounting and financial reporting.

2.2 | Budgeting*

In the City & County of San Francisco, the Board of Supervisors and then the Mayor are responsible for approving the budget, which dictates spending by City government. Through the budget, the Board of Supervisors decides the City's spending priorities for the next fiscal year by setting aside money for programs, projects, or services. The Mayor's Office and City departments are then responsible for administering programs within the specific funding decisions contained in the budget. San Francisco *Administrative Code, Chapter 3: Budget Procedures* sets forth the parameters for the budgeting process.

Two components to the City & County's budget are controlled differently:

- *Operating budget*—adopted annually, the operating budget is a detailed estimate of how much the City needs to spend in its fiscal year to meet its ongoing financial obligations and provide programs and services. It establishes a spending cap that management may not exceed without special authorization.
- *Capital budget*—because capital construction normally takes place over more than one fiscal period, capital budgets are generally adopted on a project-length basis. The capital budget is money set aside for buying or building fixed assets such as buildings, equipment, vehicles, water and sewer facilities, and land. Refer to San Francisco *Administrative Code, Chapter 3, Section 3.20—Capital Expenditure Plan* for more information.

2.3 | Appropriations*

The *Budget and Appropriation Ordinance* (Budget Ordinance) document is the final City & County budget as approved by the Board of Supervisors. It reflects the City's budget at the beginning of the fiscal year on July 1. The Budget Ordinance is recorded in the general ledger through the use of budgetary accounts in order to facilitate control over revenues and expenditures during the year.

2.3.1 | Automatic Appropriations

2.3.2 | Supplemental Appropriations

2.3.3 | "De-Appropriation" of Capital Projects-

2.4 | Cost Allocation*

2.5 | Surplus Transfers

This section addresses the policy and procedures of allowable expenditure budget transfers as established and approved by the voters and/or the legislative body of the City & County of San Francisco. These guidelines are issued according to the applicable provisions of the San Francisco *Administrative Code* and *Budget and Appropriation Ordinance* (Budget Ordinance).

The governing provision for surplus transfer is *Administrative Code*, Section 3.18 which states:

The Controller, upon request of the Mayor, other officials, boards, or commissions of the City & County, may transfer any unused balance or portion thereof from previously appropriated funds to augment existing appropriations as long as the transfer is within the same fund and governmental unit. The Controller shall notify the Mayor and the Board of Supervisors of any transfer of funds made pursuant to this section which exceeds ten percent (10%) of the original appropriation to which the transfer is made. No such transfer of funds shall be made to an appropriation which was previously reduced by action of either the Mayor or Board of supervisors in their review of the budget for the current or prior fiscal year.

2.5.1 | Controller's Office Surplus Transfer Guidelines

City departments may need to request expenditure budget transfers under certain circumstances. It may be necessary to transfer funds from one activity or project to another to reflect realignment of priorities, duties, or reorganization. Transfers among major objects of expenditure within a department also may be needed to adjust budget estimates to meet actual operating realities. The guidelines on surplus transfer include:

☐ Cumulative transfer requests to the Controller's Office should not exceed ten percent (10%) of the original appropriation. Requests exceeding the threshold must be properly justified and approved by the Controller.

The 10% threshold applies to the sub-fund/project/character (depending on the Budget Ordinance appropriation control level) <u>to</u> which that appropriation is being transferred. For annual funds, the 10% calculation is based on the current fiscal year original appropriation and any Board-approved supplemental appropriation within budgetary control level. For continuing funds such as capital projects, the 10% calculation is based on the total multi-year original appropriation and any Board-approved supplemental appropriation amounts (*i.e.*, the total of original and supplemental appropriation for each fiscal year from year 1 through the current fiscal year). For projects funded by multiple funding sources, the 10% threshold is based on the total Board-approved appropriation of all funding sources. If multiple transfers were made during the year, <u>the individual transfer as well as the cumulative transfer must not exceed the 10% threshold</u>.

☐ Transfers must not be made to an appropriation reduced by action of either the Mayor or Board of Supervisors. If the Mayor or Board reduction was made to a specific sub-object, appropriations cannot be transferred to other sub-objects within the character. This, however, does not apply to reductions to work order sub-objects (081XX). Refer to *Section 2.5.6 Surplus Transfers FAQs* for more information.

Exceptions to this guideline must be approved by the authority that reduced the appropriation, *i.e.*, Mayor's Budget Office or Board of Supervisors.

☐ During the period of the interim appropriation ordinance and interim salary ordinance, no transfers shall be permitted without approval of the Controller, the Mayor's Office, and the Board of Supervisors.

☐ Appropriations carried forward from prior year(s) cannot be used for surplus transfer. Carryforward appropriations are not surplus and must be used for the purpose originally budgeted and approved for carryforward.

☐ The following types of surplus transfer require additional approval from the Mayor's Office and notification to the Board of Supervisors:

- Transfers involving salaries
- Transfers involving new equipment budget. Upon approval of the surplus transfer request, departments may obtain equipment number(s) from the Controller's Office Budget & Analysis Division (BAD).

☐ Equipment can only be purchased using appropriations specifically for equipment. Transfers of non-equipment budget for equipment purchases must be approved by the Mayor's Office and the Controller. Note that such transfers can only be from non-salary appropriations.

☐ As dictated by *Administrative Code*, Section 3.18, transfers should be within the same fund and governmental unit. Transfers such as between annual and continuing funds are not allowed and exception requests must be approved by the Mayor's Office.

☐ Transfers from professional services contract to salaries require additional approval from the Human Resources Director, the Mayor's Office, and the Controller's Office Budget and Analysis Division.

☐ Transferring department budgets for services of other City departments to other spending categories requires approval from the requesting or performing department.

2.5.2 | How Departments Request Surplus Transfer

The City department that is seeking to complete a surplus transfer will complete the following steps:

☐ Analyze unanticipated needs, plan funding, and consolidate requests whenever possible.

☐ Verify that the adjustment is a surplus transfer and not a reclassification/realignment. Transfers of expenditure appropriation among items specified in the appropriation ordinance are considered surplus transfers. For example, movement of funds between characters in operating accounts and between projects is a surplus transfer. Transfers between sub-objects within the same object and/or character of an operating fund are reclassifications or realignments. For example, expenditure overruns in data processing supplies offset by a surplus balance in other office supplies is allowed, as the two sub-objects fall under the same character of expenditure. Refer to Table 2-1 for more information.

TABLE 2-1. WHEN TO USE DOCUMENT TYPE "SU" FOR TRANSFERS/REALLOCATION OF FUNDS

SURPLUS BUDGET TRANFERS (Document Type SU)	RECLASSIFICATION / REALIGNMENT (Document Type JE or BA, or others)
Transfers <u>between</u> **Budget and Appropriation Ordinance** level (character / project) within the same fund and governmental unit	Transfers between sub-objects and index codes in operating funds <u>within</u> the same Budget and Appropriation Ordinance level; transfers between characters within a project (BA or JE)
Budget allocations between projects within same fiscal entity (sub-fund)	Work order budget set-up (BW document and prefix)
Transfer of appropriated professional service contracts to salaries per Section 10.2 Administrative Provisions of the Budget Ordinance	Contingency set-up (JE)
	Grant budget reallocations (GE)
	Release of reserves (BA)
	Direct charge between departments within the same fiscal entity (sub-fund) and project (JE)
	Budget realignment of technical changes between characters (BA)
	System appropriation carry-forward reallocations or reallocations from unallocated master projects to sub-projects (JE)
	Reallocations from UNA or General City departments (BA)
	Transfers between different fiscal entities (CAFR reporting levels) are done through transfer in and out process using document types RA and RT
	Transfers from non-equipment to equipment budget within the same budget ordinance control level such as project (BA). Note: - The transfer must be from non-salary appropriations - The transfer must be approved by the Mayor's Office - Upon approval of the BA, departments

SURPLUS BUDGET TRANFERS (Document Type SU)	RECLASSIFICATION / REALIGNMENT (Document Type JE or BA, or others)
	may obtain equipment number from BAD.

☐ Complete the *Surplus Expenditure Budget Transfer Request* online at https://conforms.sfgov.org/. A screenshot of the online form is shown below in Figure 2-1. Follow the guidelines in Table 2-2 closely when completing the request. State the reason it was not in the original budget and verify that the funds are truly a surplus. Attach supporting documents and/or provide additional explanation as needed.

FIGURE 2-1. SURPLUS EXPENDITURE BUDGET TRANSFER REQUEST

New Transfer Request

General Information:

Requested Date: [2016-01-22]   Department Code [- Please select Department - ▾]

Transfer From:

Sub Fund	Project	Index Code	Sub Object	Amount	Add Line
[ ]	[ ]	[ ]	[ ]	[ ]	Remove

Transfer To:

Sub Fund	Project	Index Code	Sub Object	Amount	Add Line
[ ]	[ ]	[ ]	[ ]	[ ]	Remove

Reason Transfer Needed: [Format ▾ | B I U | ≡ ≡ ≡ | ☰ ☰ ☰ | ∞ 🖼 | ▦]
[   ]

Reason Surplus Funds Available: [Format ▾ | B I U | ≡ ≡ ≡ | ☰ ☰ ☰ | ∞ 🖼 | ▦]
[   ]

Certification: [Format ▾ | B I U | ≡ ≡ ≡ | ☰ ☰ ☰ | ∞ 🖼 | ▦]
[Insert Certification]
[   ]

Action [Save ▾]

Comment [   ]

[Confirm Action]

TABLE 2-2. GUIDELINES TO COMPLETE THE *SURPLUS TRANSFER REQUEST FORM*

DATA	INPUT REQUIREMENT
Date	Date of Request
Department	Initiating Department; select from the dropdown list
Transfer From Sub-fund	Enter Fund Type/Fund/Sub-fund; e.g., 1GAGFAAA from which funds are being transferred.
Transfer From Project	If project-related surplus transfer, enter Budget Ordinance level project code within the same fund and governmental unit from which funds are being transferred.
Transfer From Index Code	Enter index code that points to the Budget Ordinance level cost center from which funds are being transferred.
Transfer From Sub-object	Enter a specific sub-object under the character from which funds are being transferred out.
Transfer From Amount	Enter amount being transferred from the source account.
Transfer To Sub-fund	Enter Fund Type/Fund/Sub-fund; e.g., 1GAGFAAA to which funds are being transferred.
Transfer To Project	If project-related surplus transfer, enter Budget Ordinance level project code within the same fund and governmental unit to which funds are being transferred.
Transfer To Index Code	Enter index code that points to the Budget Ordinance level cost center to which funds are being transferred.
Transfer To Sub-object	Enter a specific sub-object under the character to which funds are being transferred in.
Transfer To Amount	Enter amount being transferred to the receiving account.
Reason Transfer Needed	Detailed and specific justification of need is required to support the transfer request. Description such as "transfer from non-personal services to materials and supplies" is neither detailed nor descriptive. Justification should also address the reason why it is not included in the budget submission, or why it cannot wait until the next budget year.

DATA	INPUT REQUIREMENT
Reason Surplus Funds Available	For example, "funds initially budgeted in XXX for the purpose of xxx, due to xxx, as a result, xxx." Demonstrate how the "surplus" is achieved or that the "unused balance" is truly a surplus that will last until fiscal year-end. Identify the original need and its funding amount and explain why the need no longer exists.
Certification	(1) Certify that the transfer is in accordance with the provisions of *Section 3.18* of the *Administrative Code*. (2) Give details to show that the transfer amount is within the 10% threshold of the original appropriation to which the transfer is made. (3) If multiple transfers were made at different times of the year, make an additional certification that the cumulative transfers do not exceed the 10% threshold of the original appropriation. (4) Certify that presently no supplemental appropriation is anticipated in these sub-objects. (5) Demonstrate or certify that the "new" need is not for an appropriation reduced by action of either the Mayor or Board of Supervisors in the current or prior fiscal year. If the department is inaccurate in any of the above certifications, the surplus transfer request will be rejected. Using the online form, departments can choose to insert the Certification Template.

☐ Submit the completed online request for approvals.

The required authorization includes approvals from the Department Head/CFO or designee, Controller's Office AOSD Fund Accountants, and AOSD Director. Controller, Mayor's Budget Office and Board of Supervisor approval may also be required if the transfer involves the situations and/or exceptions described in *Section 2.5.1 Controller's Office Surplus Transfer Guidelines*.

Approvers can approve, reject, or disapprove the online request. If rejected, the request will be sent back to the initiator for revision. If disapproved, the request is denied.

☐ If and when the surplus transfer request is completely approved, the department submits a surplus transfer journal entry in the financial system. For step-by-step illustrations on how the surplus transfer entries are completed, refer to *Section 16 - How-To & Screenshots*.

2.5.3 | Controller's Office Review of Surplus Transfers

Upon receipt of *Surplus Transfer Request Form* (Figure 2-1), the Controller will complete the following review steps.

☐ Verify Department head or authorized signatory signature against signature card on file with the Controller's Office

☐ Verify Mayor's approval for requests related to:
Labor
New Equipment budget
Exceptions such as transfer between annual and continuing fund sources, e.g., between AAA and ACP

☐ Verify completeness of information and reasonableness of justification

☐ Verify funding availability and appropriateness (e.g., budget carried forward from the previous fiscal year cannot be the funding source of a surplus transfer)

☐ Verify department certification on transfer is within the 10% threshold

☐ Verify department certifications on transfer is not adding back to appropriation previously reduced by Board or Mayor

☐ Verify the accurate use of the accounting codes, e.g., index codes, sub-objects

☐ Return to department if request is being rejected or requires substantial changes

☐ If approved, notify the department to submit the FAMIS entry

☐ Review FAMIS entry for accuracy of data based on approved surplus transfer request. The data elements (index code, sub-object, project code) must match the data on the surplus transfer request in both transfer to and transfer from lines. Approve or reject based on review

2.5.4 | Reporting of Surplus Transfers

At fiscal year-end, the Controller shall notify the Mayor and the Board of Supervisors of any transfer of funds made pursuant to *Section 3.18* of the San Francisco *Administrative Code* which exceeds 10% of the original appropriation to which the transfer is made. If multiple transfers were made at different times of the year, the individual transfer as well as the cumulative transfers exceeding the 10% threshold will be reported.

The Controller's Office also recommends departments to track surplus transfer requests using the tracking sheet as shown in Figure 2-2.

FIGURE 2-2. CONTROLLER'S SURPLUS TRANSFER TRACKING SHEET

SUMMARY OF SURPLUS TRANSFER REQUESTS							
DEPARTMENT:	XXXXXX XXXXXXX						
FISCAL YEAR:	XXXX-XXXX						
SUBFUND:							
PROJECT:							
TRANSFER FROM:							
OBJECT:	INDEX CODE	ORIGINAL BUDGET	TRANSFER AMT	PRIOR TRANSFER(S)	YTD TOTAL	YTD %	Doc. No.
001							
021							
040							
060							
081							
TOTALS							
TRANSFER TO:							
OBJECT:	INDEX CODE	ORIGINAL BUDGET	TRANSFER AMT		YTD TOTAL	YTD %	
001							
021							
040							
060							
081							
TOTALS							

2.5.5 | Related Administrative Provisions of the Budget Ordinance

The following are important considerations specified in the Budget Ordinance.

Section 4 – Administrative Provisions of the Budget Ordinance (Interim Budget Provisions)

No new position may be filled in the interim period with the exception of those positions which in the discretion of the Controller are critical for the operation of existing programs or for projects previously approved by the Board of Supervisors or are required for emergency operations or where such positions would result in a net increase in revenues or where such positions are required to comply with law. New positions shall be defined as those positions that are enumerated in the Mayor's budget for the current fiscal year but were not enumerated in the appropriation and salary ordinances for the prior fiscal year, as amended, through June 30 of the prior fiscal year. In the event the Mayor has approved the reclassification of a position in the department's budget for the current fiscal year, the Controller shall process a temporary or "TX" requisition at the request of the department and subject to approval of the

Human Resources Director. Such action will allow for the continued employment of the incumbent in his or her former position pending action by the Board of Supervisors on the proposed reclassifications. If the Budget Committee of the Board of Supervisors recommends a budget that reinstates positions that were deleted in the Mayor's Budget, the Controller and the Director of Human Resources shall have the authority to continue to employ and pay the salaries of the reinstated positions until final passage of the budget by the Board of Supervisors, and approval of the budget by the Mayor.

Section 7.2 – Administrative Provisions of the Budget Ordinance (Equipment Defined)

Funds for the purchase of items of equipment having a significant value of over $5,000 and a useful life of three years and over shall only be purchased from appropriations specifically provided for equipment or lease-purchased equipment, including equipment from capital projects. Departments may purchase additional or replacement equipment from previous equipment or lease-purchase appropriations, or from citywide equipment and other non-salary appropriations, with approval of the Mayor's Office and the Controller.

Section 9 – Administrative Provisions of the Budget Ordinance (Interdepartmental Services)

The Controller is hereby authorized and directed to prescribe the method to be used in making payments for interdepartmental services in accordance with the provisions of Section 3.105 of the *Charter*, and to provide for the establishment of interdepartmental reserves which may be required to pay for future obligations which result from current performances. Whenever in the judgment of the Controller, the amounts which have been set aside for such purposes are no longer required or are in excess of the amount which is then currently estimated to be required, the Controller shall transfer the amount no longer required to the fund balance of the particular fund of which the reserve is a part. Provided further that no expenditure shall be made for personnel services, rent, equipment and capital outlay purposes from any interdepartmental reserve or work order fund without specific appropriation by the Board of Supervisors. The amount detailed in departmental budgets for services of other City departments cannot be transferred to other spending categories without prior agreement from both the requesting and performing departments. The Controller, pursuant to the provisions of *Charter* Section 3.105, shall review and may adjust charges or fees for services that may be authorized by the Board of Supervisors for the administration of the Computer Store. Such fees are hereby appropriated for that purpose.

Section 10.1 – Administrative Provisions of the Budget Ordinance (Position, Funds, and Transfers for Specific Purposes)

(j) For purposes of defining terms in *Administrative Code*, Section 3.18, the Controller is authorized to process transfers where such transfers are required to administer the budget through the following certification process: In cases where a character of expenditure or project expenditure is reduced during the Board of Supervisors phase of the budget process, the Chair of the Budget Committee may certify that such a reduction does not reflect a deliberate policy reduction adopted by the Board. The Mayor's Budget Director may similarly provide such a certification regarding reductions during the Mayor's phase of the budget process.

Section 10.2 – Administrative Provisions of the Budget Ordinance (Professional Services Contracts)

Funds appropriated for professional service contracts may be transferred to the account for salaries on the recommendation of the Department Head for the specific purpose of using City personnel in lieu of private contractors with the approval of the Human Resources Director and the Mayor and the certification by the Controller that such transfer of funds would not increase the cost of government.

2.5.6 | Surplus Transfers Frequently Asked Questions (FAQs)

Q: What is meant by "for an appropriation reduced by action of either the Mayor or Board of Supervisors in the current or prior fiscal year"?

A: The term "reduced" refers to reduction of submitted budget amount from the department by: (1) reduction during the Mayor's phase review or, (2) reduction in the Finance Committee review or, (3) reduction during the Board of Supervisors phase review. This does not apply to changes made only during the "technical phase" of the budget process.

Q: If the Mayor's or Board of Supervisor's reduction was made to a specific work order sub-object 081XX, can transfers be made to other sub-objects in Character 081 (*i.e.,* work order budget for other performing departments)?

A: Yes. The budget control for work orders is at sub-object level both in the Budget Ordinance and in FAMIS.

Q: Can a department transfer funds between a 2S fund type and a 1G fund Type?

A: No. Only transfers between Budget Ordinance level (*i.e.,* character/project) within the same fund and governmental unit, *e.g.,* 1GAGF to 1GAGF, 2SXXX to 2SXXX, *etc.*

Q: How is the 10% threshold calculated?

A: The 10% threshold is based on the total cumulative budget enacted by the Board and the Mayor through the Budget Ordinance and supplemental appropriations. It is calculated on the amount in the funding source that is being transferred to.

Q: Can transfers exceeding the 10% threshold be submitted for approval?

A: Yes, although such requests need stronger justification and will be reviewed and approved directly by the Controller.

Q: Can I use appropriations carried forward from prior year(s) for surplus transfer requests?

A: No. Appropriations carried forward from prior year(s) are not surplus and need to be used for the purpose originally budgeted and approved for carryforward.

Q: We have a fixed two-year budget. Do transfers within the budget process count towards the 10% threshold of transfers?

A: Yes, these are surplus transfers that are counted toward the threshold for each fiscal year.

Q: What specific documents can be used to support the transfer amount needed?

A: Some examples of detailed justification would include quotes, estimates on planned procurement or draft MOU.

Q: Can add-backs and district allocations by the Board of Supervisors be transferred to other funding sources?

A: Add-backs and district allocations must be used for the purposes that the Board specified and, therefore, should stay in the funding source originally approved by the Board. Budget can only be transferred when the scope is the same, *e.g.*, a transfer from Character 038 to Character 081 is allowed as long as the work order performing department is using the budget for the same purposes.

Q: What are the common reasons for surplus transfer requests being declined?

A: Reasons include:

- Partial or inaccurate certification on the transfer request form
- Insufficient or lack of details on the reason for the transfer
- Insufficient justification that surplus funds are available for the transfer
- Transfers of carried-forward funds

- Funds requested to be transferred not sufficient or on reserve
- Transfers may cause inaccurate accounting, e.g., work authorization vs. work order for capital related funds.

2.6 | Reserves*

2.6.1 | Release of Reserves

2.7 | Budget Corrections*

2.7.1 | Budget Correction vs. Surplus Transfer

2.8 | Midyear Actions*

2.8.1 | Budget Cuts

2.9 | Reporting*

2.9.1 | Calculation of Fund Balance

2.9.2 | Negative Fund Balance

3 | CONTRACTS & ENCUMBRANCES

3.1 | Overview

This section provides the Office of Contract Administration's contracting guidelines pursuant to San Francisco *Administrative Code*, Chapter 6 and *Chapter 21,* and sets out guidelines for the encumbrance process. Contracting rules and regulations are an important part of having an accountable, transparent, and ethical government procurement process.

Section 3.2 provides guidelines for contracting in compliance with *Administrative Code,* Chapter 6; Section 3.3 provides guidelines for *Administrative Code*, *Chapter 21*.

The encumbrance of funds is an important and usually last step in any ordering or contracting process. Encumbrance is a formal commitment of funds, recorded against a department's budget in the financial system. An encumbrance is required before an order or contract is issued, and there are very, very few exceptions. Refer to *City Charter*, Section 3.105 and *Administrative Code*, Section 10.06 for encumbrance requirements.

3.2 | Contracting Rules & Regulations, *Admin. Code Chapter 6**

This section provides guidelines that departments must follow in order to comply with San Francisco *Administrative Code*, Chapter 6.

3.2.1 | General Contracting Procedures

San Francisco *Administrative Code,* Chapter 6 governs outside temporary professional design, consultant or construction management services and construction services. Refer to *Section 17.5 Admin. Code Chapter 6* for full text of Chapter 6. All other contracts are subject to the requirements of *Administrative Code, Chapter 21*.

Departments may contract for construction and consulting services under the following circumstances:

- The services to be provided include special qualifications that are not available from Civil Service classifications.
- The work to be performed would temporarily increase the department's workload beyond available resources and would substantially interfere with routine or ongoing projects. The Civil Service Commission has rules that identify when a professional service may be contracted while classifications exist to perform the work.

- The services can be practically performed by private contractor(s) for a lower cost than similar work performed by City employees (*Charter Section 10.104(5)*). This type of contract was formerly known as a Prop J contract and is subject to the approval of the Board of Supervisors.
- Professional Services contracts in accordance with the requirements cited in *Administrative Code,* Section 6.40.
- Construction services in accordance with the requirements cited in *Administrative Code*, Section 6.20(A) above and *Administrative Code*, Section 6.20(B); *Administrative Code*, Section 6.60; *Administrative Code*, Section 6.61; *Administrative Code*, Section 6.62; *Administrative Code*, Section 6.63; *Administrative Code*, Section 6.64; and *Administrative Code*, Section 6.65.

3.2.2 | Consultant Contract Requirements Guide

The following table lists criteria with which consultants must comply and the portion of the *Administrative Code* (or other ordinance) that specifies relevant requirements.

TABLE 3-1. CONSULTANT CONTRACT REQUIREMENTS

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
Authorized City Contracting Departments	6.2 & 21.05	
Minimum Competitive Amount- RFP/RFQ	6.40	
CMD Compliance	6.5(A) & (B) & 14B	
Legal Advertisement	14B.7(A)(3) & 14B.13(A)(3) & 21.2	
Distribution & review of proposals (CMD review)	6.5(B)	
Rejection or Cancellation of RFPs	6.41(B)	
Award of Contract	6.41IC)	
Contract Processing		
Number of Agreements Executed	6.3(D) & 21.18	
Certification of Contract (Encumbrances)	6.3(C) &	Charter 3.105

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
	6.41(C)	
Notice To Proceed		
Modifications	6.42(E) & 14B.13(A)(11) & (12)	Charter 9.118

3.2.3 | Formal Construction Contract Requirements Guide

The following table lists criteria with which construction contracts must comply and the portion of the *Administrative Code* (or other ordinance) that specifies relevant requirements.

TABLE 3-2. FORMAL CONSTRUCTION CONTRACT REQUIREMENTS

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
Authorized City Public Works Contracting Departments	6.2	
Threshold Amount—Requires Formal Bid	6.1(M)	
Preparing Bid Documents & Review by Contract Prep		
Cost Estimates	6.20(C)	
CMD Compliance	6.5(A) & (B) & 14B	
Legal Advertisement	6.21(A)(1) & 14.13(A)(3)	
Addendum issued 72 hrs. prior to bid opening		PCC 4104.5
Fees for Plans & Specifications	6.21(A)(5)	
Public Bid Opening		

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
Bid Securities	6.21(A)(4)	
Distribution & review of bids (CMD review)	6.5(B)	
Bid Protest	6.21(D)	
Rejection of Bids	6.21(C)	
Negotiation of Bid if only one or none received	6.23(C)(1) & (2) & (3) & (4)	
Time for Award	6.6(A) & 6.20(E)	
Award of Contract	6.1(B)(1) & (2)	
Contract Processing & Execution of Contracts	6.3(D)	
Certification of Contract (Encumbrances)	6.3(C)	Charter 3.105
Notice To Proceed		
Change Orders	6.3(D) & 6.22(H) & 14B.13(A)(11) & (12)	Charter 9.118
Exemptions From and Alternatives to Competitive Bidding - Design/Build	6.61 & 14B.19	
Exemptions From and Alternatives to Competitive Bidding - Job Order Contracts	6.62	
Exemptions From and Alternatives to Competitive Bidding -Integrated Project Delivery	6.68 & 14B.19	

3.2.4 | Formal Construction Contract Processing Timeline

The following table lists actions with which formal construction contracts must comply.

TABLE 3-3. FORMAL CONSTRUCTION CONTRACTING TIMELINES

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
Advertising For Bids	Publication in newspaper of general circulation	1	1
Addendum	Issued 72 hours before Bid Opening or delayed by at least 72 hours	3	
Bid Opening	Calendar days advertised before Bid Opening	10	
CMD 14B	Recommended for Good Faith Efforts (GFE) requirements	10	15
CMD 12B Compliance	After bid opening, must file with CMD if not compliant		14
Debarment Affidavit	After opening, must submit for all subs & suppliers bidding >$25,000		14
Bid Withdrawal	Written notice demonstrating clerical error (working days)		5
Contracting Department Review	Review claim of error & issue written findings		
Bid Protest	Timely receipt (working days)		5
Response to Protest	Reply from protested bidder after receiving protest		5
Review & Findings	CMD, City Attorney & contracting department review & issues findings		
CMD Review	Complete review of bids for discounts & goals, issue written findings		60

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
Award Notice	Contracting department issues award notice	6	90
Contracting Department Review	Verifies funding		
	Check Contractor's License for current & active status or Joint Venture license per Business & Professions Code Section7029.1		
	Check for CMD recommendation of award		
	Check 12B Compliance in the financial system or contact CMD		
	Check for 1st Source Hiring Submittal with bid & send to 1st Source Hiring Administrator		
	Prepare Award of Formal Construction Contract		
	Prepare contract agreement, bonds, & insurance documents		
Contractor Response to Award	Return executed agreements, bonds insurance & sub-contractors' licenses, business tax & worker's comp insurance information		10
Contracting Department Review	Review executed agreement, bonds, for notarized signatures		
	Review bonds & insurance for correct amounts & coverage & verifies Bond & Insurance Companies admitted to do business in California & company financial rating		

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
	Check all sub-contractors' licenses, business taxes & worker's comp insurance		
	Check 1st Source Hiring submittals after award & forward to 1st Source Hiring Administrator		
Routing for City Execution	Contracting Department Head		
	City Attorney as to form		
	City Administrator		
Posting Contract	Enter contract into contract management system for electronic approval (posting/certification) if applicable		
Notice to Proceed (NTP)	Sends contractor NTP & executed Contract Documents		

3.2.5 | Informal Construction Contract Requirements Guide

The following table lists criteria with which informal construction contracts must comply and the portion of the *Administrative Code* (or other ordinance) that specifies relevant requirements.

TABLE 3-4. INFORMAL CONSTRUCTION CONTRACT REQUIREMENTS

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
Authorized City Public Works Contracting Departments	6.2	
Threshold Amount- Informal Bid	6.1(M)	
Micro-LBE Set-Aside Program	14B.7(K)	

ITEM	ADMIN. CODE SECTION(S)	OTHER ORDINANCE
Preparing Bid Documents & Review by Contract Prep		
Cost Estimates	6.20(C)	
CMD Compliance	6.5(A) & (B) & 14B	
Legal Advertisement	6.21(B)	
Addendum issued 72 hrs. prior to bid opening		PCC 4104.5
Informal Construction Bidders	6.20(B)	
Public Bid Opening		
Bid Securities	6.21(A)(4)	
Distribution & review of bids (CMD review)	6.5(B)	
Bid Protest		
Rejection of Bids	6.21(C)	
Negotiation of Bid if only one or none received	6.23(C)(1) & (2) & (3) & (4)	
Time for Award	6.6(A) & 6.20(E)	
Award of Contract	6.3(A)	
Contract Processing & Execution of Contracts	6.3(D)	
Certification of Contract (Encumbrances)	6.3(C)	Charter 3.105
Notice To Proceed		
Change Orders	6.3(D) & 6.22(H) & 14B.13(A)(11) & (12)	Charter 9.118

3.2.6 | Informal Construction Contract Processing Timeline

The following table lists actions with which informal construction contracts must comply.

TABLE 3-5. INFORMAL CONSTRUCTION CONTRACTING TIMELINES

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
Advertising For Bids	3-Day Notice Publication on Purchaser's website	3	3
Addendum	Issued 72 hours before Bid Opening or delayed by at least 72 hours	3	
Bid Opening	Informal quotes may be publicly opened	3	
CMD 14B	Recommended for Good Faith Efforts (GFE) requirements		
CMD 12B Compliance	After bid opening, must file with CMD if not compliant		14
Debarment Affidavit	After opening, must submit for all subs & suppliers bidding >$25,000		14
Bid Withdrawal	Written claim of clerical error		
Contracting Department Review	Review claim of error & issue written findings		
Bid Protest	Timely receipt		
Response to Protest	Reply from protested bidder after receiving protest		
Review & Findings	CMD, City Attorney & contracting department review & issues findings		
CMD Review	Complete review of bids for discounts & goals, issue written findings		60
Award Notice	Contracting department issues award notice		90
Contracting Department	Verifies funding		

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
Review	Check Contractor's License for current & active status or Joint Venture license per Business & Professions Code Section 7029.1		
	Check for CMD recommendation of award		
	Check 12B Compliance in the financial system or contact CMD		
	Check for 1st Source Hiring Submittal with bid & send to 1st Source Hiring Administrator	N/A	N/A
	Prepare Award of Formal Construction Contract		
	Prepare contract agreement, bonds, & insurance documents		
Contractor Response to Award	Return executed agreements, bonds insurance & sub-contractors' licenses, business tax & worker's comp insurance information		10
Contracting Department Review	Review executed agreement, bonds, for notarized signatures		
	Review bonds & insurance for correct amounts & coverage & verifies Bond & Insurance Companies admitted to do business in California & company financial rating		
	Check all sub-contractors' licenses, business taxes & worker's comp insurance		
	1st Source Hiring	N/A	N/A
Routing for City Execution	Contracting Department Head		
	City Attorney as to form		

ACTION	REQUIREMENTS	MINIMUM DAYS	MAXIMUM DAYS
	City Administrator		
Posting Contract	Enter contract into contract management system for electronic approval (posting/certification) if applicable		
Notice to Proceed (NTP)	Sends contractor NTP & executed Contract Documents		

Refer to Section 4.4.1 Prompt Payment to Vendors for more information on City's prompt payment guidelines.

3.3 | Contracting Rules & Regulations, *Admin. Code Chapter 21**

The Office of Contract Administration (OCA) promulgates rules and regulations pursuant to *Chapter 21* of the San Francisco *Administrative Code*. Each contracting department shall cooperate to the fullest extent with OCA in the acquisition of commodities and services. Refer to the OCA website at http://sfgsa.org/modules/showdocument.aspx?documentid=702 for the complete and most updated procurement rules and regulations.

3.3.1 | Scope

Chapter 21 governs the acquisition of commodities and services. *Chapter 21* does not apply to contracts for public works or improvements or to contracts for the purchase, sale or lease of any interest in real property. Although *Chapter 21* sets forth detailed procedures for procurement, there are sections in *Chapter 21* that require further guidelines by the Purchaser. This section sets forth the rules and regulations for the following sections in *Chapter 21*:

- 21.03(a): General Authority of the Purchaser of Supplies: Approval of Purchases
- 21.03(e)(3): Dollar Limit for Optional Equipment in Vehicles
- 21.03(e)(5): Definition of Specialized Vehicles
- 21.03(j): Information Technology (IT) Purchases
- 21.05(b): Procurement of Professional Services
- 21.06(c): Other Electronic Transactions
- 21.3(b): Competitive Sealed Bidding: Bid Opening
- 21.3(d): Correction, Withdrawal, or Rejection of Bids: Cancellation of Awards

- 21.3(g): Additional Purchases
- 21.3(i): Bid Protests
- 21.5(a): Other Purchases: Commodities and Services Less Than $50,000
- 21.5(b): Sole Source
- 21.5(c): Perishable Foods
- 21.5(d): Proprietary Articles
- 21.5(e): Pilot Project
- 21.6: Multiple Low Offers

3.3.2 | Definitions

Definitions set forth in *Chapter 21, Section 21.02 Acquisition of Commodities and Services*, are incorporated as follows:

- **Bid** shall mean a bid, quotation, or other offer, other than a Proposal, from a person or entity to sell a commodity or service to the City at a specified price.
- **Bidder** shall mean any person or entity which submits a bid.
- **City** shall mean the City & County of San Francisco.
- **COIT** shall mean the Committee on Information Technology of the City & County of San Francisco.
- **Commodity** shall mean products, including materials, equipment and supplies, purchased by the City. "Commodity" shall specifically exclude legal and litigation related contracts or contracts entered into pursuant to settlement of legal proceedings, and employee benefits, including, without limitation, health plans, retirement or deferred compensation benefits, insurance and flexible accounts, provided by or through the City's Human Resources Department or the Retirement Board.
- **Technology Marketplace** shall mean the City-wide, multiple award term contract for the procurement of certain Commodities and Services, which is administered by DT for the benefit of City departments, awarded pursuant to the "Request for Proposal for Computer Hardware, Software, Peripherals and Appropriate Network, Consulting, Maintenance, Training and Support Services," and any successor contracts thereto.
- **Contractor** shall mean any corporation, partnership, individual, sole proprietorship, joint venture or other legal entity which enters into a contract to sell commodities or services to the City.
- **Contracting Officer** shall mean the City employee who is authorized to execute a contract, which may be either the Department Head or a person designated in writing by the Department Head, board or commission as having the authority to sign contracts for the department. A designation of authority to sign contracts on behalf of a department may specify authority to sign a single contract, specified classes of contracts, or all contracts entered into by a department.
- **DT** shall mean the Department of Telecommunications.

- **Local Business Enterprise** (LBE) shall mean a business that is certified as an LBE under *Section 14B.3*. LBEs are either Small-LBEs or Micro-LBEs, and are also either MBEs, WBEs, or OBEs.
- **Electronic** shall mean electrical, digital, magnetic, optical, electromagnetic or other similar technology for conveying documents or authorizations, excluding facsimile.
- **General Services** shall mean those services that are not Professional Services. Examples of General Services include: janitorial, security guard, pest control, parking lot attendants and landscaping services.
- **OCA** shall mean Office of Contract Administration.
- **Offer** shall mean a Bid or Proposal submitted to the City in response to an Invitation for Bids (IFB) or a Request for Proposals (RFP). "Offer" may include a response to a Request for Qualifications (RFQ) if no further ranking prior to Contractor selection is contemplated by the procurement process.
- **Offeror** shall mean a person or entity that submits an Offer to the City to provide commodities or services.
- **Professional Services** shall mean those services which require extended analysis, the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Examples of professional service providers include licensed professionals such as architects, engineers, and accountants, and non-licensed professionals such as software developers and financial and other consultants.
- **Proposal** shall mean a response to a RFP issued by the City for commodities or services, or a response to a RFQ if no further ranking prior to contractor selection is contemplated by the procurement process.
- **Proposer** shall mean a person or entity that submits a Proposal in response to a RFP issued by the City.
- **Purchase Order** shall mean an authorization document designated as such by the Purchaser for the procurement of commodities or services, whether issued in a paper or electronic format, including blanket purchase orders for purchases involving multiple payments.
- **Purchaser** shall mean the Purchaser of Supplies of the City & County of San Francisco, or his or her designee(s).
- **Quotation** shall mean a bid for commodities or services which is acquired without the use of advertising to solicit bids.
- **Responsible** shall mean a responsible bidder or supplier is one who: (1) meets the qualifying criteria required for a particular bid, including without limitation the expertise, experience, record of prior timely performance, license, resources, bonding and insurance capability necessary to perform the work under the contract, and (2) at all times deals in good faith with the City & County and shall submit bids, estimates, invoices claims, requests for change orders, requests for contract modifications or requests of any kind on a good faith and honest manner.

- **Responsive** shall mean a responsive bidder or supplier is one that complies with the requirements of the subject Advertisement for Bids without condition or qualification.
- **Services** shall mean Professional Services and General Services. "Services" shall specifically exclude agreements making a grant of City funds to private entities for the purpose of providing a benefit to the public, which may include incidental purchases of commodities; legal and litigation related services or contracts entered into pursuant to settlement of legal proceedings; and services related to employee benefits, including, without limitation, health plans, retirement or deferred compensation benefits, insurance and flexible accounts, provided by or through the City's Human Resources Department or the Retirement Board.
- **Solicitation** shall mean an IFB, Request for Quotations, RFQ, or RFP issued by the City for the purpose of soliciting bids, quotations, or proposals to perform a City contract.

3.3.3 | Reg. 21.03(a): General Authority of the Purchaser of Supplies: Approval of Purchases

Administrative Code, Section 21.03(a) empowers the Purchaser to delegate signature authority within the Purchasing Division of OCA for contracts as provided in Section 21.03. The delegation levels and limits can be found in Purchasing's *Procurement Manual*, Section 2.05. Only the Purchaser and the delegated personnel in Purchasing are authorized to purchase the commodities or services required by City departments and offices of the City, except as otherwise stated in the *City Charter* and *Municipal Code* of San Francisco.

In addition to the above, the Purchaser has the authority to delegate signature authority to departments ("Delegated Departmental Purchasing") up to the dollar amount stated in regulation 21.5(a). (Currently $10,000 including tax and shipping.) In order to continue to use Delegated Departmental Purchasing authority, the following requirements must be met:

1. Departments must submit a roster of employees in the department who are authorized to purchase goods and services using delegated purchasing authority.
2. The roster must list employee name, Civil Service classification, address and telephone number. OCA may restrict the delegated authority to certain Civil Service classifications as appropriate, upon a review of the information submitted.
3. All designated employees are required to attend a Purchasing training class. The roster must indicate the date training was completed.
4. All employees who exercise delegated Purchasing signature authority must adhere to the *Principles and Standards of Ethical Purchasing Conduct* promulgated by the OCA and must sign a statement attesting thereto.
5. All designated employees shall file *Form 700, Statement of Economic Interests* annually as required by *Article III, Chapter 1, of the San Francisco Campaign and Governmental Conduct Code*.

The following items may not be purchased using delegated Purchasing authority unless specifically exempted and allowed by the Purchaser:

- Unbudgeted equipment
- Commodities and services on Master or Multi-Year contracts
- Commodities and services on City Blanket Purchase Orders (Term Contracts)
- Equipment for lease purchase
- Tropical hardwoods and products
- Video Display Terminals (VDT) and related products
- Computer equipment and supplies
- Telecommunication equipment and wiring
- Cars, trucks, and vehicles

Order splitting and using non-compliant vendors are not allowed under any circumstances. Departments are required to follow and adhere to all other City laws, regulations, rules, ordinances, or any commission requirements of the department. Departments are encouraged to obtain bids when cost savings could be achieved in doing so, and should use "good faith efforts" in using LBEs and apply bid discounts as certified by the Contract Monitoring Division.

Department purchases are generally subject to all the procurement provisions of the *Charter*, *Administrative Code*, and City ordinances. The department use of this authority will be audited annually by the Controller and OCA.

The delegation of purchasing authority may be rescinded at any time if a department does not meet the above requirements, or has been found to be in violation of any of the Purchasing procedures or rules and regulations cited above.

Departments have the option to use Delegated Departmental Purchasing authority or may continue to send their requirements to Purchasing.

3.3.4 | Reg. 21.03(e)(3): Dollar Limit for Optional Equipment in Vehicles

If a department requests optional equipment that is not part of the Purchaser's group of options and that would cost $1,000 and less, it shall be the Purchaser's policy that the department must justify in writing to the Purchaser that the optional equipment is necessary in the course of the regular operation of the vehicle by the officer and/or employee using the vehicle.

If the requested item costs in excess of $1,000, the department must satisfy the rules set forth in the *Administrative Code, Section 21.03e(3)(A)* or *Section 21.03e(3)(B)* as follows:

- Itemize the equipment in the description of the vehicle itself when the vehicle purchase is reviewed as part of the City's annual budget process, and obtain the Board's approval of the vehicle as equipped; or
- Obtain the approval of the Mayor's Budget Office before submitting a requisition to the Purchaser.

3.3.5 | Reg. 21.03(e)(5): Definition of Specialized Vehicles

Specialized Vehicles are hereby defined as "vehicles other than passenger vehicles as described in *Administrative Code*, Section 21.03(e)(1)." Passenger vehicles, as listed under this code, include passenger cars, passenger vans, sport utility vehicles, cargo vans and pickup trucks up to and including one ton in payload.

3.3.6 | Reg. 21.03(j): Information Technology (IT) Purchases

All contracts for the acquisition of Information Technology (IT) commodities or services shall be made by the Purchaser, under the general direction of the San Francisco Committee on Information Technology (COIT). The Purchasing Policies and Procedures on IT purchases are available on the intranet at http://intranet/ under OCA then Technology Store. IT Purchasing Policies and Procedures are also available from the Information Technology Procurement Group in OCA at (415) 554-6743.

3.3.7 | Reg. 21.05(b): Procurement of Professional Services

All departments must attach the *P-500 or P-501 Checklist to the Professional Service Contract* (P-500 or P-501) when the contracts are routed to the City Attorney's Office and to OCA. OCA updates the Checklists and the model contracts periodically as new laws or requirements are mandated. Departments must use the most updated Checklists and model contracts posted on the intranet at http://intranet/ under Forms.

P-500 and P-501 are downloadable on the City's Intranet Document Center under Office of Contract Administration (OCA) | Model Contracts:
http://mission.sfgov.org/doccenter/ByDept.aspx?S=0&T=Office%20of%20Contract%20Administration%20(OCA)%20|%20Model%20Contracts&K=70132

3.3.8 | Reg. 21.06(c): Other Electronic Transactions

The Purchaser supports the use of technology to reduce the cost of procuring commodities and services and to streamline the procurement process.

All departments must obtain Purchasing approval prior to implementing any system that uses technology or electronic methods to procure commodities or services.

The Purchaser may allow appropriate business-to-business systems that meet City-wide information technology standards as promulgated by COIT and DT. All electronic technology systems must also be approved by COIT and DT.

The Purchaser may require independent verification that the applications meet City-wide standards.

The use of electronic methods to procure commodities or services does not excuse the department from meeting *Administrative Code* requirements that would normally be in effect if the procurement were made by traditional methods. The department must continue to adhere to *Administrative Code* requirements with any technology solution or electronic procurement that is implemented, including but not limited to *Chapter 12B* (Nondiscrimination in Contracts), *Chapter 14B* (Local Business Enterprise Utilization), *Chapter 12G* (Prohibition on Use of Public Funds for Political Activity by Recipients of City Contracts, Grants, and Loans), *Chapter 12P* (Minimum Compensation Ordinance (MCO)), *Chapter 12Q* (Health Care Accountability Ordinance (HCAO)), *Chapter 21* (Acquisition of Commodities and Services), and *Chapter 83* (First Source Hiring Program).

3.3.9 | Reg. 21.3(b): Competitive Sealed Bidding: Bid Opening

For commodities and general services in excess of $50,000, pursuant to *Administrative Code*, Section 21.3(b), the Contracting Officer shall publicly open bids, which were received on or before the submittal deadline, at the time and place designated in the IFB in the presence of all Bidders and interested parties who attend. Additionally, it shall be the Purchaser's regulation that all bids must be dated and time stamped upon receipt. Bids that are received after the submittal deadline shall be marked as "Late" and shall not be opened at the bid opening and shall not be considered for award. The Contracting Officer shall record the following information at the bid opening:

- Date/time of opening
- Bid number (if available)
- Bid title
- Bidder names
- Other bid document requirements as appropriate (*i.e.* Bid Security, 14A, date and time bid received, *etc.*)
- Name of employees who opened bids.

3.3.10 | Reg. 21.3(d): Correction, Withdrawal, or Rejection of Bids; Cancellation of Awards

Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, under *Administrative Code*, Section 21.3(d), shall be permitted in accordance with the following regulations:

General

The Contracting Officer shall maintain complete and sufficient written records of bid corrections, withdrawals, or rejections and cancellations of award to ensure that there is no abuse of the bidding process. All such written records shall be retained in the bid file. The Purchaser may reject any and all bids at any time prior to award.

Every bid subject to award shall be carefully examined to ensure compliance with the written specifications and confirm submission of all required documents. Any bid that materially deviates from the bid document shall be rejected.

Correction of a Bid Before Bid Opening

The Contracting Officer shall allow any bidder to amend its bid before the submission deadline by submitting an amended bid on or before the bid submission deadline.

Correction to a Bid Before Award

The Contracting Officer may waive any informality, irregularity, immaterial defect or technicality, in any bid received. A bid variation that has either no effect, or only a trivial effect, on price, quantity, quality or delivery is immaterial. Failure to furnish the requested number of copies of bid, corrections of typographical errors and grammatical mistakes, the omission of or mistakes in unit price extension, transposition errors, and mathematical mistakes are common examples of trivial or immaterial bid variations. Any bid variation that affects price, quantity, quality or delivery in any manner that is more than trivial, is material and cannot be waived.

Withdrawal of a Bid Before Award

The City may allow the withdrawal of a bid prior to award upon written request of the bidder. The written request must include the circumstances and the reasons for the request. The City must evaluate the bidder's reasons for withdrawal, the requirements of the bid, and the impact of such withdrawal to the City. Withdrawal of a bid, if properly justified, should not unreasonably be denied.

Correction of a Bid After Contract Award

The Contracting Officer may allow post award bid correction by a contract modification if correcting the mistake is in the best interests of the City and does not change the essential requirements of the bid specifications, or compromise the integrity of the initial bidding process.

Cancellation of the Award or Contract at the Request of the Bidder Based on Bid Mistakes

If a contractor requests the cancellation of the contract after award, the contractor must submit a written justification with the reasons and circumstances for cancellation. The City may review the request and make a decision in the best interests of the City.

3.3.11 | Reg. 21.3(g): Additional Purchases

It shall be the Purchaser's regulation for *Administrative Code*, Section 21.3(g) that additional purchases of the same or like commodities or general services provided under the original contract are allowed under the following circumstances:

Same Items

1. Additional purchases at the award price or a lower price may be added by mutual agreement of the parties.
2. All requests to make additional purchases must be submitted by City departments in writing to Purchasing for approval.
3. All additional purchases shall be memorialized in a written contract modification or a purchase order. The new purchase order must reference a previous competitive bid and cite *Administrative Code*, Section 21.3(g) as the authority.
4. Additional purchases must be made within one year after original award.

New Items (Term Contracts)

1. Additional items may be added to a term contract by mutual agreement of the parties.
2. Aggregated cost of all items added to the contract during the contract term shall not exceed 20% of the total estimated value (cost) of the original contract or a maximum accumulative dollar amount of $50,000, whichever is less.
3. All requests to add additional items to the contract must be submitted by City departments in writing to Purchasing. All requests must include complete specifications, estimated quantities for the remainder of the contract period and a price quotation provided by supplier, for each item. Price must be competitive and will be reviewed by Purchasing.
4. All additional items added to the contract shall be approved through issuance of a contract modification.
5. In the event the aggregated cost of the contract increases by more than 20% of the total estimated value of the original contract, or the increase totals more than $50,000, the excess of

these limits shall be bid in accordance with *Standard Purchasing Procedures*. The resulting bid award shall be added to the contract (or separate contracts), through a contract modification and include Contractor's name and information, complete item description (brand name and number, if applicable), and delivery and pricing information.

6. The contract term for the additional items added to the contract after the initial award shall be the remaining term of the existing contract and any extension thereof.

3.3.12 | Reg. 21.3(i): Bid Protests

Bid protests of contracts awarded under *Section 21.3* of the *Administrative Code* for purchases of commodities or general services in excess of $50,000, shall be submitted and responded to in accordance with the following requirements:

General Requirements

All protests shall be in writing, dated, and state in detail each and every ground asserted for the protest. Each protest must cite the law, rule, local ordinance, procedure or bid provision on which the protest is based. To expedite the handling of protests, the envelope (or facsimile sheet if the invitation for bids allows protest by facsimile) containing the protest shall be marked "PROTEST." Failure to file a protest within three (3) working days shall waive all rights to protest. Protests shall be made to the Contracting Officer. The Contracting Officer shall notify the protester in writing of the decision regarding the protest.

Protest of Bid Requirements

Protests based on the bid specifications or requirements must be received by the Contracting Officer requesting the bids no less than three (3) working days prior to the deadline for submission of bids. Bidders who fail to protest by the deadline shall waive all rights to protest the bid based on specifications or requirements.

Protest of Non-responsive and Non-responsible Bidders

If the Contracting Officer determines that the apparent lowest bidder is either non-responsive or non-responsible, the Contracting Officer shall reject the bid. The Contracting Officer shall notify the bidder in writing that the bid has been rejected, and state the basis for the rejection. The bidder may protest the Contracting Officer's decision. The protest must be in writing and received by the Contracting Officer within three (3) working days of the issuance of the *Notice of Non-responsiveness and/or Non-responsibility*. If a bid and a subsequent protest are rejected for non-responsibility, the Contracting Officer must inform the bidder that it shall have an opportunity for a hearing on the issue of non-responsibility if requested. There is no appeal on the denial of a protest based on a non-responsive bid.

Protest of Award

A bidder may protest the Contracting Officer's award of a contract to an apparent lowest responsive and responsible bidder. The protest must be in writing and received by the Contracting Officer within three (3) working days of issuance of a notice of intent to award the contract. The Contracting Officer will review the protest and respond in a timely manner.

3.3.13 | Reg. 21.5(a): Other Purchases: Commodities & Services Less Than $50,000

In reference to *Administrative Code*, Section 21.5(a), the following are regulations for the acquisition of commodities, general services and professional services where the total amount of the transaction is less than $50,000.

Department heads and their designees who have complied with *Regulation 21.03(a)* and have been delegated by the Purchaser may purchase commodities and general services up to $10,000 (including tax and shipping).

Commodities

> <u>$0 - $10,000</u> **– no bidding is required. However, departments are encouraged to solicit written bids or written price quotations especially from LBEs and select the lowest responsive and responsible bidder.**

For procurement of commodities over $10,000, departments must submit a requisition to OCA. Purchasing approval is required to authorize purchases; and transactions for these amounts are covered by regulations delegating signature authority to Purchasing staff.

Formal competitive bidding is required for any amount over $50,000, unless otherwise exempted under *Chapter 21*.

General Services

General services are those services that are not professional services. Examples of general services per *Administrative Code*, Section 21.02(k) include: janitorial, security guard, pest control, parking lot attendants and landscaping services.

> **$0 - $10,000** – no bidding is required. However, departments are encouraged to solicit written bids or written price quotations especially from LBEs and select the lowest responsive and responsible bidder.
> **Over $10,000 but less than $600,000** – Purchasing conducts informal bidding in accordance with Purchasing and Contract Monitoring Division requirements.
> **$600,000 or more** – Purchasing conducts formal bidding in accordance with Purchasing and Contract Monitoring Division requirements.

Professional Services

Professional services are those services which require extended analysis, the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Examples of professional service providers per *Administrative Code*, Section 21.02(n) include architects, engineers, software developers, attorneys, consultants, physicians and dentists.

> **$0 - $10,000** – no solicitation is required. However, departments are encouraged to solicit written bids or written price quotations especially from LBEs and select the lowest responsive and responsible bidder.
> **Over $10,000 but less than $110,000** – informal solicitation is required. Departments are to follow the informal bidding rules established by the Contract Monitoring Division under *Section IV.D* of its rules and regulations.
> **$110,000 or more** – a formal solicitation is required. Departments are to follow the formal bidding rules established by the Contract Monitoring Division as set forth in the definition of "Good Faith Efforts" of a contract awarding authority (see *Administrative Code Chapter 14B.7*).

3.3.14 | Reg. 21.5(b): Sole Source

Administrative Code, Section 21.5(b) provides that commodities or services available only from a sole source shall be procured in accordance with the Purchaser's regulations. It shall be the Purchaser's regulations that if a department needs a commodity or service that is unique and known to be provided by only one vendor/contractor, then only one price quotation is solicited from the single vendor/contractor. The requesting department must submit documentation to Purchasing justifying the

transaction as a sole source. From time to time, Purchasing may conduct a formal bid to determine the continuing validity of the sole source determination.

Sufficient Documentation

In submitting *Sole Source Waiver Requests*, use the following Figure 3-1 as an example:

FIGURE 3-1. SAMPLE SOLE SOURCE WAIVER REQUEST FORM

(Sample only, please use the most updated form from the Intranet, under Forms.)

Sole Source Waiver Request

Administrative Code Section 21.5(b) provides that commodities or services available only from a sole source shall be procured in accordance with Purchaser's regulations. Purchaser's regulations provide that, "If a department needs a commodity or service which is unique and which is known to be provided by only one vendor, then only one price quotation is solicited from the single vendor. The requesting department must submit documentation to the Purchaser justifying the transaction as a sole source. From time to time, the Purchaser may conduct a formal bid to determine the continuing validity of the sole source determination." (Procurement Instruction 12.06, Exhibit A, Section IX.D, dated April 28, 1989)

Directions: Use this form to justify a sole source transaction. The department requestor must complete the information below and attach a written memo with appropriate supporting documentation to justify this request. The memo must provide specific and comprehensive information that explains why the requested transaction should be considered a sole source. Departments are encouraged to consult with the Human Rights Commission and the City Attorney prior to submitting this request.

Department: _____ Date Submitted:_____
Contact: _____ Phone: _____
Vendor Name: _____ Vendor # _____
Type of   Commodity _____ Professional Service _____ Non-Professional Service_____
Contract: Other _____
Amount: $ _____ ADPICS Doc #: _____

Describe the product or service:
_____
_____
Has the Human Rights Commission granted a sole source waiver on this transaction? _____
If yes, when was the sole source granted? _____ Please attach a copy of the HRC Waiver.

Check the appropriate statement. Attach a memo and documentation to address the questions following each statement.
_____ **Goods or services are available from only one source.**
Explain why this is the only product or service that will meet the City's needs. Why is this the only vendor or contractor that can provide the services or products? What steps were taken to verify that the goods or services are not available from another source? Explain what efforts were made to obtain the best possible price. Why do you feel the price to be fair and reasonable? How was this vendor chosen? How long has the vendor been providing goods or services for your department?

_____ *Only one prospective vendor is willing to enter into a contract with the City.*
Explain why no other vendors are willing to contract with the City. If there are compliance issues, what have you done to get other possible sources to become compliant? Have you contacted HRC? Have you received a waiver from HRC?

_____ *Item has design and/or performance features that are essential to the department, and no other source satisfies the City's requirements.*
Explain why the design/performance features are essential. Have you contacted other suppliers to evaluate items/services with similar features and capabilities? If no, explain why not. If yes, list the suppliers and explain why their goods or services do not meet the department's needs.

_____ *Licensed or patented good or service.*
Provide proof that the license or patent limits the availability of the product or service to only one source.
_____ *Other: _____*

INSTRUCTIONS:
The Sole Source request must be approved before the department makes a commitment to the vendor, and before funds are encumbered. If the Sole Source request is denied, the department will be advised to conduct a competitive process to select the vendor/contractor. If the Sole Source request is to extend an existing professional service contract, attach a copy of the original contract and any prior sole source determinations made by HRC or Purchasing. When processing professional service contracts and modifications for signature, attach the approved sole source waiver form to the contract documents.

This form is required for every transaction, contract, or contract modification that the department wishes to be treated as a sole source. For additional information call the Purchaser assigned to your department.

The Department Head must sign this request before it is sent to OCA-Purchasing.

This Sole Source request is being submitted by:

Department Head Signature:_____ Date: _____
Name of Department:
_____

OCA Review and Approval:
Sole Source Approved: _____ Sole Source Denied: _____
Reason for Determination
_____
_____
OCA Staff: _____ Date: _____
OCA Staff: _____ Date: _____
OCA Director: _____ Date:_____

The requesting department must provide a written memorandum and supporting documentation to justify the request. The memorandum must provide specific and comprehensive information that explains why the

Sole Source Waiver should be approved. Departments are encouraged to consult with the Contract Monitoring Division and the City Attorney's Office prior to submitting the *Waiver*.

The *Sole Source Waiver* request form identifies four acceptable justifications for sole source contracting. In most cases, the department's justification for making a waiver request should fall within these parameters. If not, additional space has been provided for departments to submit other justification. Among the questions and concerns that must be addressed are as follows:

- *Goods or Services are available from only one source*
  Explain why this is the only product or service that will meet the City's needs. Why is this the only vendor or contractor that can provide the products or services? What steps were taken to verify that the goods or services are not available from another source? Explain what efforts were made to obtain the best possible price. Why do you consider the price to be fair and reasonable? How was the vendor chosen? How long has the vendor been providing goods or services to your department?
- *Only one prospective vendor is willing to enter into a contract with the City*
  Explain why no other vendors are willing to contract with the City. If there are compliance issues, what have you done to get other possible sources to become compliant? Have you received a waiver from CMD?
- *Item has design and/or performance features that are essential to the department and no other source satisfies the City's requirements*
  Explain why the design/performance features are essential. Have you contacted other vendors/contractors to evaluate items/services with similar features and capabilities? If not, explain why not. If yes, list the suppliers and explain why their goods or services do not meet the department's needs.
- *Licensed or patented good or service*
  Provide proof that the license or patent limits the availability of the product or service to only one source.
- *Other* – Provide a justification that would substantiate a *Sole Source Waiver* for any other reason.

Finally, the requestor and Department Head, or his or her designee, must be a signatory to the request. Their signature certifies that they have reviewed the specific *Sole Source Waiver* request and agree with the requestor's justification.

3.3.15 | Reg. 21.5(c): Perishable Foods

Administrative Code, Section 21.5(c) provides that perishable foods shall be procured in accordance with the Purchaser's regulations. It shall be the Purchaser's regulations that when purchasing perishable foods, the Contracting Officer shall attempt to comply with competitive bidding requirements of this *Chapter*. However, when the situation arises where it is impossible or highly impractical to obtain competitive pricing because of the nature of perishable foods (*i.e.*, freshness and spoilage of perishable items) the

Purchaser may procure the items in the most expeditious manner. The Purchaser shall require the requesting department to provide a written justification of the perishable nature of the items and why competitive bidding should be waived. A copy of the justification shall be kept on file with the transaction.

3.3.16 | Reg. 21.5(d): Proprietary Articles

Administrative Code, Section 21.5(d) provides that proprietary articles shall be procured in accordance with the Purchaser's regulations. It shall be the Purchaser's regulations that purchasing uses the terms "proprietary" and "no substitute" to mean purchases that are made where no alternate brand or model will be considered or accepted. The item must be the one described in the current Proprietary List. Although an item may be considered proprietary, it may still be subject to competitive bidding if there is more than one source of supply for that item. If the item is put out to bid, alternate brands and models need not be considered. Purchasing periodically accepts bids for alternate brands to monitor the appropriateness of continuing to consider certain purchases proprietary.

All proprietary purchases must be justified with documentation from the requesting department and must be approved by the Purchaser within his/her approval limits. The documentation must clearly state why only one make or model will meet the department's needs.

Below is a list of approved proprietary purchases and their corresponding descriptions. Purchasing may revise the list from time to time as situation changes.

TABLE 3-6. PROPRIETARY LIST 7-03

PROPRIETARY (PROP) #	DESCRIPTIONS
1	Charts, globes and maps
2	Books, magazines, pamphlets and periodicals
3	Specialized equipment, materials and supplies for instructional purposes. Specialized educational tests and testing services
4	Fine arts; music; plays; works of art; films; audio and video cassettes; *etc.*
5	Medicines and drugs
6	Medical, surgical and dental equipment; instruments; prosthetic devices, special supplies
10	Animals

PROPRIETARY (PROP) #	DESCRIPTIONS
12	Repairs for equipment including service and parts when repairs must be done by the manufacturer, the installer of equipment or system, or when repairs by others would void the warranty.

3.3.17 | Reg. 21.5(e): Pilot Project

Administrative Code, Section 21.5(d) provides that contracts involving a pilot project with a term not to exceed two (2) years shall be procured in accordance with the Purchaser's regulations.

Some business problems offer unique challenges where the use of competitive bidding requirements of this *Chapter* may not be appropriate. Therefore, a different procurement method is allowed for a pilot project. It shall be the Purchaser's regulations that when procurement is done through a pilot project, either the Purchaser may initiate or a department may initiate by making a request to the Purchaser specifying the problem to be solved and the reason why traditional bidding method is not being used. The request must also specify how competition, fairness, and compliance with other OCA requirements for bidding will be achieved. Purchaser will evaluate the request and shall either approve or deny the request. At the end of the pilot term, within 90 days, the requesting department must submit a report stating the results of the project with recommendations for future procurement. If the pilot includes the creation of any work that may be copyrighted or patented, the Purchaser, in cooperation with the requesting department, shall determine if it is advantageous to obtain the rights of ownership or rights to use the work. Any further procurement beyond the pilot project phase shall be subject to all applicable competitive procurement requirements.

3.3.18 | Reg. 21.6: Multiple Low Offers

Pursuant to *Administrative Code*, Section 21.6, if two (2) or more bids received are for the same amount or unit price and such bids are the lowest bids from responsive and responsible bidders, then the Contracting Officer may award a contract to either of the lowest responsive and responsible bidders.

It shall be the Purchaser's regulations that to resolve tie bids, the following criteria shall be applied in sequence until a tie bid is resolved:

1. If there is any doubt as to quality, performance or functionality, a specified item receives consideration over an alternative.
2. A San Francisco bidder receives consideration over an out-of-town bidder.
3. Delivery time – Any significant difference, *e.g.*, three (3) days vs. three (3) weeks.

4. Tie bid items should be aggregated with the items that are being awarded to one of the bidders. For example, if a bidder is low on several items and is in a tie on one item, do not award the tied item to another vendor if the result will add an additional vendor to the contract.
5. A California bidder receives consideration over an out-of-state bidder.
6. The Contracting Officer and the user department may divide the award subject to the mutual agreement of the tied bidders.
7. As a final resort, the Contracting Officer may roll a die. The tied bidders must be notified and invited to attend the tiebreaker event. The highest rolled number will indicate the successful bidder. A second representative of the awarding department must be present to witness the event. Adequate documentation of the award must be maintained in the file.

3.4 | Becoming a City Vendor

This section provides the Controller's Office Vendor File Support Unit general guidelines to vendors on how to become a City Vendor. This section also serves as a guide for City Departments on the procedures and information required to set up vendors in the City Vendor file. Besides the City Vendors, the Vendor File Support Unit also sets up Bid Vendor and Payment Vendors upon request from the OCA Purchasers and the City Departments.

In addition to setting up City Vendors who do business with the City, the Controller Vendor File Support Unit is also responsible for setting up other types of vendors in the City Vendor File for bid purposes, to receive payments, refunds and reimbursements. The following Table lists the different types of vendors being maintained in the City Vendor File.

TABLE 3-7. VENDOR TYPES IN THE CITY VENDOR FILE

VENDOR TYPE & BRIEF DESCRIPTION	REQUIRED DOCUMENTS TO SET UP A NEW VENDOR	INITIATOR
Regular vendor is a vendor who wishes to do business with the City including vendors who provide Professional Services, Constructions, Materials and Supplies	The IRS form W-9 - "Request for Taxpayer Number Identification and Verification" The New Vendor Number Request Application	Vendor
Bid Vendor is a vendor who has submitted a bid package to the OCA Purchaser. To receive an award the vendor will be required to complete the New Vendor Number Request application and the IRS W-9 form	Bid Sheet (first page of the Bid Package)	OCA Purchaser

VENDOR TYPE & BRIEF DESCRIPTION	REQUIRED DOCUMENTS TO SET UP A NEW VENDOR	INITIATOR
Payment Only Vendor is the recipient of payment(s) for special programs and services performed, including but not limited to rebates for Solar, payments for housing subsidies, and serving as a Court Reporter. The vendor/recipient can be a regular Vendor or a City Employee.	The payment vendor request includes the payment reason The IRS form W-9 - "Request for Taxpayer Number Identification and Verification	City Department
Property Tax Interest Refunds Vendors are property owners who are owed $600 or more in property tax interest refunds	Report of Property Tax Owner Name and information IRS W-9	Office of the Treasurer & Tax Collector/Controller Cash Disbursement Unit
"E" Vendors are City Employees who are the recipients of reimbursements from City Departments for specific City approved reasons	"E" Vendor request with one of the valid reimbursement reasons	City Department
Revolving Fund Account Vendors are accounts owned by the City Department to pay for minor, non-recurring goods and services that are needed immediately	Revolving Fund Account Request List which contains a list of the revolving fund accounts and their associated department and bank information	Controller Cash Disbursement Unit
Purchasing Card Account Vendors are Purchasing Card issued to the Departments for their employees to use for emergency purchases. Each card is associated with a bank account	Purchasing Card Vendor Email Request with the Department and Bank information, including the 3 character Department Code IRS W-9 form of the US Bank National Association	Controller's Purchasing Card Administration Unit

3.4.1 | Roles and Responsibilities

3.4.1.1 | CITY VENDORS

Vendors who wish to do business with the City to provide goods and services are responsible for completing various required and supplemental forms, if the requirements for submitting the forms apply to the vendor.

The required forms are:

1)   *Vendor Profile Application* (includes *New Vendor Number Request* form (Figure 3-2) and IRS *Form W-9* (Figure 3-3) (submitted to the Vendor File Support Unit)

2)   *P-25 - Business Tax Declaration* (submitted to Office of the Treasurer and Tax Collector) (Figure 3-4)

3)   *CMD 12B-101 Declaration of Nondiscrimination in Contracts and Benefits* (Figure 3-5) [submitted to Contract Monitoring Division (CMD)].

The supplemental forms include:

1)   *Minimum Compensation Ordinance* (MCO) *Declaration* (Figure 3-6)

2)   *Health Care Accountability Ordinance* (HCAO) *Declaration* (Figure 3-7)

3)   *Insurance Requirements* (Figure 3-8)

4)   *Payment (Labor and Material) Bond* (Figure 3-9)

5)   *Performance Bond* (Figure 3-10)

6)   *Local Business Enterprise* (LBE) *Program Application* (submitted to CMD) (Figure 3-11)

The Figures on the following pages are samples of these required and supplemental forms.

FIGURE 3-2. VENDOR PROFILE APPLICATION & NEW VENDOR NUMBER REQUEST

City & County of San Francisco Vendor Profile Application
New Vendor Number Request (Vendor Add)

Date: _____

For City employee reimbursements, do not use this form; please see your Department liaison about getting an employee reimbursement number. This form is to be used only for adding vendors to the City's vendor files, which is used by the City's Accounting and Purchasing systems in generating payments and purchase orders. The granting of a vendor number does not mean that the vendor is a City compliant and an approved vendor.

Please read and follow the separate instructions for this form.

VENDOR NUMBER ASSIGNED
Vendor File Reviewer Use Only

1. Requester's Name: _____
   Contact Number: _____
   Email: _____

2. Requester's relationship to Vendor (Please check one box):
   ☐ Owner/Partner
   (specify your current job title if applicable)
   ☐ Vendor Representative
   (i.e CFO, Executive Director, Manager, specify your current job title)

3. Check one only:
   a. ☐ You must attach a completed & signed IRS W-9 form to obtain a Vendor Number. Vendor Numbers are not assigned without a W-9 Form.
   b. ☐ For foreign vendors, please use IRS W-8 Form. These forms can be obtained from the IRS website.

4. Is any owner, partner, contractor, employee or employee family member of this vendor also a current City and County of San Francisco employee? (Including Commissioner, Board Member, Committee Member, or Safety Officer)?
   a. ☐ No (if marked "no", go to question #5)
   b. ☐ Yes, please explain the relationship of the current City employee(s) to this vendor, provide their name and the name of department.
   c. ☐ Is any of the individual name(s) indicated on the above line (b.) involved and/or influence in making purchasing decision for their department or for other departments within City and County of San Francisco? If yes, please explain.

5. Type of organization. You will need to contact the Business Tax Division if you mark "b" or "c", Business Tax Department will explain the requirements.
   a. ☐ Private business (for profit)
   b. ☐ Non-Profit Organization (public organizations, national associations, etc.)
   c. ☐ Government and/or Public Agency (schools, government-operated/funded agencies, etc.)
   d. ☐ Other (explain in full):

6. Vendor Information   Check one: ☐ Dba (Doing business as) ☐ Disregarded Entity, provide FEIN: _____
   Vendor Name: _____ *(Name must match name on 2nd line of W-9 Form)* Website: _____
   Primary Contact Name: _____ Phone Number: _____
   Contact's Title: _____ Fax Number: _____
   Toll Free Number: _____ Email Address: _____

Turn page over to complete application

City & County of San Francisco Vendor Profile Application
New Vendor Number Request (Vendor Add)- continued

7 Vendor Business Address (es)

(*For Safety Officer please use PO Box address only)

General Business Address (Street/City/State/ZIP)	Bid Address (if different from General)

Purchase Order Address (if different)	Payment/Remittance Address (if different)

8. The City and County of San Francisco provides Automated Clearing House (ACH) payments through PayMode-X, the City's 3rd party payment provider. This service deposits electronic payments directly into your bank account. There is no charge from the City or Paymode-X to use this service. This is the City's preferred method of providing payment. Vendors must have an executed and signed contract with the City before signing up with Paymode-X.

Please visit the following website to sign up: www.sfgov.org/ach

Primary Contact: _____ Phone: _____ Email: _____

If you are already a Paymode-X user, please let us know by sending an email to ACH.Support@sfgov.org.

9. Vendor Commodity and Service Codes:

Example: 9720-09

_____   _____   _____
_____   _____   _____
_____   _____   _____

Commodities and/or services not listed (provide detailed description):

_____
_____
_____

10. Completing and Returning Application

Print Name of Applicant: _____
Title: _____
Handwritten Signature: _____
Date: _____

Return your Application to one of the following four destination options (Please choose one option only).
Email is a preferred method.

a. ☐ Email to:
   vendor.file.support@sfgov.org
   Note: You must submit the application with a handwritten signature and send as an Adobe PDF file.

b. ☐ Interoffice Mail:
   Controller's Office
   Vendor File Support
   City Hall Room 484

c. ☐ City and County of San Francisco
   Controller's Office
   Vendor File Support
   City Hall, Room 488
   1 Dr. Carlton B. Goodlett Place
   San Francisco, CA 94102-4685

d. ☐ Fax to: (415) 554-6261

FormVend_Add_revised_032015

FIGURE 3-3. IRS FORM W-9

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

☐ Individual/sole proprietor   ☐ C Corporation   ☐ S Corporation   ☐ Partnership   ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

☐ Other (see instructions) ▶ _____

Exemptions (see instructions):

Exempt payee code (if any) _____

Exemption from FATCA reporting
code (if any) _____

Print or type / See Specific Instructions on page 2.

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

List account number(s) here (optional)

Requester's name and address (optional)

Part I   Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

Employer identification number

Part II   Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. citizen or other U.S. person (defined below), and

4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here

Signature of U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

• An individual who is a U.S. citizen or U.S. resident alien,

• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,

• An estate (other than a foreign estate), or

• A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

Cat. No. 10231X   Form **W-9** (Rev. 8-2013)

FIGURE 3-4. P-25 BUSINESS TAX DECLARATION FORM

Office of the Treasurer & Tax Collector
City and County of San Francisco

José Cisneros, Treasurer

P-25 BUSINESS TAX DECLARATION FORM

YES NO   **DOES THE BUSINESS CURRENTLY**

☐ ☐ 1. Maintain a fixed place of business within San Francisco

☐ ☐ 2. Exercise corporate or franchise powers within San Francisco.

☐ ☐ 3. Own or lease real property within San Francisco for business purposes.

☐ ☐ 4. Regularly maintain a stock of tangible personal property for sale in San Francisco

☐ ☐ 5. Employ or loan capital on property within San Francisco

☐ ☐ 6. Solicit business within San Francisco for all or part of any seven days during one fiscal year

☐ ☐ 7. Perform work or render services within San Francisco for all or part of any seven days during one fiscal year.

☐ ☐ 8. Utilize the streets within San Francisco in connection with the operation of motor vehicles for business purposes for all or part of any seven days during one fiscal year

☐ ☐ 9. Liquidate a business when the liquidators thereof hold themselves out to the public as conducting such business.

If you selected "NO" for all Items (1-9), sign and return this Declaration.

If you selected "YES" for any of the above questions, go to sftreasurer.org/registration to register your business, then answer questions 10-12 below and return this form to TTX.vendoraccounts@sfgov.org:

☐ 10. This entity has registered with the Tax Collector and is assigned Business Account Number:

_____(7 digits, "1234567")

☐ 10a. Registration Fee Exempt under IRS 501(c), 501(d), or 401(a) and not engaged in an unrelated trade or business.

☐ 11. This entity applied for a Certificate by mailing the application and fee to the Tax Collector, or by submitting the application in person, on

_____(mm-dd-yyyy).

☐ 12. This entity needs to register and will do so immediately.

If the awarding of a bid would cause any of the responses to items 1-9 to change to "Yes," indicate those item numbers here:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9

I understand that my representation, if any, that I am not engaged in business in San Francisco is subject to review by the Tax Collector. If the Tax Collector determines that I am conducting business in San Francisco, the City may either cancel the contract or withhold payment ten days after written notification by the Tax Collector. I declare (or certify) under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Name of company (please print)

Signature

Tax ID (SSN, FIN, ITIN)

Name of person signing

Mailing Address

Date   City Vendor Number

City, State, ZIP

Telephone

City Hall – Room 140 . 1 Dr. Carlton B. Goodlett Place . San Francisco, CA 94102
Mailing Address: P.O. Box 7425 . San Francisco, CA 94120-7425
Vendor Assistance: 415-554-6718 or TTX.vendoraccounts@sfgov.org

FIGURE 3-5. CMD 12B-101 DECLARATION

CITY AND COUNTY OF SAN FRANCISCO
CONTRACT MONITORING DIVISION

S.F. ADMINISTRATIVE CODE CHAPTERS 12B & 12C
DECLARATION: NONDISCRIMINATION IN CONTRACTS AND BENEFITS
(CMD-12B-101)

The Equal Benefits Ordinance prohibits the City and County of San Francisco from contracting with vendors that discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and between the domestic partners and spouses of such employees.

- *Domestic Partners are same-sex and opposite-sex couples registered with any state or local government agency authorized to perform such registrations.*
- *Domestic partnerships and marriages may only be verified to the same extent and in the same manner. For example, waiting periods to qualify for benefits must be the same for domestic partners and spouses. Domestic partner registry certificates must be recognized as fully equivalent to marriage certificates.*

INSTRUCTIONS

STEP 1 **Obtain a Vendor Number**
- ☐ If you have already been issued a vendor number by the City & County of San Francisco, go to Step 2.
- ☐ To obtain a vendor number, contact Vendor File Support: vendor.file.support@sfgov.org or (415) 554-6702.

STEP 2 Complete this 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits form (CMD-12B-101)

STEP 3 **Obtain the necessary supporting documentation**
- ☐ Most recent legal verification of employee count/firm structure, for example, a W-3 Form, DE 1 Form, DE 9 Form or an annual San Francisco Payroll Expense Tax Statement. (Please redact confidential employee information.)
- ☐ A copy of a memorandum that has been distributed to your firm's employees detailing the firm's compliant nondiscrimination and domestic partner benefit policies. An example of a memorandum that includes all required confirmations is provided with this form and on the Contract Monitoring Division website. *Note: the memorandum is not a substitute for fully compliant incorporation of domestic partner language in all benefit policies. Please contact the Contract Monitoring Division prior to distribution of the memorandum if you have questions.*

STEP 4 Submit the 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits form (CMD-12B-101) and all supporting documentation to:
- ☐ cmd.equalbenefits@sfgov.org *or*
  Contract Monitoring Division, 30 Van Ness Avenue, Suite 200, San Francisco, CA 94102-6020

♦ Section 1. Vendor Information

Name of Firm: _____

Name of Firm Contact Person: _____

Phone: _____ Ext.: _____

E-mail Address: _____

Vendor Number (if known): _____

Federal ID or Social Security Number: _____

Approximate Number of Employees in the U.S. (Do not count yourself): _____

Are any of your employees covered by a collective bargaining agreement or union trust fund?   ☐ Yes ☐ No

Union name(s): _____

DATE & TIME RECEIVED BY CMD
(FOR CMD USE ONLY)

CMD-12B-101 (4-15)

◆ Section 2. Compliance Questions

Question 1. Nondiscrimination – Protected Classes

A. Does your firm agree it will not discriminate against its employees, applicants for employment, employees of the City, or members of the public on the basis of the fact or perception of a person's membership in the following categories?
Please note: a YES answer is required for compliance. ❑ YES ❑ NO

Race, Color, Creed, Religion, National origin, Ancestry, Age, Sex, Sexual orientation, Gender identity (transgender status), Domestic Partner status, Marital status, Disability, AIDS/HIV status, Height, Weight

B. Does your firm agree to insert a similar nondiscrimination provision in any subcontract you enter into for the performance of a substantial portion of the contract you have with the City?
Please note: you must answer this question even if you do not intend to enter into any subcontracts, and a YES answer is required for compliance. ❑ YES ❑ NO

Question 2. Nondiscrimination – Equal Benefits for Employees with Spouses and Employees with Domestic Partners, and for the Spouse or Domestic Partner of an Employee

Questions 2A and 2B should be answered YES even if your employees pay some or all of the cost of spousal or domestic partner benefits.

A. Does your firm provide or offer access to any employee benefits?
(If your firm does not have employees, answer *NO*) ❑ YES ❑ NO

B. If you answered "Yes" to 2.A, are all of the benefits equally available to employees with domestic partners and employees with spouses?
(If your firm does not have employees, answer *NO*) ❑ YES ❑ NO

If you answered YES to either or both Questions 2A and 2B, please continue to Question 2C.

If you answered NO to both Questions 2A and 2B, please complete Section 3.

C. Please check all benefits that apply to your answers above and list in the "Other" line any additional benefits not already specified. Note: some benefits are provided to employees because they have a spouse or domestic partner, such as bereavement leave; other benefits are provided directly to the spouse or domestic partner, such as dependent life insurance.

BENEFIT	Available to Employees	Available to/Affects Domestic Partners	Available to/Affects Spouses
• Health Insurance	❑	❑	❑
• Dental Insurance	❑	❑	❑
• Vision Insurance	❑	❑	❑
• Retirement (Pension, 401(k), IRA, etc.)	❑	❑	❑
• Bereavement Leave	❑	❑	❑
• Family Leave	❑	❑	❑
• Parental Leave	❑	❑	❑
• Employee Assistance Program	❑	❑	❑
• Relocation and/or Travel	❑	❑	❑
• Firm Discount, Facilities & Events	❑	❑	❑
• Credit Union	❑	❑	❑
• Child Care	❑	❑	❑
• Dependent Life Insurance	❑	❑	❑
• Short-Term/Long-Term Disability Insurance	❑	❑	❑
• Accidental Death & Dismemberment Insurance	❑	❑	❑
• Other (Please specify)	❑	❑	❑
• Other (Please specify)	❑	❑	❑

Firm Name_____

D. Please **initial** all statements below that apply to your firm. *Please note: in addition, a YES answer is required for compliance.*

__	Domestic partners are defined as same-sex couples and opposite-sex couples registered with any state or local registry and verify their relationship in the same manner as spouses.	❑ YES ❑ NO
__	A memorandum detailing our firm's domestic partner policies has been distributed to employees.	❑ YES ❑ NO
__	The employee handbook includes domestic partner language wherever spouses are referenced.	❑ YES ❑ NO
__	The children of domestic partners are explicitly included in all policies that recognize stepchildren.	❑ YES ❑ NO
__	All insurance plans contain language that recognizes spouses and domestic partners equally.	❑ YES ❑ NO
__	All retirement, 401(k) and similar plans explicitly provide the same distribution choices for spousal and domestic partner or nonspousal beneficiaries.	❑ YES ❑ NO

Note: If you can't offer a benefit in a nondiscriminatory manner *because of reasons outside your control,* (e.g., there are no insurance providers in your area willing to offer domestic partner coverage) you may be eligible for Reasonable Measures compliance. To comply on this basis, you must agree to pay a cash equivalent, submit a completed Reasonable Measures Application Form (CMD-12B-102) with all necessary attachments, and have your application approved by the Contract Monitoring Division. For more information, see the Rules of Procedure or contact the Contract Monitoring Division.

COMPLIANCE AUDITS AND REQUIRED DOCUMENTATION

The City and County of San Francisco regularly audits
firms to verify that the answers on this form are complete and accurate.
Please see the Chapter 12B Equal Benefits Documentation Guide for a detailed description of compliant documentation.

To be certified under Chapters 12B & 12C you must submit proper documentation confirming that your firm has already fully implemented equal benefits for employees with spouses and employees with domestic partners, and between the spouses and domestic partners of such employees. In addition to a compliant CMD-12B-101 Declaration, you must submit legal verification of your firm's employee count and a copy of your compliant memorandum to employees that explains your firm's nondiscrimination and domestic partner benefit policies. *Note: the memorandum is not a substitute for fully compliant incorporation of domestic partner language in your firm's benefit policies.* You may also be required to provide benefit documentation to verify that your firm does not discriminate in the provision of benefits. Such documentation may include your employee handbook and confirmations from your insurance, union and retirement documents. Failure to offer benefits in accordance with the San Francisco Chapter 12B Equal Benefits Ordinance may result in suspension of your firm's compliance status, financial penalties and/or the inability to contract with the City and County of San Francisco.

◆ Section 3. Execute this CMD-12B-101 Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _____ in the year _____, at _____, _____
                                                                                              (City)   (State)

_____   _____
Signature   Mailing Address

_____   _____
Name of Signatory (please print)   City, State, Zip Code

_____
Title

▶ Submit this form <u>and supporting documentation</u> to: Contract Monitoring Division, 30 Van Ness Ave., Suite 200, San Francisco, CA 94102-6020, or to CMD.EqualBenefits@sfgov.org or to the City department that sent it to you if the department so requests.
✓ Resource Materials and additional copies of this form may be found at: www.sfgov.org/CMD.
☎ For assistance, please contact the Contract Monitoring Division at 415-581-2310.

CMD-12B-101 (4-15)

FIGURE 3-6. MCO DECLARATION

CITY AND COUNTY OF SAN FRANCISCO   EDWIN M. LEE, MAYOR

GENERAL SERVICES AGENCY
OFFICE OF LABOR STANDARDS ENFORCEMENT
DONNA LEVITT, MANAGER

Minimum Compensation Ordinance (MCO) Declaration

What the Ordinance does. The Minimum Compensation Ordinance (MCO) became effective October 8, 2000, and was later amended by the Board of Supervisors, with an effective date for the amendments of October 14, 2007. The MCO requires City contractors and subcontractors to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated (12 days per year or cash equivalent) and uncompensated time off (10 days per year). The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements.

The MCO applies only if you have at least $25,000 in cumulative annual business with a City department or departments and have more than 5 employees, including employees of any parent, subsidiaries and subcontractors.

The City may require contractors to submit reports on the number of employees affected by the MCO.

Effect on City contracting. For contracts and amendments signed on or after October 8, 2000 the MCO will have the following effect:

- In each contract, the contractor will agree to abide by the MCO and to provide its employees the minimum benefits the MCO requires, and to require its subcontractors subject to MCO to do the same.

- If a contractor does not agree to provide the MCO's minimum benefits, the City will award a contract to that contractor only if the contractor has received an approved exemption or waiver under MCO from the Office of Labor Standards Enforcement (OLSE) through the contracting Department. The contract will not contain the agreement to abide by the MCO if there is an exemption or waiver on file.

What this form does. If you can assure the City now that, beginning with the first City contract or amendment you receive after October 8, 2000 and until further notice, you will provide the minimum benefit levels specified in the MCO to your covered employees, and will ensure that your subcontractors also subject to the MCO do the same, this will help the City's contracting process.

If you cannot make this assurance now, please do not return this form.

For more information, (1) see our Website, including the complete text of the ordinance: www.sfgov.org/olse, (2) e-mail us at: MCO@sfgov.org, (3) Phone us at (415) 554-6292.

Where to Send this Form. Mail: Vendor File Support, City Hall, Room 484, San Francisco CA 94102. Fax: (415) 554-6261 Email: vendor.file.support@sfgov.org

Declaration

In order to be a certified vendor with the City and County of San Francisco, this company will provide, if applicable, the minimum benefit levels specified in the MCO to our Covered Employees, and will ensure that our subcontractors also subject to the MCO do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

_____   _____
Signature   Date

_____   _____
Print Name   City Vendor Number (if known)

_____   ( )_____   _____
Company Name   Phone   Federal Employer ID #

City Hall, Room 430   1 Dr. Carlton B. Goodlett Place   San Francisco CA 94102-4685   Tel. (415) 554-6235   Fax (415) 554-6291

FIGURE 3-7. HCAO DECLARATION

OLSE Regulations Implementing the
San Francisco Health Care Accountability Ordinance (HCAO)
Health Care Accountability Ordinance (HCAO) Declaration

What the Ordinance Requires. The Health Care Accountability Ordinance (HCAO), which became effective July 1, 2001, requires Contractors that provide services to the City or enter into certain leases with the City, and certain Subcontractors, Subtenants and parties providing services to Tenants and Subtenants on City property, to provide health plan benefits meeting the Minimum Standards to Covered Employees, or make payments to the City for use by the Department of Public Health (DPH), or, under limited circumstances, make payments directly to Employees.

The HCAO applies only to Contractors with at least $25,000 ($50,000 for non-profit organizations) in cumulative annual business with a City department(s) and have more than 20 Employees (50 Employees for non-profit organizations) including Employees of all parent and subsidiaries that own or control the Contractor, plus any subsidiaries owned or controlled by the Contractor.

The City may require Contractors to submit reports on the number of Employees affected by the HCAO.

Effect on City Contracting. For contracts and amendments signed on or after July 1, 2001, the HCAO requires the following:
- Each contract must include terms ensuring that the Contractor will agree to abide by the HCAO and either to provide its employees with health plan benefits meeting the Minimum Standards set forth by the Director of Health or to make the payments required by the HCAO;
- All City Contractors must agree to comply with the requirements of the HCAO unless the Contracting Department has obtained an approved exemption or waiver under the HCAO from the Office of Labor Standards (OLSE).
- Contractors must require any Subcontractors subject to the HCAO to comply with the HCAO:

The Purpose of This Declaration. By submitting this declaration, you are providing assurances to the City that, beginning with the first City contract or amendment you receive after July 1, 2001 and until further notice, you will either provide the health plan benefits meeting the Minimum Standards to your covered employees or make the payments required by the HCAO, and will ensure that your Subcontractors also abide by these requirements. **If you cannot provide this assurance, do *not* return this form.**

To obtain more information regarding the HCAO, Visit our website, which includes links to the complete text of the HCAO, at www.sfgov.org/olse/hcao; send an e-mail to HCAO@sfgov.org; or call (415) 554-6292.

Where to Send this Form. Return this form to the City Department that sent it to you.

Declaration
In order to be a certified vendor with the City and County of San Francisco, the company named below will either provide, if applicable, health benefits specified in the HCAO to our covered employees or make the payments required by the HCAO, and will ensure that our subcontractors that are subject to the HCAO also comply with these requirements, until further notice. The company named below will provide such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

_____   _____
Signature   Date

_____   _____
Print Name   City Vendor Number (if known)

_____ (___)_____   _____
Company Name   Phone   Federal Employer ID #

APPENDIX E: HCAO CONTRACTOR COMPLIANCE DECLARATION FORM   PAGE vii

FIGURE 3-8. INSURANCE REQUIREMENTS

CERTIFICATE OF INSURANCE

ISSUE DATE:

PRODUCER:

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	

INSURED:

COVERAGES AND LIMITS

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE	$2 million
	[X] COMM. GENERAL LIAB.				PROD-COMP/OP AGG.	$1 million
	[ ] CLAIMS MADE				PERS & ADV. INJURY	$1 million
	[X] OCCURRENCE				EACH OCCURRENCE	$1 million
	[ ] OWNER'S & CONTRACT'S PROT				FIRE DAMAGE (One Fire)	
	[ ] _____				MEDICAL EXPENSE (One Per)	
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	$1 million
	[X] ANY AUTO				BODILY INJURY (Per Person)	
	[ ] ALL OWNED AUTOS				BODILY INJURY (Per Accident)	
	[ ] SCHEDULED AUTOS				PROPERTY DAMAGE	
	[X] HIRED AUTOS					
	[X] NON-OWNED AUTOS					
	[ ] GARAGE LIABILITY					
	EXCESS LIABILITY				EACH OCCURRENCE	
	[ ] UMBRELLA FORM				AGGREGATE	
	[ ] OTHER THAN UMBRELLA FORM					
	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY				[X] STATUTORY LIMITS	
					EACH ACCIDENT	$1 million
					DISEASE - POLICY LIMIT	$1 million
					DISEASE - EACH EMPLOYEE	$1 million
	OTHER INSURANCE					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:

(1) Additional Insureds: City and County of San Francisco, its officers, employees and agents. (Endorsement required)
(2) Liability insurance is primary and applies separately to each insured, except with respect to limits of liability. (Endorsement required)
(3) Endorsement must be attached with the Certificate.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

City and County of San Francisco
Department Name
Attn:
Address
City, State, Zip Code

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.
(See contract requirements for any changes to this Section.)

AUTHORIZED REPRESENTATIVE:

(Signature required)

P-607 (1-07)

FIGURE 3-9. PAYMENT (LABOR & MATERIAL) BOND

Contract No._____

PAYMENT (LABOR AND MATERIAL) BOND

KNOW ALL MEN BY THESE PRESENTS, that WHEREAS, the City and County of San Francisco, State of California, has awarded to:

_____

hereinafter designated as the "Principal", a contract, dated, _____, for the City and County of San Francisco's Office of Contract Administration Contract No. _____ (the "Contract").

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the payment of any services, materials, provisions, equipment or other supplies, used in, upon, for or about the performance of the work contracted to be done (the "Bond");

NOW, THEREFORE, we the Principal and _____,

as Surety, are firmly bound unto the City and County of San Francisco ("City") in the penal sum of

_____ Dollars ($_____)

lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents for a payment bond.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said principal, its heirs, executors, administrators, successors or assigns, of its subcontractor or subcontractors, shall fail to pay for any services, materials, provisions, equipment or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due the Unemployment Insurance Act with respect to such work or labor, then the surety of this Bond will pay for same, in an amount not exceeding the sum specified in this Bond, and in case suit is brought upon this Bond will also pay a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of all contractors or subcontractors of Principal and any and all persons, companies, corporations, political subdivisions and state agencies, performing labor, furnishing materials or equipment, or performing other services under the Contract.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same and no inadvertent overpayment of progress payments shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications or of any inadvertent overpayment of progress payments.

P-615, Payment (Labor and Material) Bond (11-08)   1 / 2

Contract No._____

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their seal this _____day of _____, 20_____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

PRINCIPAL

By: _____

Its: _____

Date: _____

SURETY

By: _____

Its: _____   _____

NOTE: Signature of Sureties must be acknowledged by a Notary Public

Date: _____

CITY

By: _____
          Benjamin Rosenfield, Controller

Date: _____

Approved as to form:
Dennis J. Herrera
City Attorney

By: _____
          Deputy City Attorney

FIGURE 3-10. PERFORMANCE BOND

Contract No._____
Bond No._____

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that WHEREAS, the City and County of San Francisco, State of California, has awarded to:

_____

hereinafter designated as the "Principal", a contract, dated, _____, for the City and County of San Francisco's Office of Contract Administration Contract No. _____ (the "Contract").

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract (the "Bond");

NOW, THEREFORE, we the Principal and _____,

as Surety, are firmly bound unto the City and County of San Francisco ("City") in the penal sum of

_____ Dollars ($_____)

lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents for a performance bond. The conditions of this obligation is such that if the said Principal does well and faithfully performs all the conditions and covenants of said Contract, according to the true intent and meaning thereof, upon its part to be kept and performed, then the above obligation is to be null and void, otherwise to remain in full force and effect.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said Contract, including the provisions for liquidated damages in the said Contract, any changes, additions or alterations thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City and County of San Francisco, its officers and agents, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same and no inadvertent overpayment of progress payments shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications or of any inadvertent overpayment of progress payments.

Contract No._____

Bond No._____

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their seal this _____ day of _____, 20_____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

PRINCIPAL

By: _____

Its: _____

Date: _____

SURETY

By: _____   _____

Its: _____   **NOTE:** Signature of Sureties must be acknowledged by a Notary Public

Date: _____

CITY

By: _____

      Benjamin Rosenfield, Controller

Date: _____

Approved as to form:
Dennis J. Herrera
City Attorney

By: _____

      Deputy City Attorney

FIGURE 3-11. LBE PROGRAM APPLICATION

City and County of San Francisco
Contract Monitoring Division (CMD)
Chapter 14B San Francisco Local Business Enterprise Certification & Compliance

LBE
Certification Application

SECTION I: BUSINESS INFORMATION

Business Name:

Primary Place of Business: Address

City   State   Zip Code

Check all that apply: ☐ Home Office   ☐ Own   ☐ Lease

Mailing Address:
☐ Same as Above Address

City   State   Zip Code

Contact Information: Phone   Fax

Cell   Email

Website

Federal Employer ID Number (FEIN):   **City Vendor Number:**

☐ No FEIN   ☐ No Vendor Number

San Francisco Green Business? ☐ Yes ☐ No

Business Type: ☐ Sole Proprietorship   ☐ Partnership

☐ LLC   ☐ Corporation (Including S-Corps)

Sample Format: 111 Street, City, State 95030 (Equipment Storage)

Additional Locations, if any:
(e.g., satellite offices, storage units, warehouses, etc.)

Truckers/Haulers:
indicate where you park your vehicle(s).

SECTION II: OWNERSHIP & EMPLOYEE DATA

Owners/Shareholders (First and Last Name)	Ownership %	Professional and/or Contractor License(s) If any	Are you a full-time employee of the City & County of San Francisco (Y/N)	For Tracking Purposes Only.			
				Ethnicity	Female (optional) (Y/N)	LGBT (optional) (Y/N)	Disabled Veteran (optional) (Y/N)

Owners/Shareholders	
How many of the owners/shareholders identified in the table above generally work from your San Francisco location(s)?	
How many of the owners/shareholders identified in the table above generally work from your non-San Francisco location(s)?	
How many of the owners/shareholders identified in the table above split their time between your San Francisco and non-San Francisco location(s)?	
What percentage of time do the owners/shareholders identified in the table above spend working from your San Francisco location?	
Are any of the owners identified in the table above full-time employees for another business? If yes, please clarify:	

Employees	
How many employees does your company have?	
How many of your employees are non-field employees? These are employees that generally perform most of their duties at your place of business rather than at your clients' offices of at a job site.	
a. How many of these non-field employees generally work from your San Francisco location(s)?	
b. How many of these non-field employees generally work from your non-San Francisco location(s)?	
c. How many of these non-field employees split their time between your San Francisco and non-SF location(s)?	

ORGANIZATION, HISTORY, ORGANIZATIONAL PERFORMANCE

A. Organizational Structure

For Firms That Are Corporations:

Date incorporated: _____
Under the laws of what state: _____
Provide all the following information for each person who is either **(a)** an officer of the corporation (president, vice president, secretary, treasurer), or **(b)** the owner of at least ten percent of the corporation's stock.

Name	Position	Years with Company	Ownership %

Identify every construction firm that any person listed above has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.
Note: For this question, "owner" and "partner" refer to ownership of ten percent or more of the business, or ten percent or more of its stock, if the business is a corporation.

Person's Name	Construction Firm	Dates of Person's Participation with Firm

For Firms That Are Partnerships:

Date incorporated: _____
Under the laws of what state: _____
Provide all the following information for each partner who owns ten percent or more of the firm.

Name	Position	Years with Company	Ownership %

Identify every construction firm that any person listed above has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.
Note: For this question, "owner" and "partner" refer to ownership of ten percent or more of the business, or ten percent or more of its stock, if the business is a corporation.

Person's Name	Construction Firm	Dates of Person's Participation with Firm

<u>For Firms That Are Sole Proprietorships:</u>

Date of commencement of business: _____

Identify every construction firm that any person listed above has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.
Note: For this question, "owner" and "partner" refer to ownership of ten percent or more of the business, or ten percent or more of its stock, if the business is a corporation.

Person's Name	Construction Firm	Dates of Person's Participation with Firm

B. History of the Business, Organizational Performance and Financial Information

1. Has there been any change in ownership of the firm at any time during the last five years?
☐ Yes   ☐ No
If "yes," please explain below:

2. How many years has your organization been in business in California, as a Contractor, under your present business name and license number? _____ Years

3. Has any owner, partner or (for corporation) officer of your firm operated a construction firm under any other name in the last five years?
☐ Yes   ☐ No
If "yes," please explain below:

SECTION III: GOODS AND SERVICES

Identify the goods and services you provide and for which you are seeking certification.
For a list of goods and services eligible for LBE certification, go to:
http://sfgsa.org/modules/showdocument.aspx?documentid=13176

[Sample Format: CN031 – General Building Contracting (B)]

SECTION IV: REQUIRED SUPPORTING DOCUMENTS

Submit All Required Documents with Your Application
(Be Sure to Complete the Document Checklist Provided Below)

☐ Submitted
☐ NA

Verification of Primary Place of Business: Provide a copy of your lease or other written agreement with proof of recent rent payment for your primary place of business. If you own this property, provide proof of ownership (e.g., property tax bill or deed of trust).

☐ Submitted
☐ NA

Verification of Additional Locations: Provide a copy of your lease or other written agreement with proof of recent rent payment for each additional location identified in Section I. If you own this property, provide proof of ownership (e.g., property tax bill or deed of trust)

> **Truckers/Haulers:** If you park your vehicle(s) on the street, check NA.

☐ Submitted
☐ NA

Six months of Continuous Operations: Provide a copy of your current San Francisco Business License. *If license was issued less than six months ago, also provide a copy of your most recently expired business license.*

> **Truckers/Haulers:** Truckers do no need to submit a San Francisco Business License. Provide copies of (1) your DMV Motor Carrier Permit and (2) proof of ownership for each vehicle in your fleet (e.g., vehicle registration or title).

☐ Submitted
☐ NA

Verification of Business Type:

> **Sole Proprietorships:** Check NA.
> **Partnerships:** Provide a copy of your partnership agreement. If you do not have one, check NA.
> **Corporations (Including S-Corps):** Provide a copy of your Articles of Incorporation.
> **LLCs:** Provide a copy of your Articles of Organization.

☐ Submitted
☐ NA

Verification of Ownership Percentages: Provide proof of ownership percentages for each owner/principle identified in Section II (e.g., up-to-date stock transfer ledger, most recent K-1 Schedules, etc.).

> **Sole Proprietorships:** Check NA.

☐ Submitted
☐ NA

Woman of Minority Owned Businesses: For each owner/principle which you identified as Female or an Ethnic Minority in Section II, provide proof of gender or nationality (e.g., passport, driver's license, birth certificate, etc.).

☐ Submitted
☐ NA

LGBT Owned Businesses: If owners/principals are identified as LGBT in Section II, provide proof of LGBTBE certification with the National Gay and Lesbian Chamber of Commerce.

☐ Submitted
☐ NA

Disabled Veteran Owned Businesses: If owners/principals are identified as Disabled Veteran in Section II, provide proof of DVBE certification with the State of California Department of General Services.

☐ Submitted
☐ NA

Recognized Green Businesses: If your firm is a recognized San Francisco Green Business, as indicated in Section I, provide a copy of your Green Business Program Recognition Certificate.

☐ Submitted
☐ NA

Verification of Employee Data (1): Provide a copy of your most recently filed annual W-3 Transmittal of Wage and Tax Statement filed with the Social Security Administration. If you did not pay wages last year, check NA.

☐ Submitted
☐ NA

Verification of Employee Data (2): Provide copies of all quarterly DE9C payroll reports you filed with the CA Employment Development Department last year. If you did not pay wages last year, submit copies of all DE9C payroll reports you filed with the EDD this year. If you did not pay wages during either period, check NA.

☐ Submitted
☐ NA

Verification of Goods and Services: Provide copies of invoices with proof of payment and/or contracts signed by your clients as evidence of your ability to provide and goods and services for which you seeks to be certified. Provide three examples for each category identified in Section III.

☐ Submitted
☐ NA

Verification of Average Gross Receipts: To determine your average gross receipts for the last three years, submit the following documents.

Sole Proprietorships:

☐ Submitted
☐ NA

Three most recently filed personal federal income tax returns. Submit only the first two pages (Form 1040 and signature page), depreciation schedules, and Schedules C, E and/or F, if any

All other Business Types:

☐ Submitted
☐ NA

Three most recently filed federal income tax returns for your business Submit only the first page (Form 1120, 1120S or 1065), Schedule E, depreciation schedules, and K-1 Schedules, if any.

AND

☐ Submitted
☐ NA

Three most recently filed personal federal income tax returns for each owner identified in Section II. Submit only the first two pages (Form 1040 and signature page), depreciation schedules, and Schedules C, E and/or F, if any.

We reserve the right to request additional information and/or documents once we have reviewed your application and accompany documents.

SECTION V: AFFIDAVIT

The undersigned owner/principal identified in Section II declared and swears under penalty of law that the statements made in this application are true, correct and complete. The undersigned further agrees to permit the audits and examination of the books, records and files of the named firm to verify the information submitted in this application. Any material misrepresentation will be grounds for initiating criminal and civil actions under federal, state and local laws and for terminating any contract awarded pursuant to this Certification.

Full Name [   ]

Signature [   ]

Date [   ]

PLEASE SUBMIT APPLICATION WITH ALL SUPPORTING DOCUMENTS TO:

Contract Monitoring Division
Attn. Certification Unit
30 Van Ness Avenue, Suite 200
San Francisco, CA 94102-6020

For more information, visit www.sfgov.org/cmd or call (415) 581-2310

The Vendor File Support Unit will return the *Vendor Profile Application* (Figure 3-2) to the vendor if it is not signed or not completed according to the instructions provided on the forms. The vendor must resolve the issue and resubmit the forms timely to the Vendor File Support Unit for it to complete its processing and issue a Vendor Number to the requester.

Vendors are also responsible for completing the vendor supplemental forms if the requirements for submitting the forms apply to the vendor.

Refer to the City & County of San Francisco Office of Contract Administrator website for further information on how vendors become eligible to do business with the City and the vendor forms: http://sfgov.org/oca/qualify-do-business.

3.4.1.1.1 | Controller's Office Vendor File Support Unit

The Vendor File Support Unit is responsible for processing the request to set up new vendors and vendors' applications. The Unit's other responsibilities include:

1.   Review the required forms and verify the application is completed according to the instructions provided on the forms.

2.   Communicate with vendors and requesting City Department(s) to request additional information and clarifications on their applications, if needed.

3.   Assign a unique vendor number to each new vendor and ensure there are no duplicate vendor records in the City Vendor File.

4.   Notify the vendor and the requesting City Department(s) with the new vendor number after the vendor has been set up in the City Vendor File.

5.   Maintain and update vendor profile and status information when information has changed.

6.   Coordinate with all City Departments in processing new Vendor applications, including but not limited to OCA Purchasing, Office of the Treasurer & Tax Collector, Contract Monitoring Division, Controller Cash Disbursement Unit, Controller Purchasing Card Administration, and City Attorney.

7.   Forward the *P-25 Business Tax Declaration* (Figure 3-4) to the Office of the Treasurer & Tax Collector, and the *CMD -12B-101* (Figure 3-5) to the Contract Monitoring Division if the forms are submitted by the vendor to the Vendor File Support Unit along with its application.

8.   Respond to inquiries from vendors and City Departments on the status of their application or on how to become a City Vendor.

9.   Provide training to City Department users on how to navigate the online Vendor screens and their functions.

3.4.1.2 | CONTRACT MONITORING DIVISION (CMD)

The Contract Monitoring Division (CMD) implements and enforces the *San Francisco Administrative Code Chapter 12B Equal Benefits Ordinance* and *Chapter 14B Local Business Enterprise Ordinance* adopted by the Mayor and the Board of Supervisors to protect the public interest in equality throughout the City & County of San Francisco's government contracting process.

To become a City Vendor, the vendor is required to complete and submit the *CMD 12B-101 Declaration* (Figure 3-5) to CMD for processing.

If Vendor File Support Unit receives the *CMD 12B-101 Declaration* (Figure 3-5) along with the *Vendor Profile Application* (Figure 3-2) from the vendor, the *CMD 12B-101* will be forwarded to CMD after the vendor record is set up successfully in the City Vendor File.

CMD communicates directly with the vendor during the certification process, and updates the City Vendor File with the compliance status when the certification process is complete.

Refer to the Contract Monitoring Division website for further information on the Equal Benefits Program: http://sfgov.org/cmd/12b-equal-benefits-program.

3.4.1.3 | OFFICE OF THE TREASURER & TAX COLLECTOR

San Francisco's *Business and Tax Regulations Code* requires that every person engaging in business within the City, regardless of whether such person is subject to taxation, must register within 15 days after commencing business within the City.

To become a City Vendor, the vendor is required to complete and submit the *P-25 - Business Tax Declaration* (Figure 3-4) to the Office of the Treasurer & Tax Collector for processing. If Vendor File Support Unit receives the *P-25 Business Tax Declaration* along with the *Vendor Profile Application* from the vendor, it will forward the *P-25* to the Office of the Treasurer & Tax Collector after the vendor record is set up successfully in the City Vendor File.

Business Tax communicates directly with the vendor during the certification process, and updates the City Vendor File with the Business Tax Certification Number and Expiration Date when the certification is complete.

3.4.2 | Vendor Compliance Status

Vendors must have a valid Business Tax status and be compliant with *Chapter 12B* to enter into contract or receive payment from the City. The exceptions to *Chapter 12B* compliance include:

1. The City spent less than $5,000 with the vendor during each of the previous fiscal years and the purchase (or series of purchases) being considered will not exceed $5,000 during any given fiscal year.

2. The vendor is the sole source for the purchase. Note that departments must file Sole Source Waiver forms with CMD. The forms are available on the City's Intranet Document Center under Contract Monitoring Division at http://mission.sfgov.org/DocCenter/ByDept.aspx?S=0&T=Contract%20Monitoring%20Division%20|%20All%20Documents&K=All70001.

   a. For *Chapter 12B* transactions only, see if the *Form 104 - Chapter 12B Blanket Sole Source Form* (Figure 3-12) can be used. Use it if the transaction falls exactly into one of the exemptions listed on the form and is under $250,000. Send CMD the completed, signed form before the Date of Contract (when the money was legally promised to a specific vendor). Also attach a copy of *Form 104* (Figure 3-12) to the contract or request for payment.

FIGURE 3-12. CMD FORM 104 (*CHAPTER 12B* BLANKET SOLE SOURCE FORM)

**CITY AND COUNTY OF SAN FRANCISCO
CONTRACT MONITORING DIVISION**

**S.F. ADMINISTRATIVE CODE CHAPTER 12B
BLANKET SOLE SOURCE FORM**
(CMD-104)

Send completed waivers to:
cmd.waiverrequest@sfgov.org or
CMD, 30 Van Ness Avenue, Suite 200, San Francisco, CA 94102

To use the blanket sole source exception to Administrative Code Chapters 12B and 12C, the contracting department is encouraged to first make good faith efforts to obtain compliance, or partial compliance, from the prospective contractor. If such efforts fail, the department must complete this form and submit it to the Contract Monitoring Division (CMD) before the contract is executed or the goods ordered. The contract must exactly match one of the exceptions listed below; otherwise use the CMD-201 form. CMD will not grant or deny individual requests; upon filing, the exception is granted. CMD will maintain departmental files on the use of this exception and reserves the right to audit departments and revoke the use of this exception where misuse is found. ***Use of this form is permitted ONLY where the contract amount at issue is for less than $250,000.***

Department: _____   Contractor Name: _____

Dept. Head Signature: _____   Contractor Vendor #: _____

Dept. Contact Name: _____   Date of Contract: _____

Dept. Contact Phone: _____   Contract Dollar Amount: _____

Date Waiver Submitted: _____   *(Contract Dollar Amount must be less than $250,000)*

This contract qualifies for a sole source waiver because it is a (check one):

☐ Contract to purchase postage from the U.S. Postal Service.

☐ Maintenance agreement where use of a maintenance service provider other than the manufacturer would void a warranty.

☐ Contract for the acquisition of proprietary equipment where the equipment to be acquired is the only equipment compatible with equipment currently owned or operated by the City and is unavailable from another source.

☐ Computer software maintenance agreement where the City does not have access to the source codes and such access is necessary to perform the maintenance; or where software has been developed for the City and the City does have access to the source codes but the source codes may not be modified without the developer's consent.

☐ Contract for the payment of fees associated with memberships, conferences, educational presentations, training sessions or publications that are unavailable from another source and are provided by a ***governmental, professional or trade organization or association***.

(OVER)

30 Van Ness Avenue
Suite 200
San Francisco
California 94102

TEL (415) 581-2310
FAX (415) 581-2351
Info.cmd@sfgov.org
http://www.sfgov.org/cmd

☐ Contract for the acquisition of materials printed by any federal, state, local or regional governmental entity that are unavailable from another source.

☐ Contract for the acquisition or use of periodicals, trade journals, newspapers, online research services or legal treatises that are unavailable from another source.

☐ Contract for the employment of student interns where effort has been made to recruit students from any available educational institution that complies with the requirements of San Francisco Admin. Code Chapters 12B and 12C.

☐ Contract for fees associated with the use of federal, state or regional parks or bridges.

☐ Contract for parts to repair, or goods to use with equipment owned by the City where the part or good is required for proper operation of the equipment and is available only from the manufacturer of the equipment.

☐ Property contract between the City and a financial institution where the financial institution is entering into the property contract as a result of foreclosure proceedings and where the previous contractor has defaulted on a loan agreement between the previous contractor and the financial institution.

☐ Contract for the acquisition and/or borrowing of cultural and educational items and exhibits that are unavailable from another source.

☐ Contract for the insuring, transporting, storage or curation of cultural and educational exhibits and collection items where the contractor to perform the work has been designated by the lender and use of this designated contractor is required by the loan agreement.

☐ Contract with any federal, state, local or regional governmental agency or entity to the extent the contract is related to the regulatory functions of such agency or entity, including licensing, inspection, permit, application fees, fines and taxes.

☐ Lease or permit of City Right of Way property to adjacent landowners where the contracting officer determines that there are no other potential users of the property.

➢ Additional copies of this form may be downloaded at the Documents Center on the City's intranet at: http://intranet/.

➢ Read the *Quick Reference Guide to Chapter 12B, Chapter 12C and Chapter 14B Waivers* for more information. Copies are available at the Documents Center on the City's intranet at: http://intranet/.

➢ Send waivers to: Contract Monitoring Division, 30 Van Ness Avenue, Suite 200, San Francisco, CA 94102 *or* cmd.waiverrequest@sfgov.org

☎ For further assistance, contact the Contract Monitoring Division at 415-581-2310.

CMD-104 (June 2014)

b. If *Form 104* (Figure 3-12) is not appropriate because the transaction does not match any of the exemptions on the form or exceeds the $250,000 limit, submit *Form 201 - Chapters 12B and 14B Waiver Request Form* (Figure 3-13) to CMD. Attach a justification that explains:

- The purpose of the transaction
- Why the transaction meets the type of waiver being requested
- The Department's efforts to get the vendor to comply.

FIGURE 3-13. CMD FORM 201 (CHAPTERS 12B AND 14B WAIVER REQUEST FORM)

CITY AND COUNTY OF SAN FRANCISCO
CONTRACT MONITORING DIVISION

S.F. ADMINISTRATIVE CODE CHAPTERS 12B and 14B
WAIVER REQUEST FORM
(CMD-201)

Send completed waiver requests to:
cmd.waiverrequest@sfgov.org or
CMD, 30 Van Ness Avenue, Suite 200, San Francisco, CA 94102

FOR CMD USE ONLY
Request Number:

➤ **Section 1. Department Information**

Department Head Signature: _____

Name of Department: _____

Department Address: _____

Contact Person: _____

Phone Number: _____ E-mail: _____

➤ **Section 2. Contractor Information**

Contractor Name: _____ Vendor No.: _____

Contractor Address: _____

Contact Person: _____ Contact Phone No.: _____

➤ **Section 3. Transaction Information**

Date Waiver Request Submitted: _____ Type of Contract: _____

Contract Start Date: _____ End Date: _____ Dollar Amount of Contract: $ _____

➤ **Section 4. Administrative Code Chapter to be Waived (please check all that apply)**

____ Chapter 12B

____ Chapter 14B *Note*: Employment and LBE subcontracting requirements may still be in force even when a 14B waiver (type A or B) is granted.

➤ **Section 5. Waiver Type (Letter of Justification *must* be attached, see Check List on back of page.)**

____ A. Sole Source

____ B. Emergency (pursuant to Administrative Code §6.60 or 21.15)

____ C. Public Entity

____ D. No Potential Contractors Comply (Required) Copy of waiver request sent to Board of Supervisors on: _____

____ E. Government Bulk Purchasing Arrangement (Required) Copy of waiver request sent to Board of Supervisors on: _____

____ F. Sham/Shell Entity (Required) Copy of waiver request sent to Board of Supervisors on: _____

____ G. Subcontracting Goals

____ H. Local Business Enterprise (LBE)

CMD/HRC ACTION
12B Waiver Granted: _____   14B Waiver Granted: _____
12B Waiver Denied: _____   14B Waiver Denied: _____
Reason for Action: _____
CMD Staff: _____ Date: _____
CMD Director: _____ Date: _____
HRC Director (12B Only): _____ Date: _____

CMD-201 (June 2014)   This form available at: http://intranet/.

CHECK LIST

You must complete each of the steps below before submitting this form:

- ✓ Attempt to get the contractor to comply with Administrative Code Chapter 12B requirements. (Applies to Chapter 12B waiver requests only.)

- ✓ Include a letter of justification explaining:
  - The purpose of the contract.
  - Why the contract fits the type of waiver being requested (for example, why it is a sole source).
  - Your department's efforts to get the contractor to comply (for Chapter 12B waivers).

  (Do not substitute the OCA waiver form or justification in place of the CMD waiver form and justification.)

- ✓ Fill in all of the blanks in Sections 1-3.

- ✓ Indicate (in Section 4) which Administrative Code Chapter(s) need to be waived.

- ✓ Indicate (in Section 5) which waiver type is being requested.

- ✓ For waiver types D, E and F, submit a copy of this form to the Clerk of the Board of Supervisors and indicate the date this was done in the blank provided on the form.

ADDITIONAL INFORMATION

Contract Duration: Contracts entered into pursuant to a Chapter 12B waiver should be constructed for the shortest reasonable duration so that future contracts may be awarded to a Chapter 12B-compliant contractor.

Waiver Type B (Emergency): A copy of the formal Declaration of Emergency or letter from the department Commission or Board must be submitted with the Form 201.

Chapter 14B Sole Source, Emergency and LBE Waivers: Only the bid discounts and departmental good faith outreach efforts requirements of Chapter 14B may be waived. All other provisions of this Chapter will still be in force even if this type of waiver has been granted.

Chapter 14B Subcontracting Waivers: Only the subcontracting goals may be waived. All other provisions of this Chapter still will be in force even if this type of waiver has been granted.

Waiver Types D, E and F: These waiver types have additional requirements:
1. The contracting department must notify the Board of Supervisor's that it has requested a waiver of this type.
2. Departments exercising waiver authority under one of these provisions must appear before a Board of Supervisors committee and report on their use of such waiver authority.

All modifications to waived contracts that increase the dollar amount of the contract or extend the contract period must have CMD and/or HRC approval prior to the expiration date on the original waiver form.

- ➤ Additional copies of this form may be downloaded at the Documents Center on the City's intranet at http://intranet/.

- ➤ Read the *Quick Reference Guide to Chapter 12B, Chapter 12C and Chapter 14B Waivers* for more information. Copies are available at the Documents Center on the City's intranet at http://intranet/.

- ➤ Send waiver requests to: Contract Monitoring Division, 30 Van Ness Avenue, Suite 200, San Francisco, CA 94102 *or* cmd.waiverrequest@sfgov.org

- ☎ For further assistance, contact the Contract Monitoring Division at 415-581-2310.

CMD-201 (June 2014)

Departments can look up vendor Business Tax and CMD compliance status in FAMIS Screen 9560.

FIGURE 3-14. FAMIS SCREEN 9560 VENDOR CLASS/STATUS

```
FAML9560 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        01/27/2016
LINK TO:                    VENDOR CLASS/STATUS CODE                    4:58 PM

VENDOR NUMBER: 76030         - LAW OFFICES OF BORNSTEIN & BORNSTEIN
VENDOR SUFFIX: 01

S CLS STA DESCRIPTION     SRT FRQ DATE-1      DATE-2      PREF %    CERTIFICATE
  BUS TAX EXP DT&CERT NUM                     06/30/2016            0927293
  HB  EX  12B EXT:DPT<$5K                     01/07/2009
  HBC YES COMPLIES
  HBN YES COMPLIES

F1-HELP      F2-SELECT                  F4-PRIOR     F5-NEXT
F7-PRIOR PG  F8-NEXT PG   F9-LINK                    F11-CLASS    F12-STATUS
G005 - PRIOR RECORD DISPLAYED
```

A compliant vendor should at least have these three items displayed in Screen 9560:

1. BUS TAX with an expiration date in the future (or BUS DND or BUS NP or BUS GOV or BUS EX)
2. HBC YES
3. HBN YES

For detailed explanations on Vendor Status Codes, FAMIS Purchasing Vendor Status Information, or related issues, refer to the following link for training materials:
http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=154&S=0&P=ByDept.aspx&T=Office%20 of%20Contract%20Administration%20(OCA)%20|%20Training%20Materials&K=70127.

3.4.3 | Security and Internal Controls

Security

The Controller Security Administrator is responsible for setting up department users who are authorized to access to the City Vendor File. Only a limited number of individuals in the Controller's Office have update capability, including Vendor File Support, Business Tax, and Cash Disbursement Units.

The Security Coordinator of a department is responsible for completing the Controller's Office *FAMIS Security Request Form* and the Controller's *Purchasing (ADPICS) Request Form* to request access for department users. These forms must also be signed by the Department Head/CEO before they are submitted to the Controller Security Administrator. The forms can be found online at: http://sfcontroller.org/index.aspx?page=203.

Permission to view City Vendor File information is granted at the user level, screen level (Vendor Header, Detail, Address, Status) and also at the Field level (for example the SSN/FEIN field). Only Vendor File Support Unit staff has permission to view and update the SSN. For all other users, the system blocks the SSN by displaying asterisks "*" in the SSN Field. FEIN is not blocked and can be viewed by any users who have access to the Vendor Header screen.

Internal Controls

At year-end the Controller's Cash Disbursement Unit generates a report identifying those vendors whose 1099 indicators are not set up correctly in the City Vendor File. The report is forwarded to the Vendor File Support Unit for its review and to update the 1099 indicator in the vendor records for these vendors.

On a continuous basis, the Controller Vendor File Support Unit requests vendors to review their existing profile information and notify the City if any information has changed.

The City Vendor File is maintained by the Controller Vendor File Support Unit. Other City Departments, including but not limited to the Office of the Treasurer & Tax Collector and the City's Contract Monitoring Division, also maintain Vendor data specific to their Departments' Vendor Certification program. CMD and Business Tax provide interface files to update vendors' 12B and Business Tax Compliance information in the City Vendor File.

3.5 | Technology Marketplace

All contracts for the acquisition of Information Technology (IT) commodities or services shall be made by the Purchaser, under the general direction of the San Francisco Committee on Information Technology (COIT). Departments shall use the Technology Marketplace for acquiring:

- Computer and IT-related goods; *i.e.*, technology-related hardware or software products.
- IT professional services after the department has exhausted every reasonable effort to first obtain these services by engaging internal staff or through work-ordering staff from another City department(s).   IFPTE Local 21 will review all IT professional services requests.

3.5.1 | Overview and Contracting Tiers

Through an RFP process, the City has established the Technology Marketplace, a pre-qualified pool of technology contractors that provide IT goods and services. Departments shall request quotes from

Technology Marketplace contractors within the relevant cost tier (Tier 1, 2, or 3). Below are the contracting tiers established under the Technology Marketplace:

- <u>Tier 1</u>: **Contracts greater than $10 million.** Provides professional and specialized services, technology products, equipment, and maintenance and training services
- <u>Tier 2</u>: **Contracts less than $2.5 million.** Provides technology products, consulting, maintenance and training services
- <u>Tier 3</u>: **Micro-LBE set-asides for contracts less than $100,000 or $400,000.** Provides computer equipment (cap of $100,000) for computer services and maintenance (cap of $400,000)

Don't mix contracting tiers when requesting quotes. For a detailed list of the contractors for all three tiers, refer to the *Technology Marketplace User Guide* at http://sfgov.org/oca/technology-marketplace.

3.5.2 | Hardware, Software and Maintenance

To utilize the Technology Marketplace, the department requests a quote from a Technology Marketplace contractor. The contractor prepares the quote, using <u>Form 1</u> (Figure 3-16) for Hardware and Software agreements, or <u>Form 2</u> (Figure 3-17) for Maintenance Agreements, and submits the form to the department for review and acceptance. The department ensures that the correct form is used and all required fields are completed.   Incomplete forms will be returned. The forms are downloadable at http://sfgov.org/oca/technology-marketplace. Below is the process flow for ordering IT hardware, software, and maintenance.

FIGURE 3-15. PROCESS FLOW – ORDERING IT HARDWARE, SOFTWARE & MAINTENANCE

```
                    Determine Requirements
                             │
                             ▼
        1. Contact Marketplace vendors in the
           following sequence for availability:
              Tier 3 →   Tier 2 → Tier 1
                             │
                             ▼
        2. Review final quote form (i.e. Form1 for
           Hardware/ Software  or Form 2 for
                    Maintenance)
                             │
                             ▼
        3. Follow your department's internal
             procedure for purchase approvals
                             │
                             ▼
        4. Have the appropriate department
           representative sign and date the form
                             │
                             ▼
        5. Enter your requisition into NFAMIS. For
         technology purchases, the only document type is
                         "RT"
                             │
                             ▼
        6. Submit  (a) Form 1 or 2 (b) Screen print
         of the NFAMIS, and (c) Required DT CIO
            review forms to the CIO f& email to:
                cio.review@sfgov.org.
                             │
                             ▼
        7. Upon review, DT CIO will forward all
         documentation to OCA for review, approval &
                       processing
                             │
                             ▼
        8. OCA may require additional documentation
             for review and approval purposes.
```

NOTES

1. Generally, 'products only' contractors' are required to respond within 48 business hours.

2. Contact all 3 Micro-LBEs in group EQ108 first. If they are unable to provide quotations, contact Tier 2. If Tier 2 can't provide quotations, contact Tier 1

3. OCA will manage solicitations for orders greater than $10,000

4. Departments are only required to submit 1 quote for the requisition process.

5. For step 6, if your request is URGENT please indicate the reason for the urgency in your email

FIGURE 3-16. TECHNOLOGY MARKETPLACE QUOTE APPROVAL FORM 1

Technology Marketplace
Quote Approval Form 1 for Product Ordering

DEPARTMENT USE				CONTRACTOR USE	
Department Name & #:		#	Index Code:	Quote Date:	
Ordered By:			Sub-object:	Quote #:	
Dept. Contact Phone #:			Requisition #:	Quote Expiration Date:	
Department Approval: *(Signature & Date)*				Quoted By:	
Other Approval: *(Signature & Date)*				Contractor Phone #	
DT Approval: *(Signature & Date)*				Contractor ID# / Contract#	
COIT Project/Folio#:				Contractor Signature:	

DELIVERY/BILLING INFORMATION		
CONTRACTOR INFORMATION:	DELIVER TO:	BILL TO ADDRESS:
CONTRACTOR REMITTANCE ADDRESS:	SPECIAL INSTRUCTIONS/REQUIREMENTS (if necessary):	

Item No.	Quantity	Price Per Unit	Part Number	Description - include manufacturer/brand names	Extended Amount
1	0	$ -			$ -
2	0	$ -			$ -
3	0	$ -			$ -
4	0	$ -			$ -
5	0	$ -			$ -
6	0	$ -			$ -
7	0	$ -			$ -
8	0	$ -			$ -
9	0	$ -			$ -
10	0	$ -			$ -
				Total of this page:	$0.00

If there is more than one page:				GRAND TOTAL OF QUOTE:	
Subtotal of Following Pages	Quote Subtotal	Sales Tax (8.75%)	Calif. Recycle Fee		$0.00
$0.00	$0.00	$0.00	$ -		
Admin Fee is for informational purposes - DO NOT ADD TO QUOTE. Calculate 1.9% FEE (before sales tax):				$0.00	

Form 1 (12-14)   Effective Date 12/10/14   This is page 1 of 2

FIGURE 3-17. TECHNOLOGY MARKETPLACE QUOTE APPROVAL FORM 2

Technology Marketplace
Quote Approval Form 2 for Maintenance Ordering

DEPARTMENT USE			VENDOR USE	
Department Name & #:	#	Index Code:	Quote Date:	
Ordered By:		Sub-object:	Quote #:	
Dept. Contact Phone #:		Requisition #:	Quote Expiration Date:	
Department Approval: *(Signature & Date)*			Quoted By:	
Other Approval: *(Signature & Date)*			Contractor Phone #	
DT Approval: *(Signature & Date)*			Contractor ID# / Contract#	
COIT Project/Folio#:			Contractor Signature:	

CONTRACTOR INFORMATION:	DELIVER TO:	BILL TO ADDRESS:
CONTRACTOR REMITTANCE ADDRESS:	SPECIAL INSTRUCTIONS/REQUIREMENTS (if necessary):	

SERVICE HISTORY	SUBCONTRACTOR INFORMATION:		Additional Documents Attached? Enter Yes or No:
Please mark one:	Company Name:		
Renewal:	Address 1:		
New:	Address 2:		
	City, State, Zip:		
Start Date:	Contact		
End Date:	Phone Number:		

Item No.	Quantity	Price Per Unit	Part Number	Description - include manufacturer/brand names	Extended Amount
1					$ -
2					$ -
3					$ -
4					$ -
5					$ -
				Total of this page:	$0.00

If there is more than one page:				
Subtotal of Following Pages	Quote Subtotal	Sales Tax (8.75%)	GRAND TOTAL OF QUOTE:	
$0.00	$0.00	$0.00		$0.00

Admin Fee is for informational purposes - DO NOT ADD TO QUOTE. Calculate 1.9% FEE (before sales tax): $0.00

Form 2 (12-14)   Effective Date 12/10/14   This is page 1 of 2

Delivery/Invoicing/Payment Address

Fill in all fields for delivery, invoice and payment address information, even if they are identical. Correct the address in the financial system if it is different.

Competitive Bidding

For orders $10,000 and below: competitive bidding isn't required. However, it is recommended that departments solicit more than one quote within a selected Tier (Tiers 1, 2, or 3) to maximize competition.

For orders over $10,000: submit a requisition and Office of Contract Administration (OCA) will manage the competitive solicitation process for departments by using the new WebProcure e-procurement system.

Pricing

Available on the OCA website at http://sfgov.org/oca/technology-marketplace.

Used Products

Purchasing used products through the Technology Marketplace is expressly prohibited.   In rare situations, refurbished products may be considered. In extremely rare instances, reconditioned or used products are available.

Cancellations

Cancellations must be requested through OCA prior to delivery for non-special or non-standard hardware and software products.

Deliveries

All products shall be:

- Delivered inside the building free of charge and should designate "FOB Destination"
- Delivered within 10 City business days after contractor receives the purchase order, unless the product is not available from manufacturer/ distributor

If there is a delay in delivery, contractors are required to notify ordering departments within 72 hours.

Returns

Departments will be credited in full without any restocking fees for all unopened products from Cisco, Dell, HP, and IBM within 30 calendar days of delivery.   For all other products, contractors may pass restocking fees from third party suppliers. Administrative costs & handling fees are not allowed.

Warranties

Authorized contractors must offer or facilitate warranty services for products sold through the Technology Marketplace, and pass title of product(s) purchased to the City within 48 business hours.

Pre-payments

No prepayments are allowed in advance or for orders not delivered in full for hardware and software agreements.   Pre-payment maybe allowed in some cases for software maintenance services only. Departments should fully understand compliance requirements in such cases.

Packing Slips

All deliveries should be accompanied by a packing slip that shows the purchase order number, a complete list of items delivered, and the department name and contact person.

Follow department procedures for accounts payable and internal controls. Keep all packing slips for department files and provide a copy of the packing slip with the invoice and submit for subsequent processing per your department procedures. Some departments must complete a *Materials Received Report* ("MRR") for each order.

Substitutions

Substitutions are not allowed without approval from the ordering department.

Maintenance

Note terms of maintenance on the quote form and in the NFAMIS requisition. Maintenance of any kind must be ordered separately from a hardware/software order, unless it is included with the original purchase. For exceptions, contact OCA staff.

3.5.3 | Professional Services

Professional services may include project management, software development, network installation, system design, training, and other services related to the identification and deployment of technology needs. Below is the process flow for ordering professional services.

FIGURE 3-18. PROCESS FLOW – ORDERING PROFESSIONAL SERVICES

Determine Requirements

1. Check if resources are available in your department or elsewhere in the City (e.g. DT, DPW, DTH etc.)

2. Contact Marketplace vendors of your choice for quotes.

3. Review Form 3 from the contractor + create other substantiating documentation including PSR for Local 21 review

4. If satisfied with the quote, have it signed by the appropriate IT purchasing authority

5. Enter your requisition into NFAMIS. For technology purchases, the only document type is "RT"

6. Submit (a) Form 3 (b) Screen print of the NFAMIS, and (c) Required DT CIO review forms to the CIO f& email to: cio.review@sfgov.org.

7. Upon review, DT CIO will forward all documentation to OCA for review, approval & processing

8. If approved by the CIO and no objections are raised by Local 21, OCA will proceed with processing

9. OCA may require additional documentation for review and approval purposes.

NOTES

1. When requesting a quote, you may put a time limitation. Contractors are required to respond within 7 business days

2. All forms submitted to OCA must be signed by appropriate dept. representative

3. Professional Services > $10,000 require 3 quotes.

4. It is recommended that all Tier 1 (Tier 1A & 1B) or Tier 3 contractors are contacted

5. For step 6, if your request is URGENT please indicate the reason for the urgency in your email

Upfront Planning

Seek professional services after your department has: **(a)** clearly defined the requirements and scope of a project, **(b)** determined deliverables and schedule, and **(c)** determined that the services are not available either through your staff or any other City department (including DT on a work-order basis). If a Technology Marketplace contractor is contacted for a quote, the quote should include a request for training and a plan for the contractor to transition the project to City staff that will maintain and support the project on an ongoing basis.

Local 21

Departments are required to justify their decision as to why the project requires the use of an outside contractor by completing Local 21's web form (available at http://www.ifpte21.org/sfitchapter/psc_info_request.shtml) for union review. Submit this form at the same time as *Form 3* (Figure 3-19) (downloadable at http://sfgov.org/oca/technology-marketplace) is submitted with supporting documentation for DT CIO review.

1. Contact Local 21 at 415-864-2100 to discuss your project as early as possible (current contact is Pam Covington, pcovington@ifpte21.org). Local 21 will generally review within ten (10) business days.
2. If Local 21 has no objections, it will notify OCA through e-mail.
3. If Local 21 objects to the request for services, it will attempt to resolve the issue directly with your department. If agreement can't be reached, the department shall submit the request to the Civil Service Commission for determination.

FIGURE 3-19. TECHNOLOGY MARKETPLACE QUOTE APPROVAL FORM 3

Technology Marketplace
Quote Approval Form 3 for Professional Services Ordering

DEPARTMENT USE				CONTRACTOR USE	
Department Name & #:	#	Index Code:		Quote Date:	
Ordered By:		Sub-object:		Quote #:	
Dept. Contact Phone #:		Requisition #:		Quote Expiration Date:	
Department Approval: (*Signature & Date*)				Quoted By:	
Other Approval: (*Signature & Date*)				Contractor Phone #	
DT Approval: (*Signature & Date*)				Contractor ID# / Contract#	
COIT Project/Folio#:				Contractor Signature:	

DELIVERY/BILLING INFORMATION		
CONTRATOR INFORMATION:	DELIVER TO:	BILL TO ADDRESS:
CONTRACTOR REMITTANCE ADDRESS:	SPECIAL INSTRUCTIONS/REQUIREMENTS (if necessary):	

CONTRACT HISTORY (Dept.)
Dept. - please mark one:
Renewal:
New:
Start Date:
End Date:

FOR OCA STAFF ONLY:
10% Retention Required:
YES:
NO:

Local 21 Review (Dept. complete)		Yes or No
Has this Request been reviewed by Local 21?:		
Bond Required		**Yes or No**
Attach bond information/documentation.:		
SUBCONTRACTOR INFORMATION:		Are additional documents attached? Enter Yes or No (Dept. complete)
Company Name:		
Address 1:		
Address 2:		
City, State, Zip:		
Contact:		
Phone Number:		

PROJECT SUMMARY - Please provide an executive summary of the project scope and goals. Attach a separate document as necessary.

DETAILED SCOPE OF WORK - Please provide a detailed Scope of Work for this project. Also, attach any supporting documentation (contracts, resumes, milestone to payment chart, etc.). If subcontractors/vendors are expected to work on this project please identify the milestones the subcontractor/vendor will deliver.

FUNDING SOURCE - Please describe in detail the source of all funds for this project (i.e. General Fund, State/Federal grants, etc.) Attach a separate document if necessary.

PROJECT COSTS - Please itemize all rates and total cost for project. This includes all subcontractor/vendor hourly rates and contact information. Attach a separate document as necessary.

Subtotal of Following Pages	Quote Subtotal	GRAND TOTAL OF QUOTE:	
$0.00	$0.00		$0.00
Admin Fee is for informational purposes - DO NOT ADD TO QUOTE. Calculate 1.9% FEE (before sales tax):		$0.00	

Form 3 (10-14)   Effective Date 10/1/14   This is page 1 of 1

Competitive Bidding

For orders $10,000 and below: competitive bidding is not required. However, it is recommended that departments solicit quotes from all of the Tier 1 or Tier 3 Technology Marketplace contractors to maximize competition.

For orders over $10,000: departments will manage the competitive bidding process.

Pricing

Available on the OCA website at http://sfgov.org/oca/technology-marketplace.

Progress Payments

Progress payments are recommended for the receipt of specific deliverables for large or complex projects that may be long in duration; e.g., six months. These payments should be carefully scheduled based on the size of the deliverable performed, and include a final payment upon completion and acceptance of the project.

Retention

It is recommended that departments retain 10% of every invoice for professional service projects over $100,000.   This retention will be recognized at the end of every invoice received from the contractor until final acceptance.   Upon final acceptance of the project, the contractor will submit a final invoice, which includes the total retention remaining on the project.

Order Cancellations

Departments may cancel an order for professional services at any time, but will likely be required to pay for any services or products received prior to cancelling the order.

Contracts other than Technology Marketplace

The contracts between the City and the Technology Marketplace contractors are the governing contract for any goods or services acquired through the Marketplace. Departments should not execute a separate contract or amendment with a contractor for professional services.   If contractors request that you sign or initial the Statement or Scope of Work (SOW), the SOW may not add, change or delete any of the Technology Marketplace contract terms and conditions.

Bonds

High dollar value projects that are complex, long-term, or high-risk, may merit a performance bond or labor and materials bond.   Bonds should be considered on a project-by-project basis weighing such factors as added expense, risk, and the protection offered by various bonding options after consulting with the Risk Manager, City Attorney or OCA.

Sample Project Checklist

While each professional service request is different, below is a sample checklist that can be used. For any questions, contact OCA.

TABLE 3-8. SAMPLE PROFESSIONAL SERVICE PROJECT CHECKLIST

CHECK	ACTION ITEM
☐	Meet with Department staff affected by this project.
☐	Complete a preliminary SOW with project requirements and schedule.
☐	Review the project requirements with DT.
☐	Discuss project requirement with Marketplace contractor(s).
☐	Request quote and supporting documentation from Marketplace contractor(s)
☐	Review the quote for content accuracy and form.
☐	Complete Form 3.
☐	Have Form 3 signed by the Department IT Manager and/or Department Head.
☐	Prepare all required supporting documentation.
☐	Submit the project to the DT CIO and Local 21 for review.
☐	No objections raised by Local 21 or issues resolved.
☐	No objections raised by DT CIO or issues resolved.
☐	Prepare milestones to payments schedule.
☐	If required, Marketplace contractor submits a bond.
☐	If required, prepare a cost benefit analysis.
☐	If required, prepare a risk analysis
☐	If required, submit a detailed list of sub-contractors with contact information, names of staff working on project and payment schedule from Marketplace contractor to sub-contractor.
☐	If required, submit a copy of the agreement between the sub-contractor(s) and the Marketplace contractor.
☐	If required, notify the Marketplace contractor that the 10% retention policy will be in effect for this project.

3.5.4 | Tier 3: Micro-LBE Set Aside

Tier 3 (see *Section 3.5.1 - Overview and Contracting Tiers* for more information on the three tiers and the contractors awarded) Micro-LBE set aside contracts are limited to orders totaling $100,000 for products and $400,000 for General and Maintenance Services.

Tier 3 contract maximums are calculated based on contracts across City departments. For example, departments submit the following orders against Contractor X's EQ108 - Products contract: Order 1 by the Port is for $5,000, Order 2 by Rec & Park is for $75,000; Order 3 by SFPD is for $19,000; and, Order 4 by DT is for $8,000. The first three orders total $99,000 and will be accepted. However, DT's order is in excess of the Tier 3 $100,000 contract cap and will not be accepted. DT has the option of decreasing its order to $1,000 or less to utilize this contract, or purchasing from another contractor.

The City has awarded Tier 3 Micro-LBE set-aside contracts in the following thresholds:

- Product-only contracts up to $100,000
- General services contracts up to $400,000

Note: It is highly recommended that all Tier 3 Micro-LBE contractors are contacted first to provide quotes. If none of the Tier 3 contractors can provide a quote, then contact Tier 2 contractors, followed by Tier 1 contractors.

Below is the process flow for ordering IT products and services through Micro-LBE set-aside contracts.

FIGURE 3-20. PROCESS FLOW – ORDERING THROUGH MICRO-LBE SET-ASIDE CONTRACTS

```
            ┌──────────────────────────────┐
            │    Determine Requirements     │
            └──────────────────────────────┘
                          │
                          ▼
   ┌────────────────────────────────────┐
   │ 1. Contact Marketplace Tier 3 Micro-│          __NOTES__
   │    LBE vendors for products, service│
   │    or maintenance                    │     ┌──────────────────────┐
   └────────────────────────────────────┘     │ 1. Departments can    │
                          │                     │ impose a time         │
                          ▼                     │ limitation when       │
   ┌────────────────────────────────────┐     │ requesting a quote    │
   │ 2. Review final quote form (i.e.    │     └──────────────────────┘
   │    Form1, Form 2 or Form 3)         │
   │    depending on the type of service │
   └────────────────────────────────────┘
                          │
                          ▼
   ┌────────────────────────────────────┐
   │ 3. Follow your department's internal│
   │    procedure for purchase approvals │
   └────────────────────────────────────┘
                          │
                          ▼
   ┌────────────────────────────────────┐
   │ 4. Have the appropriate department  │     ┌──────────────────────┐
   │    representative sign and date the │     │ 2. Generally          │
   │    form                              │     │ 'Products only'       │
   └────────────────────────────────────┘     │ contractors' are      │
                          │                     │ required to respond   │
                          ▼                     │ within 48 business    │
   ┌────────────────────────────────────┐     │ hours and 'Service    │
   │ 5. Enter your requisition into      │     │ only' contractors'    │
   │    NFAMIS. For technology purchases,│     │ within 7 business days│
   │    the only document type is "RT"   │     └──────────────────────┘
   └────────────────────────────────────┘
                          │
                          ▼
   ┌────────────────────────────────────┐
   │ 6. Submit (a) Form 1, 2 or 3 (b)    │
   │    Screen print of NFAMIS (c)       │
   │    Required DT CIO review forms to  │
   │    the CIO f& email to:             │
   │    cio.review@sfgov.org.            │
   └────────────────────────────────────┘
                          │
                          ▼
   ┌────────────────────────────────────┐
   │ 7. Upon review, DT CIO will forward │
   │    all documentation to OCA for     │     ┌──────────────────────┐
   │    review, approval & processing    │     │ 3. For step 6, if your│
   └────────────────────────────────────┘     │ request is URGENT     │
                          │                     │ please indicate the   │
                          ▼                     │ reason for the urgency│
   ┌────────────────────────────────────┐     │ in your email         │
   │ 8. OCA may require additional       │     └──────────────────────┘
   │    documentation for review and     │
   │    approval purposes.               │
   └────────────────────────────────────┘
```

3.5.5 | Exceptions and Restrictions in Using Technology Marketplace

Marrying Sub-contractors

Departments can't pre-select a sub-contractor for a particular project and insist that one of the Technology Marketplace contractors use that sub-contractor. It is Marketplace contractors' responsibility to quote the best possible solution (including a sub-contractor) for your requirement.

Software Enterprise Agreements

The following software Enterprise Agreements are administered by Department of Technology (DT). For assistance, please contact DT at: CityEA@sfgov.org:

- Adobe Acrobat Professional
- VMware – All VMware software products and training credits
- Microsoft EA Products
- Microsoft Office 365 Subscription Services
- CommVault Simpana Products

Grant-Funded Purchases

Grants may have special provisions that conflict with the terms and conditions of Technology Marketplace contracts.

Sole Source Transactions

Do not use Technology Marketplace contracts for proprietary goods or services that are only available from a single source.

Projects $2.5 Million and Over

The department will be required to issue an RFP outside of the Technology Marketplace for awards above this threshold.

3.5.6 | Technology Store Fee

The 1.9% Technology Store fee is an inter-departmental service recovery offsetting General Fund support for the Office of Contract Administration. The Controller's Office is responsible for processing this fee for the City. Office of the City Administrator updates eligible vendors on a quarterly basis. The Table below provides a list of vendors who are eligible for COIT fees as of spring 2016.

TABLE 3-9. VENDORS SUBJECT TO TECHNOLOGY STORE FEE

PURCHASING AUTHORITY	CONTRACTOR	VENDOR ID	DESCRIPTION OF CONTRACT TIER
TC95271	Central Computers, Inc.	90356	Technology Marketplace Tier 1A Generalist – Products & Services
TC95272	ComputerLand of Silicon Valley	67883	Technology Marketplace Tier 1A Generalist – Products & Services
TC95273	En Pointe Technology Sales, Inc.	58893	Technology Marketplace Tier 1A Generalist – Products & Services
TC95274	Technology Integration Group – Pending	36116	Technology Marketplace Tier 1A Generalist – Products & Services
TC95275	World Wide Technology, Inc.	84759	Technology Marketplace Tier 1A Generalist – Products & Services
TC95276	Xtech JV	64607	Technology Marketplace Tier 1A Generalist – Products & Services
TC95277	InterVision Systems Technologies, Inc.	92062	Technology Marketplace Tier 1B Specialist – Products & Services
TC95278	Robert Half Technology	77671	Technology Marketplace Tier 1B Specialist – Services
TC95279	Stellar Services, Inc.	81118	Technology Marketplace Tier 1B Specialist – Services
TC95280	Ameritech Computer Services, Inc. (LBE)	62025	Technology Marketplace Tier 2A Generalist – Products & Services
TC95281	Bridge Micro (LBE)	46149	Technology Marketplace Tier 2A Generalist – Products & Services
TC95282	Dynamic Systems, Inc.	87885	Technology Marketplace Tier 2A Generalist – Products & Services
TC95283	SNS-SF, LLC JV (JV with LBE)	94626	Technology Marketplace Tier 2A Generalist – Products & Services
TC95284	AcademyX, Inc. (LBE)	74033	Technology Marketplace Tier 2B Generalist

PURCHASING AUTHORITY	CONTRACTOR	VENDOR ID	DESCRIPTION OF CONTRACT TIER
			– Training Services
TC95285	C M Pros (LBE)	54631	Technology Marketplace Tier 2B Generalist – Training Services
TC95286	SoftNet Solutions	82782	Technology Marketplace Tier 2B Generalist – Products
TC95287	Beta Nineties Computer, Inc.	24602	Technology Marketplace Tier 3 Micro-LBE Set Aside EQ108
TC95293	Diamond Technology, Inc.	66020	Technology Marketplace Tier 3 Micro-LBE Set Aside EQ108
TC95289	Toptek Micro Center, Inc.	18565	Technology Marketplace Tier 3 Micro-LBE Set Aside EQ108
TC95290	Beta Nineties Computer, Inc.	24602	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS093
TC95291	Epic Machines, Inc.	93494	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS093
TC95292	Beta Nineties Computer, Inc.	24602	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS109
TC95293	Delta Computer Solutions, Inc.	40358	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS109
TC95294	Diamond Technology, Inc.	66020	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS109
TC95295	Farallon Geographics, Inc.	62527	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS109
TC95296	Xterra, Inc.	82551	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS109
TC95297	Delta Computer Solutions, Inc.	40358	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS132
TC95298	Diamond Technology,	66020	Technology Marketplace Tier 3 Micro-LBE

PURCHASING AUTHORITY	CONTRACTOR	VENDOR ID	DESCRIPTION OF CONTRACT TIER
	Inc.		Set-Aside GS132
TC95299	Farallon Geographics, Inc.	62527	Technology Marketplace Tier 3 Micro-LBE Set-Aside GS132

3.6 | Blanket Purchase Order, Purchase Order & Direct Voucher*

The *City Charter (Section 3.105)* and *Administrative Code (Section 10.06)* require that departments encumber funds before goods or services are provided:

> **No officer or employee shall bind the City & County to expend money unless there is a written contract or other instrument and unless the Controller shall certify that sufficient unencumbered balances are available in the proper fund to meet the payments under such contract or other obligation as these become due.**

A Purchase Order is the prerequisite to the certification and encumbrance of funds. Departments must not receive goods or services, or provide payments to a vendor, until the Purchase Order has been entered into the City's financial system.

Departments must always enter Purchase Order information into the financial system, which then results in the Controller's Office certification that funds are available for a purchase, contract, or other obligation. The posting of an encumbrance transaction in FAMIS commits the funds for the purpose certified until the obligation is fulfilled, canceled, or discharged.

3.6.1 | Encumbrances*

Encumbrances are the recognition of commitments that will subsequently become expenditures when goods and services are received. Encumbrances are posted for documents such as purchase estimates, purchase orders, and contracts.

3.6.1.1 | HOW ENCUMBRANCES AFFECT APPROPRIATIONS

Encumbrances help manage available appropriation, allotment, and budget balances more effectively. When an encumbrance is posted to a department's financial records, the amount of money available for

spending by the department is reduced by the amount of the encumbrance. By recording the estimated cost of purchase orders and contracts as encumbrances, managers are aware of the future impact of previous financial decisions.

The bulleted items and corresponding Table below show how expenditures and encumbrances affect appropriation balances.

- Encumbrances reduce an appropriation balance
- Expenditures not previously encumbered reduce an appropriation balance
- Decreasing an encumbrance increases an appropriation balance
- Expenditures previously encumbered do not affect the appropriation balance.

FIGURE 3-21. SAMPLE OF HOW EXPENDITURES & ENCUMBRANCES AFFECT APPROPRIATION BALANCES

	BEGINNING APPROPRIATION	EXPENDITURES	ENCUMBRANCE	APPROPRIATION BALANCE
Establish original appropriation	10,000			10,000
Post encumbrance			6,000	4,000
Post expenditure (not encumbered)		1,000		3,000
Decrease encumbrance			-1,000	4,000
Post expenditure (encumbered)		2,000	-2,000	4,000
Summary	$10,000	$3,000	$3,000	$4,000

3.6.2 | Purchase Orders*

A Purchase Order can result from a *requisition only* process, or a *requisition and bid* process. When the requisition is entered into FAMIS Purchasing, funds are pre-encumbered. Approved department requisitions in FAMIS Purchasing become Purchase Orders, liquidating the requisition and creating the financial system encumbrance. Certification of available funds for all purchases, contracts, and other obligations is done by posting an encumbrance transaction in the financial system. Purchases of goods and services, including professional service contracts, are generally recorded in Advanced Purchase Inventory Control System (ADPICS) using a Purchase Order, which posts an encumbrance in the financial

system. Construction and real estate contracts are generally recorded directly in FAMIS using an "EN" encumbrance document. The Purchase Order is sent to the vendor and, after the order has been fulfilled, the department reviews and approves the vendor invoice for payment.

Departments must follow the steps below to ensure that the Purchase Order process has been completed appropriately:

- ☐ If necessary, the department has completed a requisition process[1]

- ☐ The requisition request has been entered into FAMIS Purchasing and pre-encumbered funds

- ☐ If necessary, the department has completed a bid process[2] in support of the requisition

- ☐ The requisition has been approved in FAMIS Purchasing or ADPICS, triggering the Purchase Order and interface with FAMIS Accounting

- ☐ The Purchase Order liquidates the requisition, creates the encumbrance, and certifies the availability of funds

- ☐ The Purchase Order is approved, signed, and sent to the vendor

- ☐ The vendor fulfills the order with the department and sends the invoice

- ☐ The department reviews, approves, and posts the invoice and voucher in FAMIS Purchasing

- ☐ The voucher is interfaced into FAMIS Accounting, which generates a check to be mailed to the vendor

3.6.3 | Blanket Purchase Order*

Department or City Blanket Purchase Orders (BPOs) are a method to obtain approval for future purchases from a vendor for a specific time period and dollar limit. BPOs are also used to track Professional Service Contracts that span multiple fiscal years. BPOs do not encumber funds. Before placing orders or issuing contracts, departments must record an encumbrance against the BPO, which is done in ADPICS using a Purchase Order release.

---

[1] Requisitions are not used for the following types of purchases: 1) construction services; 2) professional services; 3) leasing or rental of equipment; 4) travel and training expenses and reimbursements; 5) conference and registration fees; 6) employee-related expenses; 7) organization memberships, dues, and subscriptions; 8) postage.

[2] Bidding is not required on items: 1) covered under the conditions of a "term contract"; 2) with a total price of $10,000 or less; 3) with no other source; 4) that are certain perishable foods; 5) that are proprietary articles; 6) subject to contract awarded by the State of California; 7) that are reciprocal buying agreements with other public agencies in the State of California.

Departments must follow the steps below to ensure that the BPO process has been completed appropriately:

☐ The department has identified the appropriate BPO authority and has obtained favorable terms from vendors[3]

☐ The department has obtained a detailed description of the product or service to be purchased through the BPO

☐ The department records an encumbrance against the BPO using ADPICS Purchase Order release

☐ The Purchase Order is approved, signed, and sent to the vendor

☐ The vendor fulfills the order with the department and sends the invoice

☐ The department reviews, approves, and posts the invoice and voucher in FAMIS Purchasing

☐ The voucher is interfaced into FAMIS Accounting, which generates a check to be mailed to the vendor

3.6.4 | Direct Voucher / Payment without Encumbrance*

A direct voucher is an exception to the City's standard procurement practices and *Administrative Code*. A direct voucher is a payment request without a prior encumbrance or when an encumbrance is no longer valid. Each request, regardless of the dollar amount, is reviewed by OCA and the Controller's Office.

The OCA evaluates the department's response to four questions:

1. What happened to cause the need for a direct voucher?
2. If no error occurred, then why wasn't there an encumbrance and who authorized this situation?
3. Why is the price reasonable or how do we know it is a good deal for the City?
4. What steps are being taken to ensure that this doesn't happen again?

Departments provide the answers to these four questions in ADPICS under the Notepad of the request (Screen 9100).

The Controller's Office contacts the department to determine the following issues regarding the direct voucher request:

- Authority: is the department able to purchase the item sought?
- Violation type: what procurement or contracting rule was broken?

---

[3] Favorable terms for the BPO include discount pricing off retail prices; prompt payment discount; free on board (FOB) freight terms specify Destination Point.

- Eligibility of costs or expenditures: was the expense eligible under the funding source? (*e.g.*, the bond, grant, MOU, agreement, *etc.*, allows it?)
- Appropriateness of cost: is it necessary and reasonable?
- Timing: when was the cost incurred? When should the encumbrance have been recorded? Example: cost was incurred in 2011 but brought to Controller in 2015. Not reasonable. 12-18 months is reasonable.
- Context of the request: does the department making the direct payment request have a track record of routinely failing to comply with accounting rules, or there has been no good faith effort in the past to address issues? Is the request originating from a new manager who may not understand the City's procurement rules, or from a manager who has previously not complied with *Chapter 21?*
- Preventive measures: has the department explained how it will improve its processes to avoid the need for direct payment in future similar instances? How will it ensure that its program staff will follow the procurement rules going forward?

Departments should contact the Controller's Office for training and support so as to reduce the need for direct vouchers. Departments that routinely submit requests for direct vouchers may lose this privilege.

3.7 | Sugar-Sweetened Beverage Funding Ban

San Francisco Administrative Code, Chapter 101 restricts the purchase, sale, or distribution of sugar-sweetened beverages by or for the City. Below is the legislation:

SEC. 101.1. TITLE.

The title of this Chapter 101 shall be the Sugar-Sweetened Beverage Funding Ban Ordinance.

SEC. 101.2. DEFINITIONS.

For purposes of this Chapter 101,

  "Base Product" means the same as Powder.

  "Beverage Dispensing Machine" means an automated device that mixes Concentrate with one or more other ingredients and dispenses the resulting mixture into an open container as a ready-to-drink beverage.

  "Caloric Substance" means a substance that adds calories to the diet of a person who consumes that substance.

  "Caloric Sweetener" means any Caloric Substance suitable for human consumption that humans perceive as sweet and includes, but is not limited to, sucrose, fructose, high fructose corn syrup, glucose and other sugars.

"City" means the City and County of San Francisco.

"Concentrate" means a Syrup, Powder, or Base Product that is used for mixing, compounding, or making Sugar-Sweetened Beverages in a Beverage Dispensing Machine. Notwithstanding the foregoing sentence, "Concentrate" does not include the following:

(a)   Any product that is designed to be used primarily to prepare coffee or tea.

(b)   Any product that is sold and is intended to be used for the purpose of an individual consumer mixing, compounding, or making a Sugar-Sweetened Beverage.

(c)   Any product sold for consumption by infants, which is commonly referred to as "infant formula," or any product whose purpose is infant rehydration.

(d)   Medical Food.

(e)   Any product designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals.

"Contract" means any agreement between the City and a person to provide or procure labor, materials, equipment, supplies, or services to, for, or on behalf of the City for a price to be paid out of monies deposited in the City Treasury or out of trust monies under the control of or collected by the City, but excluding agreements for a cumulative amount of $5,000 or less per vendor in each fiscal year.

"Grant" means any agreement between the City and a nonprofit entity to provide services to the public or a portion of the public, whether the agreement is funded by the City or by Federal or State grant funds.

"Medical Food" means medical food as defined in Section 109971 of the California Health and Safety Code, including amendments to that Section.

"Milk" means natural liquid milk, natural milk concentrate, or dehydrated natural milk (whether or not reconstituted), regardless of animal source or butterfat content. For purposes of this definition, "Milk" includes flavored milk containing no more than 40 grams of total sugar (naturally-occurring and from added Caloric Sweetener) per 12 ounces.

"Natural Fruit Juice" means the original liquid resulting from the pressing of fruit, the liquid resulting from the complete reconstitution of natural fruit juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural fruit juice.

"Natural Vegetable Juice" means the original liquid resulting from the pressing of vegetables, the liquid resulting from the complete reconstitution of natural vegetable juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural vegetable juice.

"Nonalcoholic Beverage" means any beverage that is not subject to tax under Part 14 (commencing with Section 32001) of the California Revenue and Taxation Code.

"Person" means any natural person, corporation, sole proprietorship, partnership, association, joint venture, limited liability company, or other legal entity.

"Powder" means a solid or liquid mixture of ingredients with added Caloric Sweetener used in making, mixing, or compounding Sugar-Sweetened Beverages by mixing the Powder with any one or more other ingredients, including, without limitation, water, ice, Syrup, Simple Syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or other gas.

"Simple Syrup" means a mixture of sugar and water.

"Sugar-Sweetened Beverage" means any Nonalcoholic Beverage sold for human consumption that has one or more added Caloric Sweeteners and contains more than 25 calories per 12 ounces of beverage. Notwithstanding the foregoing sentence, "Sugar-Sweetened Beverage" does not include any of the following:

(a)   Milk.

(b)   Milk alternatives, including but not limited to non-dairy creamers or beverages primarily consisting of plant-based ingredients (such as soy, rice, or almond milk products), regardless of sugar content.

(c)   Any beverage that contains solely 100 percent Natural Fruit Juice, Natural Vegetable Juice, or combined Natural Fruit Juice and Natural Vegetable Juice.

(d)   Any product sold for consumption by infants, which is commonly referred to as "infant formula," or any product whose purpose is infant rehydration.

(e)   Medical Food.

(f)   Any product designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals.

(g)   Any product sold in liquid form designed for use as an oral nutritional therapy for persons who may have a limited ability to absorb or metabolize dietary nutrients from traditional food or beverages.

(h)   Any product sold in liquid form designed for use for weight reduction.

"Syrup" means the liquid mixture of ingredients used in making, mixing, or compounding Sugar-Sweetened Beverages using one or more ingredients, including, without limitation, water, ice, a Base Product, Powder, Simple Syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or other gas.

SEC. 101.3. BARRING CITY DEPARTMENTS FROM USING CITY FUNDS TO PURCHASE SUGAR-SWEETENED BEVERAGES.

No City officer, department, or agency (collectively, "department") shall use City funds to purchase Sugar-Sweetened Beverages in any form, except as specifically exempted from or allowed under this Chapter 101.

SEC. 101.4. BARRING THE SALE, PROVISION, OR DISTRIBUTION OF SUGAR-SWEETENED BEVERAGES UNDER A CITY CONTRACT OR GRANT.

No person shall sell, provide, or otherwise distribute Sugar-Sweetened Beverages, in any form, as part of its performance of a City Contract or Grant.

SEC. 101.5. WAIVERS AND EXCLUSIONS.

(a) A City officer, department, or agency (collectively, "department"), with the approval of the Purchaser, may waive the requirements of Sections 101.3 and 101.4 in full or in part if the department determines that strict application of the requirement would not be feasible, would create an undue hardship or practical difficulty, or that similar circumstances otherwise warrant granting of the waiver. The department's decision to grant a waiver shall be in writing.

(b) The provisions of Sections 101.3, 101.4, or both, shall not apply where the department makes a written finding that the application or inclusion of such provisions would violate or be inconsistent with the terms or conditions of a grant, subvention or contract with an agency of the State of California or the United States or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or contract.

(c) The provisions of Sections 101.3 shall not apply to the purchase by the Department of Public Health of Sugar-Sweetened Beverages for its patients, to be used in cases where a medical professional has determined that providing such beverages is part of the appropriate course of treatment for the patient. The provisions of Sections 101.4 shall not apply to the sale, provision, or other distribution of Sugar-Sweetened Beverages to patients as part of the performance of a Contract with or a Grant from the Department of Public Health in cases where a medical professional has determined that supplying such beverages is part of the appropriate course of treatment for the patient.

(d) Nothing in this Chapter 101 shall be construed to impair a contract, lease, management agreement or other agreement to which the City is a party on the effective date of this Chapter.

(e) Departments shall annually report all waivers granted under subsection (a) and determinations of non-applicability made under subsections (b) and (c) to the City Administrator, and include the reason for each waiver.

SEC. 101.6. ENFORCEMENT AND PENALTIES.

(a) Any person that sells, provides, or otherwise distributes Sugar-Sweetened Beverages in violation of Section 101.4 may be subject to administrative fines imposed by the City Administrator in the amount of

(1) Up to $500 for the first violation;

(2)   Up to $750 for a second violation within a twelve-month period; and,

(3)   Up to $1,000 for a third and subsequent violations within a twelve-month period.

(b)   Except as provided in subsection (a), setting forth the amount of administrative fines, Administrative Code Chapter 100, "Procedures Governing the Imposition of Administrative Fines," as may be amended from time to time, is hereby incorporated in its entirety and shall govern the imposition, enforcement, collection, and review of administrative citations issued by the Director to enforce this Chapter 101 or any administrative regulation adopted under this Chapter.

(c)   Any person that sells, provides, or otherwise distributes Sugar-Sweetened Beverages in violation of Section 101.4 shall be deemed to have committed a material breach of the Contract or Grant and, after a noticed hearing, the person or entity may be barred for two years from receiving any City contract, grant agreement, or loan agreement.

SEC. 101.7. ADMINISTRATIVE REGULATIONS.

The City Administrator, or at the City Administrator's discretion, the Purchaser, may adopt rules, regulations, or guidelines for the implementation of this Chapter 101.

3.8 | Contracting Frequently Asked Questions (FAQs)

Q: What is the threshold for commodities and general services bidding?

A: Per *Administrative Code Chapter 21*, the bidding threshold (or Minimum Competitive Amount) has been calculated by the Controller's Office to be $110,000 for commodities and $600,000 for general services.

Q: What is the professional service solicitation threshold?

A: Per *Administrative Code Chapter 21*, the bidding threshold (or Minimum Competitive Amount) has been calculated by the Controller's Office to be $110,000 for professional services.

Q: What is the distinction between general services vs. professional services?

A: The definition of professional services and general services can be found in *Administrative Code Chapter 21*, Section 21.02, Definitions, subsections (i) for general services and (m) for professional services. "General Services" shall mean those services that are not Professional Services, including but not limited to janitorial, security guard, pest control, parking lot management, and landscaping services. "Professional Services" shall mean those services which require extended analysis, the exercise of discretion and independent judgment in their performance, and/or the application of an advanced,

specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Professional service providers include, but not limited to, licensed professionals such as architects, engineers, and accountants, and non-licensed professionals such as software developers and financial consultants.

Q: What is "Prop Q"?

A: Prop Q, also known as Delegated Departmental Purchasing, is a purchasing mechanism for commodities and services under $10,000. Prop Q cannot be used for information technology (IT) purchases, professional services, construction, term contract items, lease-purchase transactions, or vehicles/heavy equipment.

There is a Prop Q training video at http://youtu.be/BMKR1ui1H9M . All employees who exercise Prop Q purchasing authority are required to attend a Prop Q training every three years. Please contact OCA for the details.

Q: What is the definition of "order splitting"?

A: Order splitting is the procurement of the same item through separate requests within two to three weeks. Consideration is given to orders using different funding codes or delivery address (a proxy for different expense centers).

Q: What is OMP purchasing authority?

A: OMP is the abbreviation for "open market purchase". This authority is used for department blanket purchase orders, which is limited to $1,000 per day and is used for low-dollar purchases of a specified list of items with specified prices, and when the volumes to be purchased are uncertain. An example of this type of purchase would be the purchase of nails.

Q: What is NP purchasing authority?

A: NP is the abbreviation for "non-purchasing". This authority is used for non-purchasing Purchase Orders, which means they do not go through Purchasing for approval. Such orders include training, subscriptions, and rent.

Q: How am I supposed to procure training services?

A: To encumber funds for training, a department should first determine if training is a standard offering by a vendor, or a customized training for the department. Standard training using material created by vendors (such as Excel spreadsheet training) can be procured with a Purchase Order. The Purchase Order should be created using NP as the Purchasing Authority. However, customized training that will be specifically tailored and newly developed for a department requires solicitation, and the vendor needs to sign a P-500 Agreement.

Q: What is a direct voucher?

A: A direct voucher is an exception to the City's standard procurement practices, and is a payment request without a prior encumbrance or when an encumbrance is no longer valid. Each request is reviewed by OCA on its own merits but, generally, at least four questions must be answered:
1) What happened to cause the need for a direct voucher?
2) If no error occurred, then why wasn't there an encumbrance and who authorized this situation?
3) Why is the price reasonable or how do we know it is a good deal for the City?
4) What steps are being taken to ensure that this doesn't happen again?
Departments provide the answers to these four questions in ADPICS under the Notepad of the request (Screen 9100).

Q: How does my department procure a software maintenance agreement?

A: Software maintenance agreements use the P-540 agreement template, and department blankets are created to record the agreement.

Q: What is an OCA sole source?

A: *Administrative Code Chapter 21.5(b)* provides for purchases available only from one source. The form to request a sole source waiver is available on the Intranet and must be signed by the Department Head and accompanied by a justification memo that answers the questions on the form.

Q: Has the OCA changed or updated its rules in recent years?

A: The rules and regulations pertaining to *Administrative Code Chapter 21* were last revised in June 2005.

Q: What is the definition of a "vendor"?

A: A vendor is a person or a firm selling goods or services.

Q: What is a "compliant" or "qualified" vendor?

A: A compliant or qualified vendor is one that conforms to the requirements to do business with the City & County of San Francisco. Departments must use vendors that are compliant or qualified. Refer to *San Francisco Administrative Code, Chapter 21-*Acquisition of Commodities and Services. http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca

Q: Can I pay a City employee as a vendor?

A: As a general rule:

> **No active City employee should serve the City as an independent contractor**

An active City employee who provides service to the City should do so under an arrangement other than independent contracting. Departments should pay employees for all employment services and fringe benefits through the City's payroll system. Employees should not be compensated through vendor payments; rather, all pay to an active employee should be part of taxable employment compensation. Refer to *Section 4.6.3 No 1099 Payments to City Employees* for more information.

4 | EXPENDITURES

4.1 | Overview

This section describes City policy regarding basic internal control steps, payment processing for goods and services, and reimbursement to employees. Departments are encouraged to use this section to develop more detailed procedures for their specific expenditures.

These guidelines are issued according to the applicable provisions of the *San Francisco City Charter*, *San Francisco Administrative Code*, *California Civil Code*, and Internal Revenue Service (IRS) publications.

- *San Francisco Charter* Section 3.105 – Controller; City Services Auditor
- *San Francisco Administrative Code,* Section 10.06 – Encumbrances
- *San Francisco Administrative Code,* Section 10.07 – Disbursements
- *San Francisco Administrative Code,* Section 10.08-2 – Penalties
- *California Civil Code,* Sections 3196 through 3205
- *California Civil Code*, Sections 9000 through 9566
- *IRS Publication 463* (2014), Travel, Entertainment, Gift, and Car Expenses
- IRS Instructions for Form 1099-MISC

This section addresses payment processing, not the City's ordering, contracting, purchasing or bidding process. The City has extensive rules, regulations, and policies in those areas. Refer to *Section 3 Contracts & Encumbrances* or contact the Office of Contract Administration and your department's purchasing and contracting staff about those policies and related requirements. See the following for some information: http://sfgsa.org/index.aspx?page=359

4.2 | Invoices

This section discusses the types and formats of invoices that departments can accept from external parties. It also describes the steps that must be completed to properly review and approve invoices.

4.2.1 | Forms of Invoicing (Electronic vs. Hard Copy)

Historically, most vendors have submitted their invoices in paper form. In recent years, many departments have received requests from vendors to process electronic invoices via e-mail, fax, or other format. Departments that want to accept electronic invoices from vendors or contractors must maintain department policies and procedures for receiving, tracking, and processing electronic invoices. This should include an explanation of the internal controls established by the department to ensure adequate tracking of

invoices and avoidance of duplicate billing/payment. Department electronic invoices must be reviewed and approved by the Controller's Office.

The following controls must be maintained for accepting electronic invoices:

1. Vendors must submit a letter to the department authorizing electronic invoicing prior to submission of electronic invoices. The letter must indicate which form of electronic invoicing the vendor will use (e-mail, fax, or internal contracting systems). Vendors must clearly state that no other method of invoicing will be used. Once the letter is received and approved by the department, vendors may begin invoicing electronically.

2. The department must maintain a list of all vendors authorized to electronically invoice.

3. The department should designate a single point of contact (e.g., a designated e-mail account) for electronic invoices to be centralized.

4. The department should designate a single point of contact for vendors to make inquiries and receive responses regarding the status of invoices and payments.

5. Vendors must assign unique invoice numbers to electronic invoices to avoid duplicate invoice numbers.

6. Departments have the option of keeping a hard copy of the invoice for authorization and record retention, or maintaining the invoices in the automated system as long as information can be accessed on demand.

4.2.2 | Information on Invoices

Invoices submitted by vendors to departments must contain certain required data elements. In order to be considered acceptable, vendor invoices must include, but are not limited to, the following elements:

- Vendor name
- Unique invoice number
- Invoice date
- Description of the item(s) billed
- Service period for services
- "Shipped to" or "delivered to" address
- Vendor remittance address
- Mode of shipment
- Sales tax
- Discount terms (if any)
- Total amount due

- Purchase order number generated by the City's financial system

The following elements are highly recommended:

- Order date for materials and supplies
- Shipping date for materials and supplies

4.3 | Approval of Invoices

This section outlines major steps or control points generally found in a good invoice payment process. Departments must document and implement department-level policies and procedures that incorporate these City-wide policies, reflect good internal controls (such as segregation of duties), and are specific to the operational and organizational risks in their environments. For guidelines on contract invoice approval, refer to *Section 4.4.2 - Construction/Contract Payment*.

1. **Properly Receive an Invoice**

   ☐ Write the initials or name of the person, or stamp the division, receiving the invoice

   ☐ Mark the invoice with the "date received" (*e.g.,* use a date stamp). Refer to *Section 4.4.1.1 Prompt Payment Definitions.*
   <u>Note</u>: If there is an invoice dispute, notification must be made to the vendor specifying reasons and corrective actions within seven (7) calendar days of the date of invoice receipt

2. **Confirm Receipt of Item(s) Listed on the Invoice**

   ☐ Match the invoice to evidence of receipt of goods or services. Examples include:
   a. Goods – packing slip or copy of the invoice signed and dated by staff who received the goods on the date of delivery
   b. Professional services – status or milestone report; product being delivered
   c. Maintenance Service – service call documentation or copy of the invoice signed and dated by staff who received the service on the date of service
   d. Construction – refer to contract for documentation required for progress and final payments, this may include documentation related to sub-contractors

   ☐ If departments have different definitions for evidence of receipt, the definitions must be documented, and reviewed and approved by the Controller's Office.

3. **Obtain Approval for Payment**

   ☐ Submit the invoice to the authorized staff member for review.
   <u>Note</u>: Payment documents must be reviewed and approved by a staff member other than the payment initiator and the purchase requestor. "Payment initiator" refers to the staff who

initiates payments in the City's financial system. "Purchase requestor" refers to the staff who makes the purchase request.

☐ Obtain approval for payment by authorized staff member.
   <u>Note</u>: Department polices must identify "who can approve for what". Invoices must be signed and dated. Signatures in electronic forms (*e.g.*, PDF) are acceptable. E-mails with language indicating that an invoice has been approved cannot replace required approval signatures.

☐ Obtain review and approval of the invoice by secondary approver, if required.
   <u>Note</u>: Department polices must address the circumstances when a second approver is needed. This may be a certain dollar levels, certain funding sources, *etc.*

4. Accounting Review of Invoice

The following steps are completed by department accounting staff when an invoice is submitted for payment:

☐ Confirm invoice is an original.
   If the original invoice is missing, the duplicate invoice must be signed by the Department Head or approved designee with: 1) an explanation of why the original invoice is unavailable, and 2) a statement certifying that no payment has been made on the original invoice. The signature card of the approved designee certified by the Department Head must be on file with the Controller's Office.

☐ Review the invoice for completeness and accuracy. Confirm the invoice has not already been paid.

☐ Ensure that invoices have been validated against accompanying ordering and receipt documents, as follows:
   a.   Amounts and prices on invoice match ordering and receipt documents
   b.   Invoice and associated documents are dated and signed by authorized staff
        (see "3. Obtain Approval for Payment", above)
   c.   Vendor compliance is verified
   d.   Vendor insurance coverage is current
   e.   Vendor payment address is accurate, and matches ordering documents
   f.   Contract retention/liens are recorded, if contract related
   g.   Prior payments are reflected, as needed
   h.   Proper sales tax rates are used
   If sales tax is missing or incorrect, additional journal entries are required. Refer to Section 4.5 Sales & Use Tax.
   i.   If discounts are available, expedite processing to realize discounts.
   Discount terms should be clearly stated in the procurement contract. If not specified, the department should always take discount as specified on the vendor invoice. The discount term

starts on the date of invoice receipt (refer to *Section 4.4.1.1 - Prompt Payment Definitions*), not the invoice date stated on the invoice. It is departments' responsibility to ensure the discount is actually taken

j.　　Cost center for payment is identified.

5. Process Payment Document in the Financial System

☐ The person preparing and entering payments into the financial system cannot approve the final payment in the system.

☐ After data entry into the financial system, invoice and supporting documents must be systematically filed and retained for audit purposes.

The Controller's Office will review and approve journal entries submitted in the financial system within five (5) business days.

4.4 | Payment Considerations

This section describes special payment circumstances, including:

- Prompt Payments
- Construction/Contract Payments
- One-Time Payments
- Advance Payments
- Late Payments
- Payment Disbursements
- Payment Cancellation.

4.4.1 | Prompt Payment to Vendors

The City's Prompt Payment Program is based on Chapter 14B.7(L) of the City's *Administrative Code*, which states that, "The City shall pay Local Business Enterprises certified by the Human Rights Commission (LBEs) within 30 days of the date on which the City receives an invoice for work performed for and accepted by the City."

To provide consistency of payment policies and procedures, the Controller's Office has directed that the Prompt Payment Program shall include non-LBE vendors. In addition, per the Mayor's Executive Directive on *Payment Policies for Construction Contracts* (August 2007), "all City Departments shall make every effort to pay vendors within fifteen (15) business days after receipt of an undisputed invoice for work performed." Departments may develop different payment policies and procedures from those in this section to foster prompt payment, including use of additional accelerated payment methods.

> **Departments should not work with a vendor without an authorized contract or purchase order. In general, no services should be provided and no goods should be delivered before a contract is authorized by the City. Until a contract purchase order or the blanket purchase order is executed by the City, the City has no legal obligation to pay the order.**

4.4.1.1   PROMPT PAYMENT DEFINITIONS

The following timeframes must be met in order to comply with the City's prompt payment guidelines.

TABLE 4-1. PROMPT PAYMENT DEFINITIONS

TERM	DEFINITION	PROMPT PAYMENT CLOCK
Date of Invoice Receipt	Whichever event is later: • Date the vendor's payment request (invoice) received by the City: a. Mailed invoice reached the City premises b. Electronic invoice received in the City e-mail account, fax machine, and *etc.* c. Payment request initiated in a City e-payment subsystem • Payment date specified in the contract or purchase order (not to preclude vendor early performance), or • Date materials or services are delivered to the City. Departments may have their own definition of Invoice Receipt Date. However, the definition must be reviewed and approved by the Controller's Office.	**DAY ZERO**
Date of Invoice Acceptance	Date the invoice is deemed "accepted" by the City for payment, meaning all approvals required by the City have been received. If there is an invoice dispute, the City must notify the vendor specifying reasons and corrective actions within seven (7) calendar days of the Date of Invoice Receipt. Invoice Dispute Notifications by e-mail to vendors is acceptable. As part of an invoice dispute, a Stop Notice lien must be filed with the Controller's Office. An Invoice Dispute Notification stops the prompt payment clock until the dispute is resolved.	**By DAY SEVEN, invoice must be submitted to Accounting for payment or Invoice Dispute Notification must go out to the vendor**

TERM	DEFINITION	PROMPT PAYMENT CLOCK
	If a corrected invoice must be submitted, the prompt payment clock re-starts on the date the corrected invoice is received by the City.	
Payment Due Date	Within 30 calendar days of the Date of Invoice Receipt. Per the Mayor's *Payment Policies for Construction Contracts* Executive Directive, City Departments shall make every effort to pay vendors within fifteen (15) business days. When the due date falls on a Saturday, Sunday, or legal holiday and City offices are closed, the City may make payment on the following working day.	**By DAY 30, payment must be made**
Payment Date	The check date. If payment is made by electronic fund transfer, it is the bank settlement date.	

The following screen shots provide examples of how the various key dates appear in the City's financial system, FAMIS. Important date fields are shown in red in the following figures below:

- INVOICE DATE: invoice date indicated on vendor invoice.
- DTE IVC REC: date invoice received by the City (refer to Table 4-1. Prompt Payment Definitions for detailed definition); for disputed invoices, date the corrected invoice received by the City. For multiple invoices processed in the same payment document, use the invoice with the earliest receipt date for DTE IVC REC.
- DUE DATE: the payment date calculated by the system based on the DISC TERMS and the DTE IVC REC inputted by the user.
  Note: Due to the once-a-week check-writing process, the system may assign a check date different from the DUE DATE for paper checks. Please do not manually change the DUE DATE to the date before the voucher post date.

FIGURE 4-1. INVOICE RECEIPT DATE ILLUSTRATION 1

```
PCHL1500 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          03/25/2015
LINK TO:                        INVOICE HEADER ENTRY                   4:13 PM
INVOICE SEQ      :                  DOC TYPE   : IV  INVOICE ALL : N (Y/N)
INVOICE NO/DESC  :                          /
ACTION INDICATOR : N                INTF TYPE : IV   VOUCHER NO :
INVOICE DATE     :                  DTE IVC REC:
PURCHASE ORDER NO :                 NOTE PAD   :          DEPT :
PO DOC BALANCE   :                  CR BAL :
PROPERTY ID      :           IVC AMT:                     NET:
VENDOR ID/SUFFIX :
DBA NAME         :                        HDR CR AMT :
ADDRESS          :                                    MATCH TYPE:
                                                      STATUS    :
            CITY:                  ST:    ZIP:            CTRY:
DISTRIBUTION METHOD: D            SINGLE CHECK: N      LETTERS SENT:
FREIGHT          :               LIQ DAMAGES :
OTHER CHARGES :                                 F.O.B. POINT:
                                                DISC TERMS  :
                                                REJECT CODE :
SFX INDEX        SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL
```

FIGURE 4-2. INVOICE RECEIPT DATE ILLUSTRATION 2

```
PCHL1410 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          03/25/2015
LINK TO:                        VOUCHER HEADER ENTRY                  4:17 PM

VOUCHER NUMBER   :                     DOC TYPE : VC   DUE DATE:
ACTION INDICATOR : N   SINGLE CHECK: N INTF TYPE:     EFF DATE:
STATUS           :        CHECK NUMBER:        NOTE:  CHANGE SEQ :
DEPARTMENT       : CON01   CONTROLLERS MANAGEME   DOC REF NO:
AMOUNT VOUCHERED :              PART/FINAL: P (P/F)  CREATE:
PURCHASE ORDER NO :            CHANGE NO :          UPDATE:
MATCH TYPE       :    CONTRACT ID   :                 POST:
VENDOR ID/SUFFIX :                                 CREDIT IND :  N
DBA NAME         :                   IVC NET AMT :
ADDRESS          :                              SEQ:
                                                UNPOST INV :
            CITY:                  ST:   ZIP :          CTRY:
INVOICE NO/DESC  :                         /
FREIGHT          :                              :
                 :                              :
MASTER ACCOUNTING INFORMATION –      DIST METHOD:  EXCEPTION PROCESS: N
SFX INDEX        SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL
```

If there is a dispute regarding one or more aspects of a vendor invoice, the department must file all supporting documents with the payment document and/or update the Notepad in FAMIS, as shown in the following example.

FIGURE 4-3. NOTEPAD ENTRY FOR DISPUTED INVOICE

```
PCHL9100          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          03/25/2015
 LINK TO:                      ELECTRONIC NOTE PAD                      4:27 PM
                                                          PAGE  01 OF 01

 VOUCHER HEADER  1410


ORIGINAL INVOICE RECEIPT DATE:

REASON FOR DISPUTE (E.G. AMOUNT, WRONG ITEM, WRONG ADDRESS, ETC.):

DATE DISPUTE FIRST COMMUNICATED TO VENDOR:

DATE ORIGINAL INVOICE RETURNED TO VENDOR:

DATE CORRECTED INVOICE RECEIVED:
```

4.4.1.2 | PROMPT PAYMENT IMPLEMENTATION GUIDELINES

The following section describes steps City departments can implement to help ensure prompt payments to vendors.

Establish a "One-Stop Shop" for Receiving and Tracking Payment Requests

Departments should:

- Create a single point of contact/unit for vendors to submit invoices.
- Create a single point of contact/unit for vendors to make inquiries and receive responses regarding the status of invoices and payments.
- Specify the name, mailing address, phone number, and e-mail address of the unit in all City department communications to vendors regarding payment.
- Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves.
- Record invoices and vouchers in financial systems as early in the process as possible and accurately document the date that each invoice is <u>first received</u>. In FAMIS, the Notepad function may be used to document additional information about approvals, required corrective actions, and vendor communications prior to Voucher posting. Be aware that Notepad entries cannot be used for reporting purposes.

- Record the Date of Invoice Receipt and the Date of Invoice Acceptance to track the progress of invoices through necessary approvals.

Track the Duration from Date of Invoice Receipt to Payment Date

Departments must record invoices as soon as they are received. Departments should track the number of days, for audit purposes, from the Date of Invoice Receipt, to Date of Invoice Acceptance, to Payment Date. Departments must evaluate the number of payments delayed by performance or other disputes to determine how to decrease the likelihood of future disputes.

Communicate Corrective Actions in a Timely Manner

Notify vendors within seven (7) calendar days from the Date of Invoice Receipt, or sooner as practicable, if an invoice cannot be accepted by the City due to defects or improprieties in the goods or services, errors or omissions in the invoice, contractual performance obligations, or City requirements compliance status. An invoice may also be denied because a Stop Notice has been filed with the Controller's Office, thus disputing the vendor's entitlement to the requested funds. Clearly describe to the vendor the corrective action(s) required, including whether the invoice must be corrected and re-submitted to re-start a payment request process, and document the vendor notification date and reason for notification in the Notepad.

4.4.1.3 | EASY METHODS TO ACCELERATE PAYMENTS

Vendors must be paid within 30 days of the date on which the City receives an invoice for work performed and accepted by the City. If a dispute prevents a department from meeting this requirement, that dispute must be documented.

The fastest and easiest way for departments to accelerate payments is to accept electronic payment requests and promote electronic payments, as described below.

Electronic Payments via Paymode-X

Electronic payments such as Paymode-X program are free, secure, Internet-based services. Departments can encourage vendors to sign up with Paymode-X to get electronic payments (ACH - Automated Clearing House) that are paid out of the City's existing disbursement account and sent electronically to the vendors' bank accounts at any financial institution.

Departments can describe to their vendors the numerous benefits of Paymode-X electronic payment, including:

- There is no charge to the vendor for this service.
- Paymode-X is secure, Internet-based, and requires no software purchase and no modification to existing accounts receivable system.
- It takes about 10 minutes to enroll.

- Electronic payments are automatically made to vendors' accounts, with no need to cash physical checks.

The approval process normally takes approximately 2-3 weeks from the time the vendor enrolls in Paymode-X. Once the vendor is set up in Paymode-X, the system will notify the Controller's Vendor Support Unit by flagging the vendor for ACH payments in the financial system. When the vendor is flagged, all payments thereafter will be through Paymode-X and will appear in FAMIS as "ACHPAY" in the "Bank No." field with "Document Type: AHSFYYNNNNNN" for the payment document. Electronic payments display remittance information, currently printed on our checks, to our vendors, contractors and suppliers.

If vendors are requesting electronic payments, send them the following links to sign up: http://www.sfgov.org/ach OR www.bankofamerica.com/paymode/city_countyofsanfrancisco.

For more information on Paymode-X, contact the Controller's Office at ACH.support@sfgov.org.

Partial Payments Not Allowed

If the invoice has disputed items or amounts, the invoice should be returned to the vendor for correction. Partial payments on invoices are not allowed. Refer to Section 4.7 Payments-Related FAQs for detailed examples. Partial payment on contract payment is discussed in Section 4.4.2 Construction/Contract Payment.

Access Online Vendor Payment information

Vendor payment information is searchable online through SFOpenBook under "Spending & Revenue" at http://openbook.sfgov.org/.

4.4.2 | Construction/Contract Payment*

The following section describes guidelines for departments that make payments on construction projects and to contractors. For guidelines on construction contracting, refer to *Section 3.2 - Contracting Rules & Regulations, Chapter 6.*

4.4.2.1 | CONTRACT RETENTION & LIENS

Refer to *Section 10 - Fixed Assets.*

4.4.2.2 | STOP NOTICE

A "Stop Notice" provides a legal remedy to sub-contractors against a prime contractor for non-payment of goods and/or services provided or performed to support delivery of an existing contract with the City. A Stop Notice informs the Controller that a dispute over payments exists between a prime and a sub-

contractor. When a Stop Notice is received, the Controller withholds the disputed amount until a resolution between the prime and sub-contractor is finalized.

Stop Notices are regulated by *California Civil Code* Sections 3196 through 3205 and 9000 through 9566 (Title 3. Public Work of Improvement). The following links provide access to the relevant regulations:

- http://www.leginfo.ca.gov/.html/civ_table_of_contents.html
- http://www.ca.regstoday.com/law/civ/ca.regstoday.com/laws/civ/calaw-civ_DIVISION3_PART4_TITLE15_CHAPTER4.aspx#5

The following high-level process flow diagram provides an overview of what occurs to resolve a Stop Notice.

FIGURE 4-4. STOP NOTICE WORKFLOW

```
┌──────────────────────┐     ┌──────────────────────┐     ┌──────────────────────┐
│ City executes an     │     │ Contactor / vendor   │     │ Sub-consultant /     │
│ agreement with an    │ ──> │ hires a sub-         │ ──> │ sub-contractor       │
│ external contractor  │     │ consultant / sub-    │     │ alleges nonpayment   │
│ / vendor             │     │ contractor           │     │ by the contractor    │
└──────────────────────┘     └──────────────────────┘     │ and issues a Stop    │
                                                           │ Notice to the        │
                                                           │ Controller           │
                                                           └──────────────────────┘

                             ┌──────────────────────┐
                             │ Controller's Office  │
                             │ obtains accounting   │
                             │ system Encumbrance # │
                             │ from department and  │
                             │ blocks encumbrance   │
                             │ in the system;       │
                             │ department records   │
                             │ Stop Notice in       │
                             │ system (125% of      │
                             │ amount withheld)     │
                             └──────────────────────┘

                             ┌──────────────────────┐     ┌──────────────────────┐
                             │ Controller's Office  │     │ Prime and sub-       │
                             │ notifies contractor  │ ──> │ contractor resolve   │
                             │ (with cc: to         │     │ issue; release the   │
                             │ subcontractor and    │     │ Stop Notice with     │
                             │ department)          │     │ Controller           │
                             │ regarding Stop       │     └──────────────────────┘
                             │ Notice               │
                             └──────────────────────┘

                             ┌──────────────────────┐
                             │ Controller's Office  │
                             │ unblocks the         │
                             │ encumbrance in       │
                             │ accounting system    │
                             │ and notifies         │
                             │ department to        │
                             │ release funds;       │
                             │ withheld funds are   │
                             │ released to prime    │
                             │ contractor           │
                             └──────────────────────┘
```

Stop Notices are usually mailed to the Controller's Office, but a sub-contractor can also file a Stop Notice in person with the Controller's Office Claims and Disbursement Unit (Disbursement Unit). Upon receipt of a signed Stop Notice, the Disbursement Unit e-mails the Stop Notice to the accounting unit of the contracting department identified on the Stop Notice. The department, upon receipt of the e-mail, must clearly identify the project and the FAMIS Encumbrance number(s) ("EN", or "PO"). Note that sub-contractors must file a 20-day Preliminary Notice before starting work for a prime contractor. If a sub-contractor failed to file one, prime contractors may challenge the sub-contractor's Stop Notice.

The Disbursement Unit then sends a notification letter to the prime contractor against whom the sub-contractor is filing a Stop Notice. The sub-contractor and the accounting personnel of the contracting department are copied of the notification letter, as follows:

- If the encumbrance balance (remaining balance + retainage) shown in the financial system is enough to cover the amount of the Stop Notice plus 25%, the Disbursement Unit will send the prime contractor the *Standard Notification Letter*. The sub-contractor and the accounting personnel of the contracting department are copied on the notification letter.

- If the encumbrance balance (remaining balance + retainage) shown in the financial system is not enough to cover the amount of the Stop Notice plus 25%, the Disbursement Unit will send the prime contractor the *Non-sufficient Funds Notification Letter*. The sub-contractor and the accounting personnel of the contracting department are copied of the notification letter.

- If a sub-contractor subsequently files an Amended Stop Notice to modify the Stop Notice they originally filed, the Disbursement Unit will send the prime contractor the *Amendment Notification Letter*. The sub-contractor and the accounting personnel of the contracting department are copied of the notification letter.

A prime contractor can serve the city with an Affidavit to dispute the validity or the amount of the Stop Notice filed by the sub-contractor. An Affidavit is a written declaration under oath, made without notice to the adverse party. It must include a written declaration clause signed by the prime contractor that includes the date and place of signing and a statement under penalty of perjury that its contents are true and correct (*e.g.*, "The statement set forth in this letter are true and correct and are made under penalty of perjury this xx (date) of xx (month), xxxx (year) in San Francisco"). Upon receipt of the Affidavit from the prime contractor, the Disbursement Unit will send a letter by certified mail to the sub-contractor notifying that the prime contractor has served the City an Affidavit refuting the Stop Notice; a copy of the letter will also be sent to the prime contractor; and another copy of the letter will be e-mailed to the accounting unit of the contracting department.

The sub-contractor can serve the City with a Counter-Affidavit contesting or refuting the Affidavit filed by the prime contractor. The sub-contractor has 20 days (from the date of the letter sent by the prime contractor) to serve the City the Counter-Affidavit. It must include a written declaration clause signed by the sub-contractor that includes the date and place of signing and a statement under penalty of perjury that its contents are true and correct (*e.g.*, "The statement set forth in this letter are true and correct and are made under penalty of perjury this xx (date) of xx (month), xxxx (year) in San Francisco"). In addition, the sub-contractor must supply copies of invoices to support the claims in the Counter-Affidavit. Upon receipt of the Counter-Affidavit from the sub-contractor, the Disbursement Unit will send a letter to the prime contractor notifying that the sub-contractor has served the City a Counter-Affidavit refuting the Affidavit; a copy of the letter will be sent to the sub-contractor; and another copy of the letter will be e-mailed to the accounting unit of the contracting department.

4.4.2.3 | RELEASES

If Counter-Affidavit is received from the sub-contractor, and a request is received from the prime contractor to release funds, the accounting unit of the contracting department should contact the City Attorney's Office (David R. Hobstetter at 554-3981) for instructions. Follow City Attorney's instructions for any further actions.

Unlike filing a Stop Notice where original signatures are not required, all releases of a Stop Notice from a sub-contractor must have an original signature. There are five types of releases, described below.

Unconditional Release

- This release satisfies the sub-contractor's monetary complaint (Stop Notice)
- The amount indicated on an Unconditional Release must be "$0"
- Upon receipt of an original Unconditional Release, the Disbursement Unit will e-mail a copy to the contracting department and unblock the EN or PO in the financial system.

Partial Release

- This release partially (up to the released amount) satisfies the sub-contractor's monetary complaint (Stop Notice)
- Upon receipt of an original Partial Release, the Disbursement Unit will e-mail a copy to the contracting department and unblock partially (up to the amount released in the Partial Release) of the EN or PO in the financial system.

Release of Stop Notice

- This release satisfies the sub-contractor's monetary complaint (Stop Notice)
- If the amount to be released, as indicated on the Release of Stop Notice, equals to the amount of the Stop Notice, the Disbursement Unit will e-mail a copy to the contracting department and unblock the EN or PO in the financial system
- If the amount to be released, indicated on the Release of Stop Notice, is less than the amount of the Stop Notice, it is considered a Partial Release. The Disbursement Unit follows the Partial Release instructions.

Bond Release

- The prime contractor bought the bond to release the Stop Notice. The bonding company will pay the sub-contractor if at a later time the Court ruled in favor of the sub-contractor
- A Bond Release must have original seal of the bonding company with original signature
- The release bond and the performance bond must have different underwriters. The Disbursement Unit will contact the contracting department to find out the underwriter of the performance bond

- The amount indicated on the Bond Release must equal to the amount of the Stop Notice. If it is less, the Disbursement Unit will contact the prime contractor to revise the amount
- If all above conditions are met (original seal, original signature, different underwriters, equal amount), the Disbursement Unit will e-mail a copy to the contracting department and unblock the EN or PO in the financial system.

Note that each Stop Notice and release incident may be different. Consult with the City Attorney's Office for instructions.

4.4.3 | One-Time Payment

These guidelines are issued under the Controller's authority under:

- *San Francisco Charter, Article III, Sec. 3.105*; and
- *San Francisco Administrative Code Chapter 10, Article I, Sec. 10.07*

The one-time payment process in the City's financial system is only for authorized non-recurring and non-1099 reportable payments to one-time vendors. Refer to *Section 4.6.2 1099 Reportable Payments* below for more information about what is and is not 1099-reportable.

Allowable non-1099 reportable one-time vendor payments include:

- Non-1099 reportable Claims and Judgments as well as Litigation expenses – use sub-object 05311 for settlement of claims generally processed by the City Attorney and other responsible departments
- Tow Claim Judgments and Refunds of improper tow charges – use sub-object 05311, generally processed by the Police Department and Parking and Traffic
- Refunds of security deposits from liability or deferred credit account (e.g., GL 241, 249 for Port's refund of customer deposits, Treasure Island's refund of event security deposits)
- Payments against Agency Obligations (GL 219) (e.g., payment from Trial Court Trust Account; District Attorney's Bad Check program, Juvenile Probation restitutions)
- Aid Assistance payments (characters 036/037) – processed by Human Services Agency and not subject to 1099 reporting if paid directly to clients, including SSI retro payments to clients
- Working Families Credit payments – non-1099 reportable tax credit, use sub-object 03910
- Elections' poll workers (sub-object 02710) and polling places (sub-object 03051) payments with the assumption that the annual payments to any one individual will not exceed the $600 limit in one tax year
- Other examples include: reissue of ERS Retirement Allowances (sub-object 05511), reissue of payroll checks, Building Inspection Code Enforcement Rehabilitation Fund Underground Utility Program (sub-object 03599).

4.4.3.1 | RULE FOR ONE-TIME PAYMENT PROCESSING

Typical use of the "OT document type" for one-time payment involves one-time, non-recurring payments to vendors and expenses that are paid out of liability accounts, agency obligations, special programs or funds. One-time payments are for paying vendors (not employees) for non-recurring, non-1099 reportable expenses. One-time payments are not for employee reimbursements, and should not be used for purchase of materials and supplies, or services. Departments must maintain proper controls and/or verification procedures to ensure accurate 1099 reporting. Documented misuse of one-time vendor payment may be grounds for possible suspension of security access to document type OT.

4.4.3.2 | ONE-TIME PAYMENT EXCEPTIONS

One-time payments should not be used for 1099-reportable expenditures. The following are limited exceptions to 1099-reportable one-time payments, on condition that departments submit W-9 information to the Vendor File Support Unit at the time of payment. Departments should forward the W-9 to Vendor File Support after the one-time vendor number is generated in the financial system. Even when a 1099-reportable payment may be below the $600 reportable limit, W-9 information is still required. Departments are also required to provide certification in the FAMIS Notepad to justify the use of one-time vendor payments and to certify that W-9 information has been provided. Note that 1099-reportable payments should not be made from revolving funds.

- Aid Assistance payments – Human Service Agency maintains W-9 information for non-client payees and submits W-9 information to Controller's Vendor File Support Unit for update or set up of vendor numbers. Payments to non-client payees must use the sub-object flagged for 1099-reportable. Additionally, the department should use the correct sub-object to ensure proper recording in 1099; *e.g.*, box 3 or type 07 for non-employee compensation, vs. sub-object 03652 (type 01), which will be reported in box 1 for rents/leases.
- Claims and Judgments, Litigation Expenses (legal fees, rents, *etc.*) – 1099 reportable
  - Judgments—Legal Fees should be recorded to sub-object 05323 (type 07), which will be reported in box 7 on the 1099-M
  - Litigation Expenses—Legal Fees included in gross proceeds should be recorded to sub-object 05312 (type 11), which will be reported in box 14 on the 1099-M
  - General Litigation Expenses should be recorded to sub-object 05321 (type 07), also reported in box 7 on the 1099-M (*e.g.*, District Attorney's witness lost wages payments)
  - For rent/lease expenses paid to non-clients engaged in the business of rentals and housing as a result of litigation, sub-object 05324 (type 1) should be used, which will be reported in box 1 on the 1099-M (*e.g.*, District Attorney's relocation expenses).
- 1099-reportable Public Defender's payments to expert witnesses (keeping necessary confidentiality should not preclude compliance with IRS regulations and W-9 information is still necessary) – use sub-object 02699 Other Fees (type 07). Do not make these payments from the revolving fund.

- Water Department toilet rebates (sub-object 03820).
- The Public Defender's Office makes payments from its Capital Cases Revolving Fund, and may continue to do so while in compliance with the IRS 1099 tax reporting requirements. For purposes of confidentiality, however, Public Defender will restrict information to the minimum needed to meet the IRS 1099 reporting requirements.

4.4.3.3 | SYSTEM INTERFACES OF OT PAYMENTS

When using system interfaces for OT payments that are 1099-reportable, completed payee W-9s must be submitted to the Vendor File Support Group at the time of interface.

4.4.3.4 | UNACCEPTABLE ONE-TIME PAYMENTS

The following types of payments should never be processed as a one-time payment:

- Revenue refunds, which should be processed as "RR" or "RD" Revenue Refund document types in the financial system
- Payments to employees including employee reimbursements
- Contractual services
- Purchases of materials and supplies.

4.4.3.5 | EXISTING CONTROLS TO ASSIST DEPARTMENTS WITH ONE-TIME PAYMENTS

The following systems and processes are in place to help prevent unacceptable one-time payments being entered by departments:

- Vendor numbers and expense sub-objects are flagged as either 1099 reportable or non-1099 reportable. Departments should ensure use of the correct set-up for vendor numbers and sub-objects. Look up 1099 information on FAMIS screens 9510 and 5200
- Periodic matching of the vendor payments file with the employees file to: a) report to Payroll the additional income to the employee, and b) inactivate the employee's vendor number
- Quarterly review of payments using 1099-reportable sub-objects to vendors without W-9 tax identification information
- Regular vendor numbers (excluding employees) require W-9 tax identification information at the time of set-up by Vendor File Support Group
- Interfaces of one-time payments require W-9 before payment, especially if payments are 1099-reportable and exceed $600.

In summary, departments should keep in mind the following guidelines when using one-time payments:

- Departments should set up regular vendor numbers and encumber funds to the extent possible. One-time payments are only for limited use for non-1099 reportable and non-recurring vendor payments.
- City departments should ensure that vendors provide W-9 information before payments are made.
- <u>Exception</u>: In order to accommodate system interfaces and confidential expenses, special arrangements could be made in advance for the department to submit W-9 tax information to the Controller's Office to update the vendor records accordingly. Vendors and expense sub-objects must be flagged accordingly when making 1099-reportable payments.
- It is the department's responsibility to ensure that taxable payments will be recorded and reported to the IRS correctly. Thus, it is highly important that departments use one-time payment only for critical needs and according to the special processing procedures to satisfy the Controller's requirements for proper use, review, and monitoring of one-time payment transactions.

4.4.4 | Advance Payment

An advance payment is the part of a contractually due amount that is paid to vendors in advance for goods or services. Departments must obtain approval from the Controller's Office before entering into a contract or making a purchase involving advance payment. Advance payment is not allowed except for the situations described in the following two sections.

4.4.4.1 | ADVANCE PAYMENT TO GRANT SUB-RECIPIENTS (COMMUNITY BASED ORGANZATIONS)

The Controller's Office issues the following advance payment guidelines as authorized by the *City Charter, Article I, Section 3.105*:

Advances or pre-payments to community-based, non-profit organizations are allowable in order to meet contractor cash flow needs in certain circumstances. Departments must have approved contracts with the vendor, and contracts must explicitly allow pre-payments. The contracts must explicitly define and allow pre-payments to contract providers, who have been awarded the contracts according to the City's procurement and contracting rules and regulations. If the original contract does not allow advance payment, then it needs to be amended to include pre-payment provision. In the event the funder does not allow advance payment, the City department should not enter into such agreement with the contractor or sub-recipient. Any City agency's agreement allowing pre-payment to a vendor should be based on the department's assessment of the organization's financial situation, proven track record of providing services, justified needs for advances, as well as compliance with City's purchasing and contracting rules and regulations. Periodic reconciliation, service tracking, and control procedures must be clearly defined in the contract, as they are critical to the effectiveness of this arrangement to prevent overpayment, misuse or loss of City funds. The following procedures are necessary to ensure uniform implementation of agreements to provide advances or pre-payments to contract providers.

Advances or Pre-payments to Providers

In order for advance payments to be allowable, departments should:

- Select service providers according to the City's purchasing and contracting guidelines
- Ensure that the proposed pre-payment agreement does not violate funding agencies' or City's rules or regulations, and that it does not create a difficult cash management situation for the department
- Develop required text to be inserted in contracts that will outline maximum pre-payment amounts (dollar or percentage), permitted frequency, required repayment timelines, and method for tracking pre-payment balances on claim forms or other reconciliation documents
- Add appropriate language to the contract to identify any special payment arrangement or agreement that does not fall within the standard or boilerplate provisions or rules of purchasing or contracting regulations.

Internal Controls Regarding Use & Collection of Advances or Pre-payments

Departments should ensure internal controls over appropriate use and collection of advances or pre-payments as follows:

- Require written request and justification from vendor to request pre-payment for services
- Develop policy that states the criteria under which providers are eligible for advances or pre-payments. Include allowable reasons for approving requests, and any additional requirements based on the department's assessment of satisfactory contract performance to date
- Require review and approval of advance and pre-payment requests by responsible managers, and approval from the Department Head or highest financial officer in the department
- Effectively monitor pre-payment activity and balances to safeguard against misuse or loss of City funds
- Ensure segregation of duties among contracting, program management, accounts payable, and accounts receivable functions within the department
- Ensure funds are available before contract issuance, and encumber funds in the financial system as soon as the purchase order is issued. When submitting a pre-payment request transaction, clearly describe it as a pre-payment against the purchase order and with appropriate Notepad comments to certify that pre-payment is explicitly allowed in the contract.

Processing Advance Payments in the Financial System

Follow these steps to ensure that advance payments/pre-payments are correctly entered into the financial system:

- Process voucher of a purchase order or encumbrance payment. DO NOT use direct payment document (DV, PR, OT) to process advances to contract providers.

- Process voucher (VC) in FAMIS Purchasing if advances are being paid against a purchase order. Both documents should clearly describe the payment as advances on the description field and/or on the Notepad.
- Process invoice as an encumbrance payment (EP) if advances are being processed against a FAMIS Accounting encumbrance. The document should clearly describe the payment as advances on the description field and/or on the Notepad.
- Apply repayment of advances against subsequent invoices according to repayment agreement between the City department and contract provider. Process the net reconciled amount using applicable transaction code and/or document in FAMIS Accounting or FAMIS Purchasing.
- Pre-payments are considered expenses at the time of payment, e.g., a reduction to the encumbrance. Ensure that the time of payment, service period, and fiscal month posted in FAMIS are consistent and accurate.

For illustrations on processing (VC) voucher or encumbrance payment (EP), refer to *Section 16 - How-to & Screenshots*. For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

Preventative Measures Against Overpayment

In order to ensure that organizations are not overpaid, departments must:

- Review invoices in detail to ensure payment only for actual and authorized services rendered for the period indicated
- Maintain accurate records of advances that match the balance in FAMIS vendor history. Departments should use tracking applications (e.g., spreadsheets, contract management system, invoicing system) and perform a reconciliation process to monitor advances and rendered services
- Monitor closely the vendor payment history to ensure that the advances are being repaid as deduction from subsequent invoices and to safeguard against overpayment
- Process final payment only when advances have been fully repaid; all services have been rendered and properly invoiced, documented, and authorized; and detailed review has confirmed the accuracy of the contract's remaining balance. This is especially important at fiscal year-end to ensure expenses are booked in the proper reporting period
- Have a contingency plan to recover funds and act immediately in the event an overpayment is identified, to prevent further loss of City funds
- Contract providers must be made aware of legal consequences and possible loss of City business if negligence and fraudulent billings result in overpayment.

In summary, when considering advances or pre-payments to contract providers, departments must develop policies and procedures to ensure accurate and timely reconciliation of payments. Departments must have approved contracts with the vendor, and contracts must explicitly allow pre-payments. If the original contract does not allow advance payment, then it needs to be amended to include a pre-payment provision. Contract provisions should also include terms that state the maximum pre-payment

amount, permitted pre-payment frequency, required repayment timelines, and required method for tracking pre-payment balances on claim forms or other reconciliation documents. Any deviations from these policies require the Controller's pre-approval.

In general, the prerequisites and conditions described in these guidelines should be met for contract providers to be considered for pre-payment. Departments must also have in place service tracking and internal control procedures to monitor and reconcile the advance payments, with the goal that such arrangements do not negatively impact the City's financial resources.

For accounting-related questions, contact the Controller's Fund Accounting Supervisor(s) assigned to your department.

4.4.4.2 | OTHER ALLOWED ADVANCE PAYMENT

As stated by *San Francisco Administrative Code Chapter 21*, *Section 30* (e):

A Contracting Officer is authorized to make payment for software license fees and software support, equipment maintenance and associated escrow and finance fees in advance of receiving services under a contract.

Advance payment is allowed for the following items:

- Training and conference registration
- Membership dues
- Subscriptions
- Licenses
- Rent under a contract
- Software maintenance service under a contract.

4.4.5 | Late Payment

The City & County of San Francisco does not pay any fees incurred following a late payment unless the late payment is authorized by the Controller's Office.

4.4.6 | Credit Memorandum

A credit memo may be issued by a vendor because the City returned goods to the vendor, or there is a pricing dispute, or a marketing allowance, or other reasons under which the City will not pay the vendor the full amount of the invoice.

4.4.6.1 | PROCESSING A CREDIT MEMORANDUM IN THE FINANCIAL SYSTEM

If the City has not yet paid the vendor, the City can use the credit memo as a partial offset to its invoice-based payment to the vendor. Departments can net the credit memo with the invoice and input the netted amount in the financial system as the amount being paid. Make sure to enter the credit memo number in the "Invoice Number" field. If there is not enough space, make sure to include the credit memo number in the Notepad.

If the City has already paid the full amount of the invoice, the City has the option of

1. Using the credit memo to offset a future payment to the vendor:
    Credit memoranda can be processed in FAMIS Accounting through a journal entry against payments made in both FAMIS Accounting and FAMIS Purchasing. Refer to *Section 16 - How-to & Screenshots* for illustrations on processing credit memo journal entries.

    OR

2. Using the credit memo as the basis for demanding a payment refund in exchange for the credit memo.

4.4.7 | Payment Disbursement

In general, payments to external vendors are distributed via postal mail or, for those vendors that are enrolled in Paymode-X service, electronic funds transfer (or ACH). In addition:

- The Controller's Office encourages departments to have contractors and vendors enroll in the City's electronic payment plan – Paymode-X, which is free, ensures faster payment, and saves the time and cost needed to produce and distribute checks.
- Checks are printed ONCE every week on Wednesday night for payment due dates through Friday with Thursday check dates.
- The weekly check or the daily ACH payment to any vendor reflects the total amount paid to this particular vendor throughout the City during the period covered. For special circumstances when vendors require single checks, submit the request to your Controller's Office Fund Accountant.
- Non-payroll checks will be distributed by mail through the US Postal Service ONCE every week on Friday.
- A number of these hand-sorted, non-payroll checks include employees' travel and training reimbursement checks. Department staff should exercise extra diligence in verifying employee addresses when processing employees' reimbursement check requests; in general, home addresses are not permitted for this purpose and the work location address should be used.
- Any adds/changes to vendor addresses should continue to be submitted to the Controller's Office Vendor File Support.

- For those extraordinary circumstances that require special check handling/pick-up, fax a request to the Controller's Disbursement Office using the *Check Pickup Request Form* (Figure 4-5).

FIGURE 4-5. CHECK PICKUP REQUEST FORM

CONTROLLER'S OFFICE
ROOM 396-CITY HALL

FAX: 554-7578   **DEPARTMENTAL CHECK RELEASES**

DEPARTMENT:			DATE:		
Document#	Vendor#	Check#	Check Date	Amount	Reason for In-House

REQUEST AUTHORIZED BY:	CHECKS RECEIVED BY:	CHECKS Release By:	
Signature:	Signature:		
Print Name:	Print Name:		

4.4.8 | Payment Cancellation

This section provides guidance on how to handle instances where the department might need to cancel payment to an outside vendor.

Canceling a Payment Request Before Check is Issued

For FAMIS Purchasing payments, cancel the Voucher in Screen 8500; for FAMIS Accounting payments, cancel the Direct Payment Request (PR or RM) through journal entry using Transaction Code 240. For illustrations on payment cancellation processing, refer to *Section 16 - How-to & Screenshots*. For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

Canceling a Payment After Check is Issued but Not Yet Mailed

If the check has been issued but not mailed out, call the Controller's Disbursement Unit at 554-7545 to intercept the check before it goes into the mail. Request the Controller's Office Fund Accountant to cancel the check.

If Incorrect Check is Mailed to Vendor

Call the vendor and request that the check be returned. Void the check when it is received back and contact the Controller's Office Fund Accountant to cancel the check. If the check is not returned, call Controller's Office Disbursement Unit to stop payment as described below.

Requesting a Stop Payment

Fax the Controller's Disbursement Unit at 554-7578 with the stop payment request on a check that has been issued. The fax should contain detailed check information and the reason for the stop payment. The Disbursement Unit will forward a request to the Treasurer's Office. It takes at least two (2) days to process. Once the stop payment is processed, Disbursement will request the Controller's Office Fund Accountant to cancel the check in the financial system. The department can then submit a new payment request.

Lost Warrant (Check)

Call the Controller's Disbursement Unit at 554-7545 to request the *Lost Warrant Affidavit* form, shown in the Figure below, and complete as follows:

- Department completes Section 1 with original signatures
- Vendor completes Section 2
- Return the completed form to Disbursement Unit.

Disbursement Unit processes the form and sends a stop payment request to the Treasurer's Office. Once the stop payment is processed, Disbursement Unit will request the Controller's Office Fund Accountant to cancel the check in the financial system. The Disbursement Unit will then process a replacement check.

FIGURE 4-6. LOST WARRANT AFFIDAVIT FORM

Government Code Section 29851

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

REQUEST FOR REPLACEMENT OF LOST OR DESTROYED WARRANT/AFFIDAVIT

(1)   Department for whom payment was issued completes and signs the warrant information under
SECTION I.
(2)   Payee executes the affidavit section below under SECTION II.
(3)   Submit this completed form to (must be the original signature; photocopy will not be accepted):

CITY & COUNTY OF SAN FRANCISCO
CONTROLLER'S OFFICE, CLAIMS AND DISBURSEMENT UNIT
1 DR. CARLTON B. GOODLETT PLACE, ROOM 396
SAN FRANCISCO, CA 94102-4694

SECTION I.   LOST/DESTROYED WARRANT INFORMATION

WARRANT NUMBER:_____DATE_____AMOUNT_____
PAYEE:_____
SSN OR TAX ID:_____
ADDRESS:_____
(Street No., City, State, Zip Code)
ISSUING DEPARTMENT:_____
PRINT NAME & SIGN:_____TEL#_____
(Department's Authorized Signature)

SECTION II.   AFFIDAVIT FOR LOST OR DESTROYED WARRANT

(1)   I, the undersigned, being first duly sworn, depose and say: That City and County of San
Francisco Controller's warrant described above was [ ] LOST [ ] DESTROYED [ ] STALE
DATED on _____, 20___, under the following circumstances: _____

_____

_____
That affiant is entitled to possession, and hereby requests replacement of such warrant as the

[ ]   Original Payee
[ ]   Endorsee (must show Proof of Right to Possession)
[ ]   Custodian (must submit Letter of Authorization)

(2)   I certify that I have not requested nor received any replacement warrant for this payment.
(3)   I certify that I have not deposited this check and that I am liable for all expenses and fees incurred
to recover stolen funds if the check has been deposited.
(4)   I certify under penalty of perjury that the foregoing is true and correct.

PAYEE'S SIGNATURE:_____DATE_____

PAYEE'S NAME (Print Legibly)_____

PRESENT ADDRESS_____TEL#_____

Check Revalidation

The Disbursement Unit receives requests from City departments or vendors to revalidate checks that have been outstanding for more than 90 days, but less than one year. The Unit only revalidates payroll, vendor, and manual checks for an additional 90 day period; revalidation requests for retirement, general assistance, or sheriff checks need to be referred back to the appropriate department since information on check posting in FAMIS and bank clearance is not posted at the individual check level. Note that the original payee must be the person to present the check for revalidation.

4.5 | Sales & Use Taxes

The California Board of Equalization (BOE) promulgates guidelines for the administration of Sales and Use Tax Programs. Here is a link to the BOE website: http://www.boe.ca.gov/sutax/sutprograms.htm.

> **The BOE regularly changes its rules and regulations regarding the state's Sales and Use Tax Programs and it is the department's responsibility to ensure that it has checked the BOE website in order to be compliant.**

All City departments should establish the policies and procedures necessary to ensure their in-state, out-of-state, online, or mail order purchases accurately account for sales tax or use tax.

The purpose of this section is to provide general guidance to City departments on when and how to accrue sales or use tax in the City's financial system. It is important that departments observe these guidelines to ensure that they are charged the proper rate of tax for the area where they use, store, or consume the merchandise, and that the City does not incur penalties in periodic State Sales and Use Tax audits as a result of non-payment of tax.

4.5.1 | Definition of Sales Tax and Use Tax

The California "sales tax" is imposed on all California retailers. Sales tax is tax collected by the retailer in California and the retailer is responsible for reporting and paying the tax to the State. California law requires tax on in-state purchases, and also requires tax on items purchased out-of-state for use in California.

When an out-of-state or online retailer doesn't collect the tax for an item delivered to California, the purchaser may owe "use tax", which is simply a tax on the use, storage, or consumption of personal property in California. Use tax liabilities are often created by Internet or mail order purchases with out-of-state retailers not required to collect the tax. The use tax, which was created in July 1935, is a companion to California's sales tax that is designed to level the playing field between in-state retailers

who are required to collect tax, and some out-of-state retailers who are not. Generally, use tax also applies to foreign purchases of tangible personal property brought into California for storage, use, or other consumption.

The State's sales tax and use tax are "mutually exclusive", which means either one or the other applies to a single transaction, but not both. The sales and use tax rates are the same within the same area or jurisdiction. Refer to the rates table link: <u>http://www.boe.ca.gov/cgi-bin/rates.cgi</u>

Certain products and/or services are tax-exempt. Items that are exempt from sales tax are exempt from use tax as well. Inquire with the BOE or department's purchaser to ensure appropriate accrual and/or payment of sales and use tax.

4.5.1.1 | PURCHASES FROM CALIFORNIA RETAILERS

California sales tax is imposed on all California retailers. Retailers making sales in the State of California are required to report and remit the sales tax to the BOE. When the retailer collects the sales tax, the retailer is liable to remit the tax due. When purchasing from California retailers, departments must review invoices to make sure sales tax is charged and the rate is correct. **When the retailer fails to collect tax on taxable merchandise, departments must accrue the sales tax liability (in the Agency Fund 7ASTATAX) and not pay it to the retailer.**

4.5.1.2 | PURCHASES FROM OUT-OF-STATE VENDORS

When out-of-state vendors are engaged in business in California, they register with the BOE to obtain a seller's permit that allows them to collect use tax from their California customers. Departments must review invoices from out-of-state companies to determine if they were charged California use tax. **When an out-of-state vendor does not include California sales/use tax on the invoice when an item is taxable, departments must accrue use tax liability (in the Agency Fund 7ASTATAX) and not pay it to out-of-state vendors without sellers' permit numbers printed on their invoices.**

4.5.1.3 | VERIFY IF SALES TAX OR USE TAX IS APPROPRIATE FOR THE AREA

Departments must verify that they are charged the proper rate of tax for the area where they use, store, or consume the merchandise. The rate of use tax is determined where the property will be used, stored, or consumed, regardless of where the sale takes place. Tax rates may vary from cities and counties in California where the materials are put into use, most notably, Moccasin, as shown in the Table below. More information on California City & County Sales & Use Tax Rates can be found online at <u>http://www.boe.ca.gov/sutax/pam71.htm</u>.

TABLE 4-2. EXAMPLES OF VARIATIONS IN TAX RATES

CITY	TAX RATE	COUNTY
Moccasin	7.500%	Tuolumne
San Francisco	8.750%	San Francisco

For example: If a City department purchased merchandise from a vendor in San Francisco, which has a 8.75% sales tax, but the goods will be used, stored, or consumed in San Mateo, which has a sales tax rate of 9.25%, then the department needs to accrue the additional 0.50% sales tax in the Agency Fund and not pay it to the vendor.

4.5.1.4 | ACCRUING SALES TAX OR USE TAX LIABILITIES

If insufficient sales or use tax is specified on an invoice, departments must accrue sales or use tax in the financial system through journal entries (JE or RE), regardless of the dollar amount involved, on or about the same time that the invoice is processed. The "materiality" test does not apply to sales tax accrual. For illustrations on processing sales tax accrual entries, refer to *Section 16 - How-to & Screenshots*. Please record the accrual using:

- General Ledger 219 (Other Obligations – Agency Fund)
- Subsidiary ledger COZ017 (State/Local/District Use Tax)
- Department-specific index code under Agency Fund 7ASTATAX in the format XXX7ASTATAX, the first three (3) characters representing the department code. This is the unique index code to identify the department accruing the sales tax or use tax in the Agency Fund. The Table below lists the Agency Fund index codes for all departments.

TABLE 4-3. SALES/USE TAX INDEX CODES TABLE

DEPARTMENT	3-CHAR DEPT CODE	FAMIS ORG CODE	INDEX CODE
Academy of Science	SCI	SCIAA	SCI7ASTATAX
Adult Probation	ADP	ADPAA	ADP7ASTATAX
Airport Commission	AIR	AIRAA	AIR7ASTATAX
Art Commission	ART	ARTAA	ART7ASTATAX
Asian Arts Museum	AAM	AAMAA	AAM7ASTATAX
Assessor	ASR	ASRAA	ASR7ASTATAX
Board of Supervisors	BOS	BOSAA	BOS7ASTATAX
Building Inspection Commission	DBI	DBIAA	DBI7ASTATAX
Child Support Services	CSS	CSS01	CSS7ASTATAX
Child, Youth & Family	CHF	CHFAA	CHF7ASTATAX
Children and Families Commission	CFC	CFC01	CFC7ASTATAX
City Attorney	CAT	CATAA	CAT7ASTATAX

DEPARTMENT	3-CHAR DEPT CODE	FAMIS ORG CODE	INDEX CODE
City Planning (Planning Commission)	CPC	CPCAA	CPC7ASTATAX
Civil Service Commission	CSC	CSCAA	CSC7ASTATAX
Controller	CON	CONAA	CON7ASTATAX
District Attorney	DAT	DATAA	DAT7ASTATAX
Economic & Workforce Development	ECN	ECNAA	ECN7ASTATAX
Elections Commission	REG	REGAA	REG7ASTATAX
Emergency Management	ECD	ECD03	ECD7ASTATAX
Environment Commission	ENV	ENV01	ENV7ASTATAX
Ethics Commission	ETH	ETHAA	ETH7ASTATAX
Fine Arts Museum	FAM	FAMAA	FAM7ASTATAX
Fire Department	FIR	FIR99	FIR7ASTATAX
General - Unallocated	UNA	UNAAA	UNA7ASTATAX
General City	GEN	GENAA	GEN7ASTATAX
General Services Agency (GSA) - Admin	ADM	ADM01	ADM7ASTATAX
GSA - Animal Care & Control	ANC	ADM18	ANC7ASTATAX
GSA - City Administrator	CAO	CAOAA	CAO7ASTATAX
GSA - Consumer Assurance	AGW	ADM17	AGW7ASTATAX
GSA - Convention Facilities	CFM	ADM19	CFM7ASTATAX
GSA - Department of Public Works	DPW	DPWAA	DPW7ASTATAX
GSA - Department of Technology	TIS	TISAA	TIS7ASTATAX
GSA - Medical Examiner	CME	ADM20	CME7ASTATAX
GSA - Office of Contract Administration	OCA	ADM0901	OCA7ASTATAX
GSA - Real Estate Division	RES	ADM14	RES7ASTATAX
Health Service System	HSS	HSSAA	HSS7ASTATAX
Human Resources	HRD	HRDAA	HRD7ASTATAX
Human Rights Commission	HRC	HRCAA	HRC7ASTATAX
Human Services Agency	DSS	DSSAMCM	DSS7ASTATAX
Juvenile Probation	JUV	JUVAA	JUV7ASTATAX
Law Library	LLB	LLBAA	LLB7ASTATAX
Mayor's Office	MYR	MYRAA	MYR7ASTATAX
MTA - Parking & Traffic	PTC	MTAAAXX	PTC7ASTATAX
MTA - Public Transportation	MTA	MTAAAXX	MTA7ASTATAX
Municipal Transportation Agency (MTA)	DPT	MTAAAXX	DPT7ASTATAX
Permit Appeals (Appeals Board)	PAB	PABAA	PAB7ASTATAX
Police Commission	POL	POLAA	POL7ASTATAX
Port Commission	PRT	PRTAA	PRT7ASTATAX
Public Defender	PDR	PDRAA	PDR7ASTATAX
Public Health (DPH) - Community Health Services	DPH	DPHPHADEX	HCH7ASTATAX
DPH - Community Mental Health	DPH	DPHMHAD	HMH7ASTATAX
DPH - Laguna Honda Hospital	DPH	DPHLHAA	HLH7ASTATAX

DEPARTMENT	3-CHAR DEPT CODE	FAMIS ORG CODE	INDEX CODE
DPH - SF General Hospital	DPH	DPHGHAA	HGH7ASTATAX
Public Library	LIB	LIBAA	LIB7ASTATAX
Public Utilities Commission (PUC) - Admin	PUC	PUCAA	PUC7ASTATAX
PUC - Hetch Hetchy	PUC	HHPAA	HHP7ASTATAX
PUC - Waste Water	PUC	CWPAA	CWP7ASTATAX
PUC - Water	PUC	WTRAA	WTR7ASTATAX
Rec & Park	REC	RECAA	REC7ASTATAX
Rent Arbitration Board	RNT	RNTAA	RNT7ASTATAX
Retirement System	RET	RETAA	RET7ASTATAX
SF City & County Transportation Authority	CTA	CTAAA	CTA7ASTATAX
SFCCD	CCD	CCDAA	CCD7ASTATAX
SFUSD	USD	USDAA	USD7ASTATAX
Sheriff's Department	SHF	SHFAA	SHF7ASTATAX
Status of Women Commission	WOM	WOMAA	WOM7ASTATAX
Treasurer/Tax Collector	TTX	TTX0100	TTX7ASTATAX
Trial Court - Superior/Municipal Court	CRT	CRTAA	CRT7ASTATAX
War Memorial	WAR	WARAA	WAR7ASTATAX

4.6 | IRS 1099 Miscellaneous (MISC) Reporting Rules

The Controller's Office files IRS 1099 forms in three categories: 1099-G, 1099-INT, and 1099-MISC. The Controller's Office must file Form 1099-MISC (Miscellaneous Income) for each person, non-employee and individual contractor or sole proprietor, to whom we have paid during the tax year:

- At least $10 in royalties or broker payments in lieu of dividends or tax-exempt interest
- At least $600 in rents, services (including parts and materials), prizes and awards, other income payments, medical and health care payments
- Gross proceeds to an attorney.

Payments to a corporation are generally not 1099-reportable, with the exception of medical and legal services.

Departments should refer to the IRS for guidelines on what is and is not 1099-reportable. Related links are listed below:

- 1099 General Instructions: http://www.irs.gov/pub/irs-pdf/i1099gi.pdf
- Instructions for Form 1099-MISC: http://www.irs.gov/pub/irs-pdf/i1099msc.pdf
- Instructions for Form 1099-INT: http://www.irs.gov/pub/irs-pdf/i1099int.pdf
- Instructions for Form 1099-G: http://www.irs.gov/instructions/i1099g/ar01.html

> **The IRS regularly changes its rules and regulations regarding 1099 reporting and filing requirements and it is the department's responsibility to ensure that it has checked the IRS website in order to be compliant.**

4.6.1 | Requirement of Encumbrances, Vendor Numbers, and Sub-objects

Miscellaneous payments to individuals still require that City departments encumber funds, establish a regular vendor number in the financial system, and enter accounting transactions using appropriate sub-object codes in the financial system.

4.6.1.1 | ENCUMBRANCES

Encumbrances are the recognition of commitments that will subsequently become expenditures when goods and services are received. Encumbrances are posted for documents such as purchase estimates, purchase orders, and contracts. Encumber funds whenever possible and do not use a one-time document.

4.6.1.2 | VENDOR NUMBERS

The Controller's Office is responsible for issuing IRS 1099 forms for the following three categories:

- 1099-G for the Public Utilities Commission's "GoSolarSF" program, to participants who were reimbursed for eligible expenses greater than $600
- 1099-INT to anyone who received interest income
- 1099-MISC to anyone who received reportable income greater than $600, or for certain other types of payments.

Because the $600 threshold is critical to properly issuing Form 1099, departments must ensure that they receive an IRS Form W-9 prior to paying any vendor that will receive either a one-time payment or cumulative payments greater than $600 (excluding refunds).

Having correct information on the W-9 is essential; for example the W-9 data specifies the entity's federal tax classification and address. Departments must review the W-9 to ensure that the information is complete and looks correct.

Departments must submit completed W-9 forms providing tax identification information to the Vendor File Support Group in order to set up a regular vendor number in the financial system.

4.6.1.3 | SUB-OBJECT CODES

When making payments that are considered taxable income to the recipients, departments must ensure to use a 1099-reportable expenditure sub-object. Departments must also make sure that the vendor is

flagged as 1099-reportable. It remains departments' responsibility to maintain and apply appropriate accounting procedures to ensure accurate 1099 reporting to the IRS.

Issuance of Form 1099 by the Controller's Office is based on what sub-object codes are entered into FAMIS for either the CK (check) or AH (automated clearing house) value. Departments should ensure that they perform the following steps in order to ensure the payments are correctly entered in the financial system:

- ☐ Check FAMIS Screen 5200 and look for "1099 Type" to verify how to enter the correct codes
- ☐ If FAMIS Screen 5200 is unclear, contact the Controller's Office for the correct entry in the financial system
- ☐ Never enter Char 021 sub-object codes for Char 040 expenses, and *vice versa*
- ☐ Ensure you pay attention to the 1099 Box that the expense belongs to.

The following Section provides more information on 1099 reportable payments and their posting in the financial system.

4.6.2 | 1099 Reportable Payments

The following Table lists examples of what is and is not 1099-reportable.

TABLE 4-4. 1099-REPORTABLE AND NON-REPORTABLE PAYMENTS

1099-REPORTABLE	1099 NON-REPORTABLE
Payments to individuals	Payments to corporations (with exceptions—medical and healthcare providers, and attorneys may receive 1099 reportable income)
Cell phone (fair market value) if it is given as an incentive or award	Cell phone if it is given for business use
Office of Labor Standards Enforcement (OLSE) back wages from San Francisco employers/contractors violating Minimum Compensation Ordinance (MCO) and Health Care Accountability Ordinance (HCAO) who have not withheld payroll taxes	OLSE back wages from San Francisco employers/contractors violating MCO and HCAO who have withheld payroll taxes
Payments for professional services	Payments for materials and supplies

The following Table lists how 1099-reportable payments should be posted in the financial system.

TABLE 4-5. 1099 POSTING IN FAMIS

TYPE OF PAYMENT	DESCRIPTION	1099 BOX #	FAMIS SCREEN 5200 "1099 TYPE"	SAMPLE SUB-OBJECT
Not 1099 Reportable	• Payments to corporations (with exceptions) • Payments for materials and supplies	N/A	00	04699 – Food 04921 – Data Processing Supplies 04931 – Forms
Rents	• Office space • Parking lot space • Welfare rental assistance (to landlords) • Equipment	1	01	03011 – Property Rent 03121 – Vehicle Rental 03652 – Rent Assistance On Behalf of Clients
Other income	• Prizes and awards that are	3	03	02304 – Flex

TYPE OF PAYMENT	DESCRIPTION	1099 BOX #	FAMIS SCREEN 5200 "1099 TYPE"	SAMPLE SUB-OBJECT
	not for services performed • Various damage payments that are not considered wages • Excess mileage reimbursement over 14 cents per mile for volunteer drivers • Compensation to residents for moving out of their home for redevelopment			Reimbursements/Settlements 05313 – Punitive Judgement/Taxable Compensatory Damages 05314 – Judgements - Penalty
Medical & health care payment	• Report payments made to individuals, partnerships, and corporations • Medical payments include doctor fees, drug testing, lab fees, and physical therapy • Some medical corporations (governments, non-profits) are exempted	6	06	02781 – Physicians 02787 – Registry - Nurses 02789 – Other Medical Services
Non-employee compensation	• Payment for services of an individual who is not a City employee. The service can include advertising, auto repair, construction, custodian, maintenance, landscaping, photographers, printing service, and professional service (consulting, accounting) • Attorney fees to individuals, partnerships, and corporations • Payments reported in this 1099 box is subject to self-employment tax	7	07	02701 – Architectural Services 02702 – Engineering Services 02799 – Other Professional Services
Gross proceeds	• Gross proceeds are the payments made to an	14	11	05312 – Judgements -

TYPE OF PAYMENT	DESCRIPTION	1099 BOX #	FAMIS SCREEN 5200 "1099 TYPE"	SAMPLE SUB-OBJECT
paid to an attorney	attorney as part of a legal settlement or court order. If the attorney fees cannot be determined, report all of gross proceeds in box 14 • Gross proceeds may be issued in the names of the attorney and the client			Legal Fees

4.6.3 | No 1099 Payments to City Employees

As a general rule:

> **No active City employee should serve the City as an independent contractor without prior approval.**

An active City employee who provides service to the City should do so under an arrangement other than independent contracting. Departments should pay employees for all employment services and fringe benefits through the City's payroll system. Employees should not be compensated through vendor payments; rather, all pay to an active employee should be part of taxable employment compensation. Examples include:

- Any employee taxable fringe benefits, including assignment allowance
- Professional services from workers employed by other departments, e.g., interpreter services. Arrange a work order with the appointing department to pay the employee through payroll.

An active City employee must have all City income reported on IRS Form W-2, never on an IRS Form 1099. Departments should ensure that all income paid to City employees are taxed and reported to the IRS by paying all compensation to employees through the payroll process. If a department is in doubt about whether payments to employees should be included in wages, it should consult with the City Attorney's Office Tax Team. For accounting-related questions, refer to the Controller's Fund Accountant assigned to your departments.

If a department needs to hire an active City employee for additional employment or services, it should contact the assigned Controller's Fund Accountant for approval prior to hiring to ensure that the City is in compliance with the relevant IRS regulations on payroll tax withholding and reporting.

4.7 | Payments-Related Frequently Asked Questions

Q: Are partial payments allowed on an invoice?

A: In general, partial payments are not allowed.

- If a portion of the invoice is correct but another portion of the invoice is in dispute, send the invoice back to the vendor and ask the vendor to resubmit the invoice for only the undisputed portion. This way, the undisputed portion will be paid timely while questions regarding the other amount can be resolved.
- If a vendor submits an invoice for 12 months of service but only requires payment for the first six (6) months to begin service, and expects to receive the second installment payment without sending another invoice, send the invoice back to the vendor and request that an invoice be reissued for only the first six months.

Q: What if the amount shown on the invoice is described as "estimates" or "quotes"?

A: Send the invoice back to the vendor and ask for a revised invoice that clearly states that the amount invoiced is for the actual good(s) or service(s) received.

Q: What is considered a "disputed invoice"?

A: Anything that the department doesn't agree with on an invoice results in a disputed invoice. It can be the amount due, item(s) delivered, or wrong address. In any case involving a disputed invoice, departments are highly recommended to return the invoice to the vendor and document the return.

Q: What date do we enter in the financial system as the "invoice receipt date"?

A: This is the date the invoice is received by the City. Refer to *Section 4.4.1.1 Prompt Payment Definition* for the definition of the invoice receipt date. For a disputed invoice, the invoice receipt date is the date when the corrected invoice is received by the City.

Q: Can the City make ACH payments to foreign vendors?

A: Paymode-X can only make ACH payments to U.S. domestic bank accounts. If the foreign vendor has bank accounts in the U.S., the City can make ACH payments to the vendor. Otherwise, only paper checks can be issued to the foreign vendor.

Q: Should a one-time vendor submit a W-9 form?

A: Yes. Generally, one-time payments should not be used for 1099-reportable expenditures. For limited exceptions to 1099-reportable one-time payments (*Section 4.4.3.2 One-Time Payment Exceptions*), vendors must submit W-9 information at the time of payment. Departments should forward the W-9 to Vendor File Support immediately after the one-time vendor number is generated in the financial system. Even when a 1099-reportable payment may be below the $600 reportable limit, W-9 information is still required.

Q: How do I know if the expenditure related to a sub-object is 1099 reportable?

A: You can go to FAMIS Screen 5200 and look at the "1099 Type" field for each sub-object. The 2-digt number displayed in the field indicates whether the expenditure is 1099 reportable and, if yes, which 1099-MISC Box it belongs to:

00 = Not 1099 reportable
01 = 1099-MISC Box 1 – Rents
03 = 1099-MISC Box 3 – Other income
06 = 1099-MISC Box 6 – Medical and health care payment
07 = 1099-MISC Box 7 – Nonemployee compensation
11 = 1099-MISC Box 14 – Gross proceeds paid to an attorney
Refer to *Section 4.6.2 1099 Reportable Payments* for more information.

Q: How do I know if the vendor is a 1099 vendor?

A: You can go to FAMIS Screen 9510 and look at the "1099 Reportable" field for each vendor number. If it shows "Y", payments to the vendor are 1099 reportable; if it shows "N", the vendor is not a 1099 vendor. For more information on 1099 reportable payments, refer to *Section 4.6.2 - 1099 Reportable Payments*.

4.8 | Employee Travel & Business Expenses*

4.8.1 | Business Travel Reimbursement Guidelines

This section sets forth the policies and procedures that dictate how City officers and employees will plan, conduct, and seek reimbursement for travel expenses incurred while conducting official business. Departments may promulgate travel reimbursement policies and procedures specific for their own needs that are <u>more</u> stringent than the Controller's. Department-specific travel reimbursement policies and procedures must be submitted to the Controller for review and approval.

4.8.1.1 | REGULATIONS & DEFINITIONS FOR TRAVEL REIMBURSEMENT

The United States Internal Revenue Service (IRS) *Publication 463*, *Publication 15-B* (Employer's Guide to Fringe Benefits) and 1099 publications describes employer's travel allowance and reimbursement guidelines and practices that are permissible by law. In addition to IRS regulations, employee travel reimbursement policies are determined by:

- Memorandum of Understanding (MOU) language between the City and various bargaining units. Union-related travel / training expenses are governed by the specific language of the memorandum of understanding / contract and will serve as the policy and procedure
- Grant, special projects, and bond-related projects—funding source restrictions will determine what is allowable in terms of reimbursement. Reimbursements must comply with grant agreements and bond covenants.

City officers and employees should understand that they are conducting official business and representing the public interest while traveling. City officers and employees will only incur travel costs that are reasonable and necessary. To that end, employees will use the least expensive mode of travel whenever and wherever possible.

To constitute "official business of City & County of San Francisco", the activities of an officer or employee of the City & County of San Francisco must clearly demonstrate that there is a valid City & County interest to be served or gained through the travel; and there is:

- Relevance to City & County operations or the individual's role in such operations; and/or
- The promotion or development of City & County programs, methods or administration; and/or
- Compliance with instructions or authorization of the Mayor or Board of Supervisors.

4.8.1.2 | PRE-APPROVAL

All requests for business travel require approval in advance by the Department Head or an Authorized Travel Signatory. The Figure below provides an overview of how pre-approval signatures must be obtained before travel occurs.

FIGURE 4-7. AUTHORIZED TRAVEL SIGNATORIES FOR TRAVEL PRE-APPROVAL
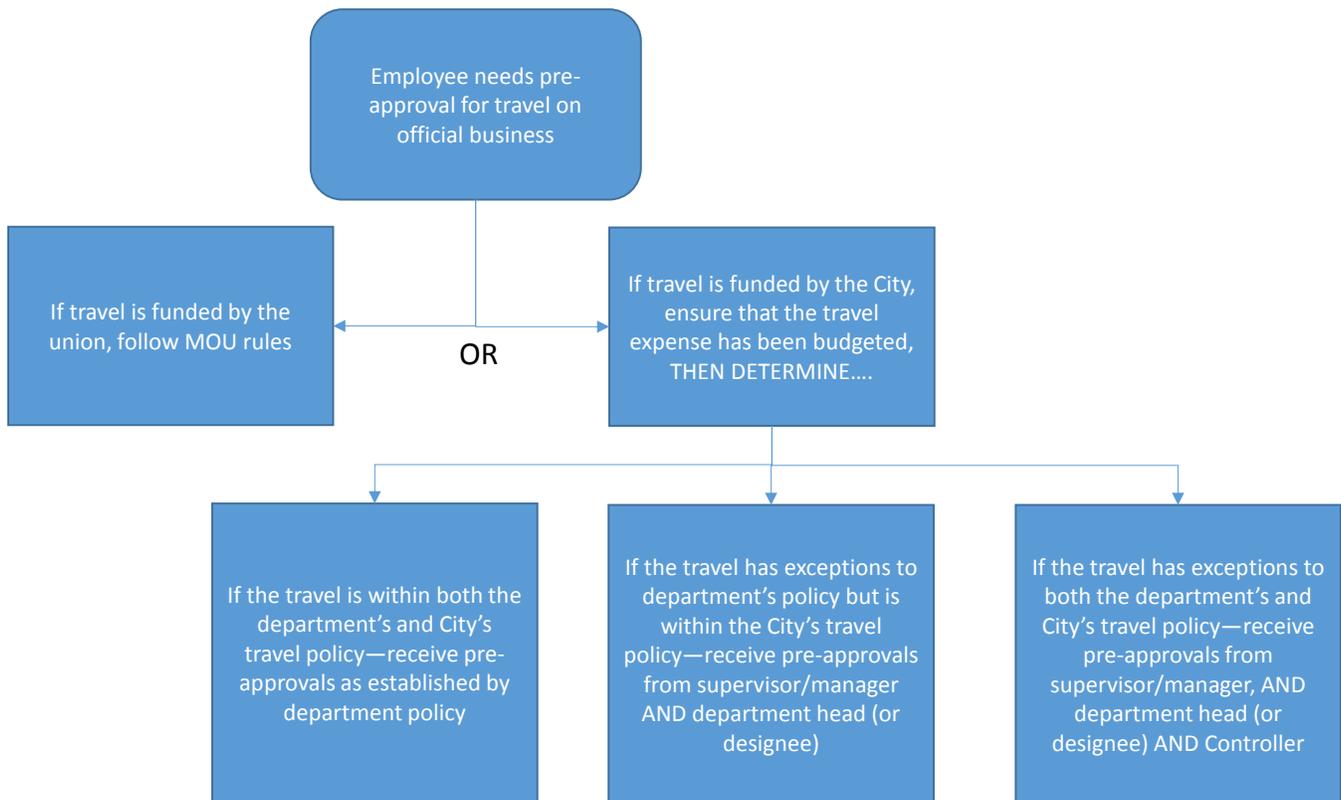
For any travel funded by the City, the department should only allow travel that is clearly anticipated in the approved budget. Employees and officials are responsible for cancellation of lodging and transportation if travel is cancelled or postponed, to ensure that the City will not be liable for any costs. If the travel has been properly budgeted, the traveler must receive the signature from the appropriate pre-approver(s), as follows:

- If the travel fully complies with both the department's and Controller's travel policy, the traveler must receive written pre-approval only from the Authorized Travel Signatory specified in the department policy.
- If the travel has exceptions to the department's travel policy but complies with the Controller's policy, the traveler must receive written pre-approval from both the direct supervisor/manager <u>and</u> the Department Head (or designee).
- If the travel has exceptions to both the departments' and Controller's travel policy, the traveler must receive written pre-approval from: 1) the direct supervisor/manager; 2) the Department Head (or designee); and 3) the Controller or his/her designee.

A *Travel Authorization Form* must be completed and signed by the employee and approved by the Department Head or Travel Signatory. Information required on the authorization form include:

- Date(s) of travel and location
- Business purpose of travel/training/conference
- Estimated expenses including registration fee, cost of air ticket, other transportation costs (e.g., taxi, shuttle, or car rental), and lodging. Fully itemized detail in accordance with the guidelines in this document must be provided for estimated expenses.

If an expense that is not listed on the *Travel Authorization Form* is actually incurred, it will only be reimbursed if the following conditions are met:

- The expense was reasonable
- A written justification is provided
- The business need can be identified
- Approval for the exception has been obtained from the Department Head or Authorized Travel Signatory.

4.8.1.3 | GUIDELINES FOR SUBMISSION AND REVIEW OF TRAVEL REIMBURSEMENTS

Completed expense reimbursement requests must be fully supported by receipts and forwarded to the Department's Accounting/Finance Division no more than 30 days after expenditure. Reimbursements with incomplete or insufficient documentation will be denied. Reimbursement request must be processed in the City's financial system (FAMIS Accounting) no more than 90 days after the date of occurrence. Best practice is that travel reimbursement occurs in the same fiscal year in which the expense was incurred.

Employee Responsibilities When Filing a Reimbursement

When filing an employee reimbursement, the employee is:

- Responsible for forwarding completed forms to their Department Accounting/Finance Division no more than 30 days from return of travel, or 10 days if an advance was issued.
- Required to specify the business purpose or need of the expense to be made by the employee instead of through the normal purchasing process. The business purpose should be descriptive enough to clearly answer any questions regarding the necessity of the expense.
- Required to submit all supporting documentation including, but not limited to, approved *Travel Expense Voucher*; air, or other itinerary, conference/meeting/workshop schedule and agenda; original itemized receipts and proof of payment; and any necessary pre-approvals and/or justifications.

An employee's proof of payment may include, but not be limited to, a cancelled check, bank statement, credit card statement, or original receipt that shows distinct information that the payment was received. However, compliance departments can enforce a more stringent proof of payment policy.

Department Accounting/Finance Division Responsibilities When Reviewing a Reimbursement

When reviewing employee reimbursements, the Department's Accounting/Finance Divisions are responsible for:

- Ensuring expenditures are reasonable, necessary, and for official business purpose.
- Reviewing and auditing for compliance with Controller's and Purchasing policies.
- Requesting additional documentation, information, justification from employee as needed.
- Deducting unallowable expenses.
- For project or grant funded business expenses; reviewing to ensure the request is in compliance with project/grant requirements.
- Verifying authorized approver.
- Ensuring all appropriate/required supporting documentation submitted and maintained in department files.
- Approving/denying and processing reimbursements in a timely manner. Reimbursement must be completed and posted in the City's financial system within 90 days.

4.8.1.4 | TRAVEL ADVANCES

If permitted by department travel procedures, an officer or employee who must travel on City business may request a travel advance to cover the direct costs of travel.

When a travel advance is needed for authorized business travel, the advance requires approval by the Department Head or Authorized Travel Signatory. The approved request along with documentation for expenditure estimates supporting the advance amount should be forwarded to the Department's Accounting/Finance Division for processing. When travel advances are issued:

- The minimum advance amount is $1,000.
- Advances can be issued for lodging, conference registration fees, and transportation expenses. Travel advances are not allowed for airfare as employees can purchase air tickets through a City approved vendor.
- Checks are issued to employees approximately ten business days prior to travel. Departments should process the TA travel advance document in the financial system in order to allow sufficient time for check issuance.
- Advances must be cleared in the City's financial system (FAMIS) within ten (10) business days of return from a travel. Each Department's Accounting/Finance Division is responsible for monitoring advances and following up with employees to ensure advances are cleared timely.
- If an advance is not liquidated timely, the employee will have a payroll offset and will not be eligible for travel advances for a minimum of two (2) years from the date of the offset.
- Employees with an outstanding advance cannot receive another travel advance.

- Departments who have more than one payroll offset in a six (6) month period or do not demonstrate due diligence in the process will have travel advances frozen.

4.8.1.5 | TRAVEL ADVANCE AND OFFSET PROCESSING

This section describes the process of requesting and liquidating travel advances as well as implementing offsets against employees for failure to liquidate said travel advances.

The *Budget and Appropriation Ordinance - Section 15. Travel Reimbursement and Cell Phone Stipends* states:

> **The Controller may advance the sums necessary for traveling expenses, but proper account and return must be made of said sums so advanced by the person receiving the same within ten (10) days after said person returns to duty in the City and County of San Francisco, and failure on the part of the person involved to make such accounting shall be sufficient cause for the Controller to withhold from such person's pay check or checks in a sum equivalent to the amount to be accounted.**

An offset is a procedure used by the Controller's Office to recover monies owed to the City and County of San Francisco. Offsets are governed by the *San Francisco Administrative Code, Section 10.27, et. seq.* It states, in part, that "The Controller may, in his or her discretion, offset any amount owed to the City and County of San Francisco by a person or entity against any amount owed by the City and County to such person or entity…."

Requesting and Liquidating Travel Advances in FAMIS

For details on processing travel advance issuance, settlement (liquidation), and correction in the financial system, refer to *Section 16 - How-to & Screenshots.*

Offset Process Against Employees for Failure to Liquidate Travel Advances

Departments may request offsets through the Office of the Controller against employees' payroll if travel advances are not liquidated after sixty (60) calendar days (must be greater than $50). Refer to instructions provided on the Controller's guidelines: "Employee Claims and Offsets" at: http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2162.

Travel advance privilege will be removed from employees with payroll offsets for a minimum of two years from the date of offset and can only be reinstated with Controller's approval.

Payroll offset for failure to liquidate a travel advance is always in the form of a lump sum deduction from the employee's pay warrant once the offset has been declared unless there is some sort of financial hardship.

Department's authorized staff initiates the request to apply an offset against the employee by submitting the form shown in the following Exhibit.

FIGURE 4-8. REQUEST FOR EMPLOYEE OFFSET

Complete a *Request for Employee Offset* (Figure 4-8) with all the required information.

Next, the employee and the offset requestor must sign the *CCSF Payroll Request for Employee Offset Repayment Agreement*, which is shown in the Figure below.

FIGURE 4-9. PAYROLL REQUEST FOR EMPLOYEE OFFSET REPAYMENT AGREEMENT

CCSF PAYROLL REQUEST FOR EMPLOYEE OFFSET REPAYMENT AGREEMENT

This Repayment Agreement ("Agreement") is made between _____ ("Employee") and the City and County of San Francisco ("City").

RECITALS

A. Employee has received wage payments from the City in excess of those to which Employee was entitled under the applicable City ordinances and Memoranda of Understanding.

B. The overpayments were made in error, without knowledge, fraud, or misrepresentation on the part of either party.

C. The parties to this Agreement wish to resolve this matter without recourse to litigation.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Amount of Payment. Employee will pay the City the total amount stated in Attachment A to this Agreement.

2. Method of Payment. Employee will pay the total amount stated in Attachment A through deductions from Employee's wages, in accordance with the schedule of repayments set forth in Attachment A to this Agreement. Employee will execute all necessary forms and other documents for withholding the stipulated amount from his/her wages. If the total amount is not repaid by the time of Employee's separation from employment, the unpaid balance shall become due and payable immediately. The City reserves the right to deduct the unpaid balance from any final payments of salary, vacation, or other vested benefit (excluding retirement benefits) due to Employee under any City ordinance or Memorandum of Understanding.

3. Waiver of Litigation. The City agrees not to institute litigation against Employee for the recovery of any excess payment explicitly referenced in Attachment A, provided that Employee complies with the terms of the Agreement and the schedule of repayments set forth in Attachment A. Employee, for him/herself and his/her heirs, executors, administrators, assigns and successors, fully and forever releases, discharges, and covenants not to sue or otherwise institute or in any way actively participate in or voluntarily assist in the prosecution of any legal or administrative proceedings against the City with respect to any matter arising out of, connected with or related in any way to the overpayment set forth in the recitals.

4. Entire Agreement. The parties acknowledge that this Agreement constitutes the sole agreement in this matter, that it supersedes any prior oral or written agreements, and that any modifications may only be affected by a writing signed by all parties to this Agreement.

5. If any provision of this Release is found to be unenforceable, then the remaining provisions shall remain valid and enforceable.

6. Employee acknowledges that he/she has read and understands this Agreement and that he/she affixes his/her signature hereto voluntarily and without coercion.

FOR THE EMPLOYEE: FOR THE CITY AND COUNTY OF SAN FRANCISCO:

_____   _____
Employee Signature   Offset Requester

_____   _____
Print Name   Print Name

                                 _____
                                 Title/Department

_____   _____
Date   Date

OR:

☐ Employee refused to sign

☐ Employee unavailable

The original request for offset and the payroll request forms are submitted to the Controller's Executive Office while a copy is sent to the employee along with a *Declaration of Offset Due to an Unliquidated Travel Advance* letter (shown in the Figure below) informing the employee of the reason and the effective payroll date of the offset. Copies are also sent to the department's accounting unit and Controller's Payroll Division.

FIGURE 4-10. DECLARATION OF OFFSET DUE TO AN UNLIQUIDATED TRAVEL ADVANCE LETTER

CITY AND COUNTY OF SAN FRANCISCO   OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

[Date]

Name
Home Address
City, State, Zip Code

Re: Declaration of Offset - CCSF

Dear Mr. XXXX:

This letter concerns the request for an offset that has been made by the San Francisco Human Services Agency in the amount of $XXX.XX against any monies that may become due to you from the City and County of San Francisco.

Under Section 10.27, et seq., of the San Francisco Administrative Code, I do hereby declare an offset in the amount of $XXXXX. The amount of $XXXX will be deducted from your bi-weekly salary warrants until the offset is satisfied.

Pursuant to Administrative Code Section 10.27, et seq., you are entitled to a hearing on the Controller's action to assert an offset against your salary warrants. A copy of Section 10.27 has been enclosed with this letter for your reference. If you wish to request a hearing, please contact Controller's Executive Office at 415-554-7500.

Sincerely,

Ben Rosenfield
Controller

cc: [Employee's Department CFO]
         Christine Beetz, Controller's PPSD
         Tinhha Luong, Controller's PPSD
         Sandie Yeh, Controller's PPSD
         Wendy Sar, Controller's PPSD
         Shallen Yuen, Controller's PPSD
         [AOSD Fund Accountant], Controller's AOSD
         Caryn Bortnick, Retirement System
         Jeffrey Smejkal, TTX/BDR

Reference: DSW# XXXXXX

Offsets are processed by the Controller's Office immediately upon request. The person being offset is generally given a limited amount of time to respond to the request for offset in order to reach some sort of agreement for repayment or settlement. If, at the end of this time period, no agreement has been reached, the Controller may declare an offset and determine the method for repayment. Under the provisions of *S.F. Administrative Code, Sec.10.27-7*, a person being offset is entitled to a hearing at his/her request.

- Employee's and/or department's response must be submitted in a timely manner to allow cancellation of the payroll offset if warranted and Payroll has not implemented it yet.
- If the employee fully settles the travel advance after the payroll offset has taken effect and the liquidation has been reviewed and approved, the City will issue a check to the employee to replace the payroll offset.

4.8.1.6 | VEHICLE USE

Travelers on official business may request reimbursement for use of vehicles. "Vehicles" include:

- A City vehicle
- An officer's or employee's privately owned automobile
- A rental car.

When multiple employees are attending the same business activity (*e.g.*, out of town meeting, conference, *etc.*), employees are strongly encouraged to carpool. Employees are personally responsible for traffic citations incurred while on official business and will not be reimbursed for traffic violations or other penalties for infractions of any law.

In all instances, the most direct and cost effective route must be taken. In order to obtain reimbursement for vehicle use, the following information is required to be included on the employee *Travel Expense Voucher*:

- Business purpose for use of vehicle.
- Starting point (*e.g.*, worksite or home, whichever is the closer of the two) and the destination. <u>Note</u>: If the employee travels during his or her scheduled day off, the home should be used as the starting point.
- Vehicle make, model and license #. If using City issued vehicle, provide vehicle number.
- Odometer reading, beginning and ending; <u>or</u> a printout from an automated mapping program (example: Google Maps) showing the route and mileage.

Use of Personal Vehicle

In accordance with Section 10.28-1 of the *San Francisco Administrative Code*, the mileage rate for payments to officers and employees for use of privately owned automobiles in connection with any official duty or service shall be at the rate established by the Controller.

> **The Controller's Office adopts the IRS standard mileage rate for business use of an automobile; refer to the IRS website for the most current reimbursement rate.**

In addition, the Controller's travel reimbursement policy with regards to use of a personal vehicle is as follows:

- Mileage is reimbursed when using personal vehicle; fuel is not reimbursed.
- Tolls are reimbursed when using a personal vehicle. To request reimbursement for tolls, provide a receipt or FastTrak statement showing the toll amount.
- Parking is reimbursed when using a personal vehicle. To request reimbursement for garage parking, provide a receipt showing the parking fee paid.
- Personal expenses such as private vehicle repair and maintenance are not reimbursable.
- When using personal vehicle for official business, all passengers in the vehicle must be on official business of the City & County.

Use of City Vehicle

The Controller's travel reimbursement policy with regards to use of a City vehicle is as follows:

- When using a City vehicle, fuel should be obtained from Central Shops. When impractical to do so, fuel purchased at a commercial location is reimbursed with written justification and original receipt(s). Mileage is not reimbursed.
- Tolls are reimbursed when using a City vehicle. To request reimbursement for tolls, provide a receipt or FastTrak statement showing the toll amount.
- Parking is reimbursed when using a City vehicle. To request reimbursement for parking, provide a receipt showing the parking fee paid.
- All passengers traveling in a City vehicle must be on official business of the City & County.

Use of Rental Car

The Controller's travel reimbursement policy with regards to use of a rental car is as follows:

- Cost of rental car used for official business is reimbursable if it was pre-approved by the Department Head or Authorized Travel Signatory. The pre-approval is required to be

documented in writing, (*e.g.*, department approval form, or e-mail approval) and must include: a) the car rental amount and estimate of other related expenses such as parking and fuel, and b) justification why other forms of transportation are not appropriate, why a rental car is necessary, and how a rental car is the most economical and efficient/practical.

- All passengers traveling in a rental vehicle must be on official business of the City & County.
- Car rental is limited to standard compact size vehicle. Midsize vehicle is reimbursable if use is for three people or more, justification provided, and pre-approved in writing by the Department Head or Authorized Travel Signatory.
- Pre-paid fuel for re-filling the gas tank on the rental car is not reimbursable. Employees must submit fuel receipt for actual usage.
- As the City is self-insured, auto insurance is not reimbursable.

4.8.1.7 | TRANSPORTATION

All requests for reimbursement for long-distance transportation must be well documented. A cost estimate from a City travel vendor serves as the maximum reimbursable amount for transportation, whether air or another mode of travel is used. The Figure below provides an overview of how employees can justify the most reasonable and cost-effective mode of transportation.

FIGURE 4-11. DETERMINING ALLOWABLE TRANSPORTATION COST
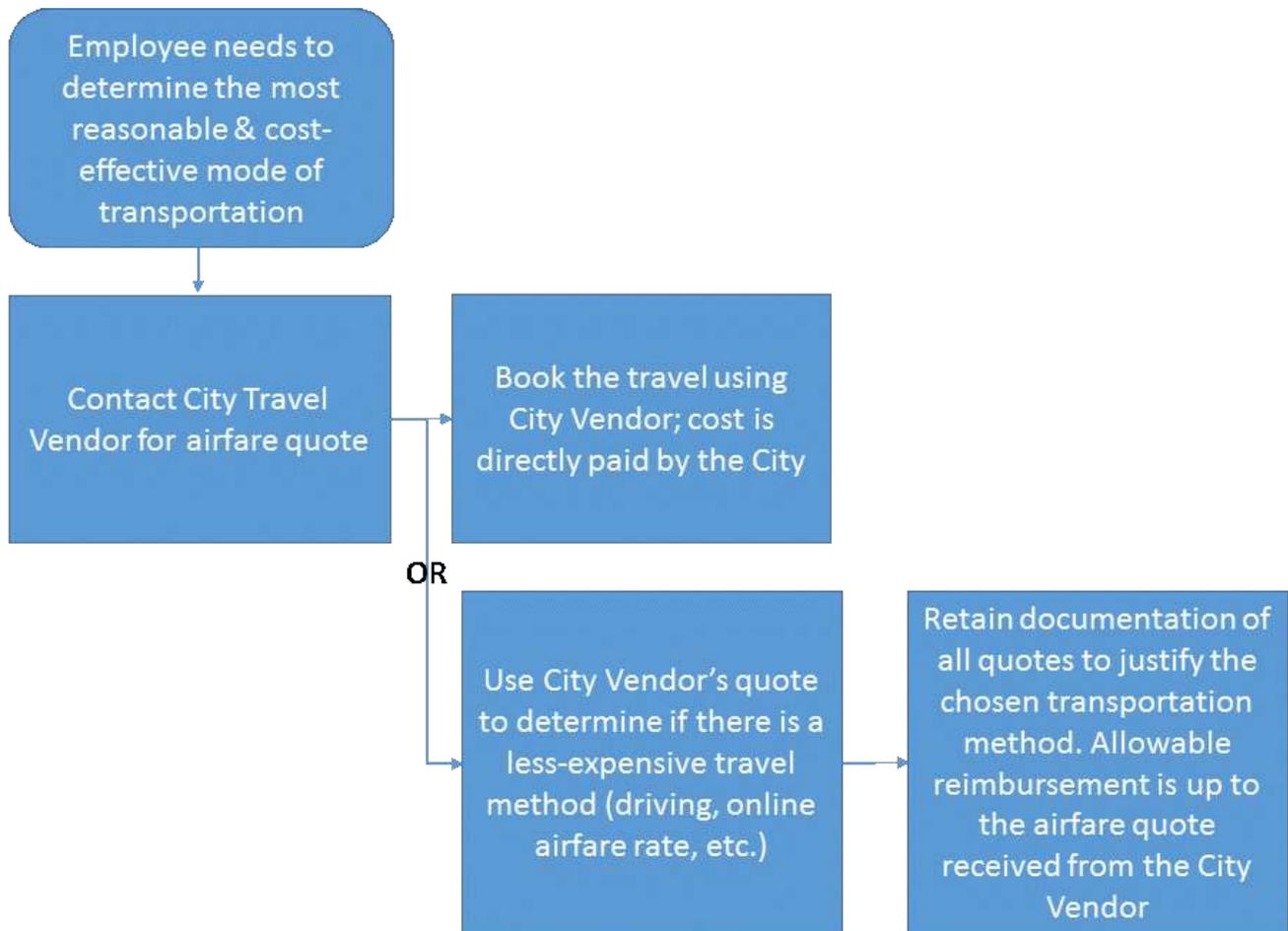
Departments will be expected to obtain the lowest published routine fare for travel by the most efficient, direct and economical mode of transportation required by the occasion. Departments may book their air or rail travel with travel agencies approved by Purchasing or on-line directly with the airline. Departments will be charged in financial system for the airfare if booking is made with the City's travel agencies. Alternatively, if employees make their own arrangements, they will have to pay first and request reimbursement.

Use of Air Travel

The Controller's travel reimbursement policy with regards to air travel is as follows:

- Employees have the option of purchasing air tickets from a City approved vendor or on-line directly. If employees choose to purchase air travel on-line directly, they must document and

demonstrate this option is the most economical by obtaining a comparative quote from a City vendor for the travel dates.

- Airfare should be booked for economy/coach class only. Business or First class is not reimbursable. Upgrades are not reimbursable.
- Air ticket must be purchased in advance to take advantage of the most economical fares available. Same day or near travel day ticket purchases are not reimbursable unless approved by the Department Head and properly justified.
- Air travel itinerary is required to be submitted with travel claim documentation.
- If airline charges for checked luggage, reimburse the cost of first checked bag only. Additional baggage check-in costs will be reimbursed with justification explaining the business need for extra luggage.
- Reimbursement requests for airfare purchased using a traveler's personal frequent flier program miles or gift cards are not allowed.

Flying vs. Long-Distance Driving

In situations where employees would normally travel by air, but an employee chooses to drive instead, reimbursement will be the lower of the two options, driving or flying. At the time of the travel authorization, employee must obtain a quote from an approved City vendor documenting the cost of air ticket for the travel dates. Maximum reimbursement will be up to the quoted cost of the air ticket.

TABLE 4-6. FLYING VS. LONG-DISTANCE DRIVING EXAMPLE

To attend training in Los Angeles, CA, the employee drives instead of flying. In all cases, reimbursement will be the lower of the two options:

MODE OF TRANSPORTATION	EXPENSES REIMBURSED
(a) Employee drives personal car	(a) Mileage, up to the cost of air ticket quote.
(b) Employee drives city vehicle	(b) Fuel expenses, up to cost of air ticket quote, when impractical to obtain fuel from Central Shops.
(c) Employee drives rental car	(c) Cost of car rental and gas expenses, up to the cost of air ticket quote.

If an alternative mode of transportation is selected, the allowable cost shall be the lower of the actual cost of alternative modes of transportation, or the lowest economy/coach class airfare available for the date and time selected, as identified by a City travel vendor.

Transportation between Work/Home and Bay Area Airport

The Controller's travel reimbursement policy with regards to transportation between work/home site and a Bay Area regional airport is as follows:

- The Controller strongly recommends that employees travel to/from regional airports using public transportation or shuttle.
- If using taxi, maximum reimbursement for travel to/from regional airports is $50 each way, including tip, up to $100 total for the related travel.
- If using personal car:
  a) Mileage is reimbursed up to $15 each way, maximum $30 total for the related travel. The only exception to mileage limit is for PUC Moccasin employees driving into local airports.
  b) Parking is limited to long-term parking only, maximum of $25 per day, as per the SFO long-term daily rate effective 6/10/2016. Maximum parking is up to $120 total for the travel. Employee discount tickets that allow you to park in the short-term garages for $13 per day are available at City Hall or at the Airport. More information is available at: http://www.flysfo.com/to-from/parking
- When using personal vehicle, employee will not be reimbursed for any damages that may occur.

Transportation between Airport and Hotel/Conference Site

The Controller's travel reimbursement policy with regards to transportation between an airport and a hotel/conference site is as follows:

- Recommended options are public transportation, shuttle, or taxi.
- Car rental is reimbursable if the requirements stated in the Use of Vehicles section are met.
- For overnight travel in which employee uses personal, City, or rental vehicle, maximum reimbursement for overnight hotel parking is limited to the lowest available rate.

Combining Personal Travel with Official Business

Employees may combine personal travel with business travel when pre-approved in writing by the Authorized Travel Signatory. The City & County is responsible only for the official business portion of the trip. When travel on business is extended for personal reasons before, in between, and/or after official business travel, no personal expenses can be included on the *Travel Expense Voucher* claim form. Employees must obtain a quote from an approved City vendor showing the cost of the roundtrip ticket for most economical and direct travel to/from the business destination for the dates of official business. This quote will be used for comparison and reimbursement purposes. Employees must pay for the personal portion of the airfare expense. When combining personal travel with official business travel, there is no reimbursement for lodging, meal *per diem*, or any other expense incurred before/in between/after the conference/ official business starts /concludes.

4.8.1.8 | MEALS & LODGING REIMBURSEMENT VIA PER DIEM

The most economical and practical accommodations available, considering the purpose of the meeting, and other relevant factors, will be reimbursed. For travel within the United States, the maximum reimbursement is the federal *per diem* GSA (General Services Administration) rate for lodging.

Federal domestic and foreign lodging, maximum travel *per diem* allowances, meals and incidental expense breakdown are available from the following website from the U.S. General Services Administration: http://www.gsa.gov

To stay within the maximum rates, conference discount rates and "government rates" should be used whenever possible.

As an example, the Figure below provides an overview of how employees can justify conference lodging expenses.

FIGURE 4-12. RESERVING ALLOWABLE CONFERENCE LODGING
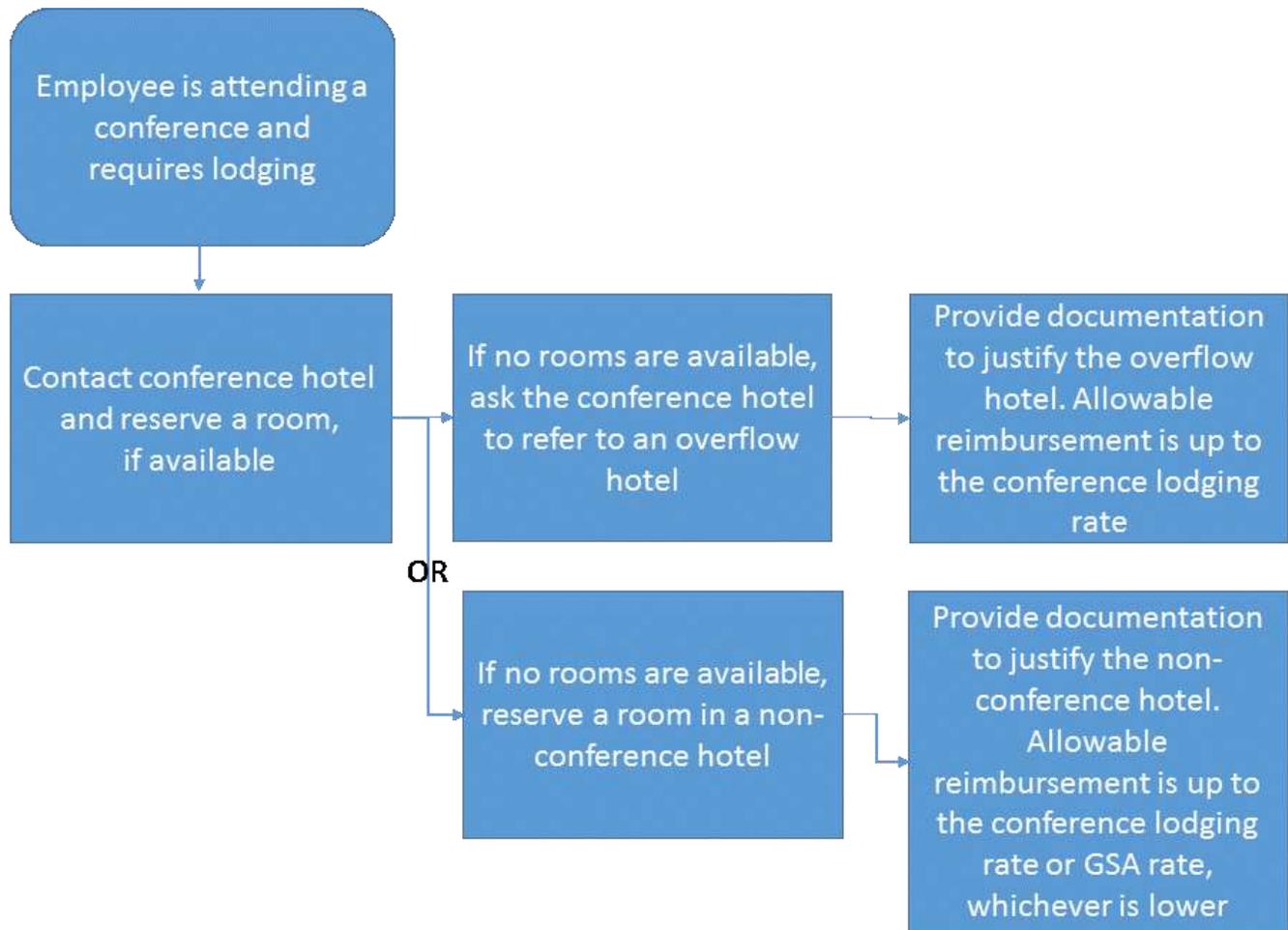
If conference-lodging rates exceed the federal rate, actual expenses will be reimbursed when documentation of the conference lodging rate and a receipt are provided. In rare circumstances, with appropriate pre-approval and justification of business need, employees may be reimbursed beyond the federal *per diem* rate. An itemized hotel bill is always required for reimbursement to be made. Reimbursement should be for single room rate.

Conference Hotel

The Controller's travel reimbursement policy with regards to lodging at the conference hotel is as follows:

- If conference hotel lodging rates exceed the federal rate, actual expenses will be reimbursed when documentation of the conference lodging rate and a receipt are provided.

- Hotels recommended by the conference or overflow hotels with a conference rate will be reimbursed when documentation of the conference lodging rate and a receipt are provided.
- If a hotel is listed as recommended/overflow hotel but does not have a documented conference rate, reimbursement will be for actual expenses, with a maximum reimbursement up to the conference hotel rate only. If there are multiple conference hotels with a range of rates, the maximum reimbursement for the overflow hotel is up to the highest rate among the published conference hotels. The employee must bear in mind the reasonableness of the overflow hotel rate when selecting accommodations.
- For hotels not listed in the conference material, reimbursement will be for actual expenses, with maximum up to the conference hotel rate or the GSA rate, whichever is lower.
- Required documentation of the conference lodging rate includes copy of conference registration information showing location, dates of conference, conference hotel(s), and single room rate. Documentation of the conference hotel rate must be provided.

Lodging in Excess of Federal *per diem* Rate

In situations where an employee is unable to find lodging at GSA rate or business circumstances require an employee to stay in a hotel that exceeds the federal *per diem* rate (*e.g.*, lodging during special events), reimbursement will be allowed if all of the following requirements are met.

- Written pre-approval by the Department Head or Authorized Travel Signatory, <u>and</u> the Controller's or his/her designee.
- Justification of business need and demonstration of most economical and practical (*e.g.*, the only lodging within federal *per diem* rate is located a long distance from the meeting site and would require a car rental or costly taxi ride, which in total exceeds the cost of the higher lodging rate).
- Itemized hotel bill must show employee obtained the "Government Rate" and rate is reasonable, not to exceed one and half times the federal *per diem* rate.

If these requirements are <u>not</u> met, the employee will be reimbursed up to 1.5 times the federal *per diem* rate.

Conference City not on the Continental U.S. *per diem* Listing

If a city is not listed, check to ensure that the county within which it is located is also not listed. On the GSA website there is a link to the National Association of Counties' City-County Search (http://www.naco.org/counties/pages/citysearch.aspx), which can help determine the county in which a destination is located.

- If the city is not listed, but the county is, then the *per diem* rate is the rate for that entire county.
- If the city and the county are not listed, then that area is considered to be a Standard Continental U.S. (CONUS) location which is currently $83 for lodging and $46 for meals and incidental expenses.

Lodging for Travel within Local Commuting Area

For the City & County of San Francisco, the nine (9) Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma constitute the local commuting area.

Lodging for travel within the local commuting area requires written pre-approval by the Department Head or Authorized Travel Signatory. Department is required to maintain documentation of the pre-approval and the justification of business need with the employee travel claim document.

Meals and Adoption of the federal Meal & Incidental Expenses (M&IE) Rate

Meals and incidentals are reimbursed according to the guidelines below if the travel is overnight and is pre-approved as an exception by the Department Head or is provided for in the employee's Memorandum of Understanding (MOU).

The federal rate for meal and incidental expenses (M&IE) will be paid without itemization of expenses or receipts. If an officer or employee chooses to request specific reimbursement for meals, original itemized receipts are required. For employee travel, the maximum meal reimbursement is up to the federal *per diem* rate.

Each city in the federal rate guide has a dollar value for the full day depending on the relative cost of meals in that jurisdiction. Once you obtain the total dollar value, you can refer to the following Table to determine the rates for each meal and incidentals.

TABLE 4-7. FEDERAL DOMESTIC MEAL & INCIDENTAL EXPENSE (M&IE) RATES

M&IE RATE (FULL DAY)	$ 51	$ 54	$ 59	$ 64	$ 69	$ 74
Continental Breakfast/Breakfast	$ 11	$ 12	$ 13	$ 15	$ 16	$ 17
Lunch	$ 12	$ 13	$ 15	$ 16	$ 17	$ 18
Dinner	$ 23	$ 24	$ 26	$ 28	$ 31	$ 34
Incidentals	$ 5	$ 5	$ 5	$ 5	$ 5	$ 5

Note: *Per diem* rates as of October 2015

The first and last day of travel *per diem* is reimbursed at 75% of the regular GSA rate. The Table below lists the GSA's *per diem* amount employees receive on the dates of their departure (first travel day) and return (last travel day).

TABLE 4-8. FEDERAL DEPARTURE AND RETURN DAY M&IE RATES

M&IE RATE (FULL DAY) *per diem*	FIRST & LAST DAY OF TRAVEL *per diem*
$51	$38.25
$54	$40.50
$59	$44.25
$64	$48.00
$69	$51.75
$74	$55.50

Note: *Per diem* rates as of October 2015

For meals provided:

- For conferences, if one or more meals are included as part of a conference registration fee, you should only charge the remaining meals and incidental expense rate from the above chart. A copy of the conference schedule and any other conference information must be attached to the travel claim documentation.
- For other events, you cannot claim *per diem* in lieu of the meals provided.

Travel in the local commuting area does not qualify for the *per diem* reimbursement, *e.g.* attending conferences, meetings, trainings, *etc.* The only exception for allowing meal *per diem* is when employee was pre-approved by Department Head or Authorized Travel Signatory for overnight travel/lodging within the nine Bay Area counties.

There is no meal *per diem* for day trips or same day travel (*e.g.*, for conference, training, meeting, *etc.*).

4.8.1.9 | OTHER EXPENSES REIMBURSED VIA ACTUAL COSTS

Other expenses associated with and incurred in the performance of City & County business while in travel status, deemed necessary and reasonable by the Controller, are reimbursable. These include ground transportation (to or between the officer or employee's work site and airport, bus station, train depot and the meeting or lodging site and return), parking fees, bridge tolls, necessary business telephone charges, copying charges, business-related Internet access, and travel VISA expenses for international business travel. These expenses are to be reviewed by the department's Authorized Travel Signatory and only approved if deemed reasonable and proper.

Unless otherwise stated in the MOU, original receipts are required for all other travel and official expenses related to official City & County business. The only exceptions are BART, MUNI, parking meter, and public telephone costs, which are reimbursable without receipts.

Reimbursements will not exceed the necessary and reasonable amount as determined by the Controller. If there is any question about these provisions, please obtain authorization from the Controller in advance of the travel to ensure that reimbursement above these rates will be allowed.

Travel Change or Cancellation Fee

The Controller's travel reimbursement policy with regards to change or cancellation fees is as follows:

- Travel agencies or airlines charge up to $150 for itinerary changes and cancellation fee when an employee changes or cancels a flight reservation. If this situation arises, the employee must submit written justification explaining the reason/business need for the itinerary change or cancellation, including approval from the department's Authorized Travel Signatory in order for change/cancellation fee to be reimbursed.
- For a cancelled air ticket, the amount paid is credited to the employee's name.
  (a) If air ticket was booked through a City travel agency, the department is responsible for monitoring use of the credit and ensuring use for authorized official business travel only.
  (b) If booked on-line directly by employee, the City will reimburse for the cancellation fee if justified business reason for cancellation is provided and approved by the department's Authorized Travel Signatory. The City will not reimburse for the cancelled air ticket.

Business Calls, Fax, and Internet

The Controller's travel reimbursement policy with regards to miscellaneous communication-related expenses is as follows:

- Employees will be reimbursed for reasonable usage with original receipt.
- Business purpose and justification of need required to be documented.
- Identify all business Internet charges, business calls, faxes, *etc.* on the hotel bill.

Exceptions

These regulations shall apply to all expenditures in the performance of official City & County business except:

- Departments that have developed their own travel policies that have been approved by the Controller.
- Cost of extradition of prisoners by sworn peace officers which are subject to regulations imposed by the State.

- Travel costs incurred by judges and employees of Superior and Municipal Courts. However, such travel will be subject to rules and regulations adopted by the Courts and approved by the Controller.
- Any travel or related expenses incurred that are subject to reimbursement from federal or state grants when such grants specifically provide for reimbursement under applicable federal and state regulation and is more restrictive than the City & County guidelines.
- Any travel or related expenditures for a department, board or commission, or subunit thereof, which may be specifically exempted by action of the Board of Supervisors by ordinance.
- Any particular travel expense or reimbursement rate for represented officers or employees that is specifically addressed in a ratified Memorandum-of-Understanding (MOU) agreement or arbitration award with a recognized employee organization.
- P.O.S.T. (Peace Officers Standards & Training) reimbursement policy is applied for affected employees.

4.8.1.10 | NON-ALLOWABLE AND NON-REIMBURSABLE COSTS

The following items will not be reimbursed unless highly unusual circumstances have occurred and written pre-approval was obtained from the Department Head or Authorized Travel Signatory.

TABLE 4-9. NON-ALLOWABLE & NON-REIMBURSABLE COSTS

TYPE	EXAMPLES
Travel/Transportation	Unjustified car rental and/or upgrade from standard compact size vehicle.
	Auto/flight/travel insurance.
	Air travel ticket higher than coach/economy class.
	Parking/moving violation tickets or other penalties for infractions of any law, repair of automobiles and towing charges.
	Passport application fees.
	Unjustified cancelled travel tickets and change/cancellation costs.
Lodging	Unjustified lodging in excess of federal *per diem* rate.
	Lodging other than "standard" room rate. Upgrades are not reimbursable.
	Payment for accommodation with friends/relatives.

TYPE	EXAMPLES
	Unjustified lodging during training/meetings within the nine Bay Area counties.
	Hotel movies.
	Unjustified Internet access.
Meals	Reimbursement for meals unless travel is overnight and pre-approved as an exception by the Department Head or provided for in employee MOU.
	Meal expenses in lieu of event provided meals.
	Alcoholic beverages.
Other Expenses	Boarding cost of pets and children during business travel.
	Excessive phone calls from hotels when traveling.
	Personal laundry/dry clean for trips less than 7 days.
	Significantly large tips.
	Upgrades

4.8.2 | Travel Reimbursement Frequently Asked Questions

Q: What is the policy regarding using City approved vendors vs employee booking air travel directly?

A: Employees have the option of purchasing air tickets from a City approved vendor or on-line directly. If employees choose to purchase air travel on-line directly, they must document and demonstrate this option is the most economical by obtaining a comparative quote from a City vendor for the travel dates.

Q: Can I book air travel for other than coach/economy class?

A: No. Airfare should be coach/economy class only. Business class is not reimbursable. Upgrades are not reimbursable. Employees who desire an upgrade in order to enjoy greater legroom or for other reasons, must pay for the cost of the upgrade out-of-pocket.

Q: If an airline charges for checked luggage, what is the policy for reimbursing baggage check-in expenses? What documentation is required?

A: The City will reimburse the cost of first checked bag only. Additional baggage check-in costs will be reimbursed with justification explaining the business need for extra luggage. Original receipt required for reimbursement.

Q: What expenditures are reimbursed when I drive personal vehicle, city vehicle, or rental car?

A: Please refer to the Table below:

TABLE 4-10. NON-ALLOWABLE & NON-REIMBURSABLE COSTS

MODE OF TRANSPORTATION	EXPENSES REIMBURSED
(a) Employee drives personal car	(a) Mileage
(b) Employee drives city vehicle	(b) Fuel expenses (with justification why employee was unable to obtain fuel from Central Shops)
(c) Employee drives rental car	(c) Cost of car rental and gas expenses

See "Transportation" section for additional information and requirements.

Q: Does my lodging receipt need to be itemized?

A: Yes, hotel lodging receipt must be itemized listing all expenses (room, tax, phone calls, *etc.*) separately. The receipt must also have a zero balance showing the payment was made. If a hotel bill with zero balance is not available, submit the itemized hotel bill along with a copy of credit card statement showing payment was made.

Q: Are room upgrades reimbursable?

A: No. Lodging reimbursement is for "standard" rooms only.

Q: Is there a limit to the cost for overnight parking at a hotel?

A: No, but the parking should use the lowest cost available, such as self-parking instead of valet.

Q: If the conference hotel is not available (*e.g.*, fully booked), can I stay at one of the conference provided list of recommended hotels or over flow hotels?

A: Yes, conference recommended hotels or overflow hotels with a conference rate will be reimbursed when documentation of the conference lodging rate and a receipt are provided. Reimbursement should be for single room rate.

Q: For domestic travel, what if a city is not listed on the CONUS Per Diem website?

A: If a city is not listed, check to ensure that the county within which it is located is also not listed. On the GSA website there is a link to the National Association of Counties which can help determine the county a destination is located in. If the city is not listed, but the county is, then the *per diem* rate is the rate for that entire county. If the city and the county are not listed, then that area is considered to be a Standard CONUS location which is currently $83 for lodging.

Q: Can the City pay an employee's family/friends for lodging or other expenses when employee stays with family/friend during business travel?

A: No.

Q: When employees stay with family/friends during business travel and therefore do not incur lodging expense to the City, can employees be reimbursed for buying family/friends thank you flowers, or meal *etc.*

A: No.

Q: Can I claim meal *per diem* if allowed in my labor agreement MOU?

A: Yes, provided the meal *per diem* follows the MOU rules and regulations.

Q: Can I claim meal *per diem* if I found the event meals unhealthy or insufficient?

A: Generally no; exceptions can be given if written justification is provided and approved by the Department Head/Authorized Travel Signatory <u>and</u> the Controller or his/her designee.

Q: Can I claim meal *per diem* if I was not available for the event provided meal?

A: Generally no; exceptions can be given if written justification is provided and approved by the Department Head/Authorized Travel Signatory <u>and</u> the Controller or his/her designee.

Q: Can I claim meal *per diem* if the event only provided *hors d'oeuvres* / appetizers during a reception, and not a complete meal?

A: The *per diem* can be requested only if the employee certifies in writing that only drinks and *hors d'oeuvres* / appetizers were provided.

Q: When traveling between cities, and the employee has a meal during transit through an airport, what *per diem* rate should be used?

A: Use the destination city's *per diem* rate.

Q: Is alcohol and/or corkage expense reimbursable?

A: No, alcohol/corkage reimbursement is not allowed. As per Department of Human Resources *Employee Handbook*, employees may not manufacture, distribute, dispense, possess, or use alcohol or illegal drugs in workplace.

Q: Is meal *per diem* allowed for same day travel?

A: No, unless contained in the employee's MOU stipulated benefits.

Q: Can the employee be reimbursed for meals if the travel is for required training?

A: Yes, as long as the travel is overnight and the Department Head has pre-approved the exception.

Q: Can the employee be reimbursed for meals if the travel is grant funded?

A: Per the federal grant guidelines (2CFR215) the City cannot disproportionally spend funds for the same activities that are reimbursed at a lesser rate for non-grant-funded activities. Therefore, grant funds may not be used to provide meal *per diem* unless provided for under the employee's MOU or has been pre-approved by the Department Head as an exception.

Q: If my travel is grant funded and the grant will reimburse for expenses (*e.g.*, lodging expense beyond the maximum federal *per diem* rate), can I be reimbursed?

A: Yes, departments should certify that the grant will fully reimburse and maintain appropriate supporting documentation.

Q: What is the City's policy for reimbursing Internet, fax and phone calls for business?

A: Employees will be reimbursed for reasonable usage. Business purpose and justification of need must be documented and original receipts provided. Identify all business calls, faxes, *etc.* on the hotel bill.

Q: What does incidental expense *per diem* include?

A: It includes: transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained within walking distance of the conference/training site or hotel; fees and tips given to porters, baggage carriers, bellhops, hotel maids and stewards; and mailing costs associated with filing travel vouchers.

Q: Is the $5 incidental *per diem* given on travel days?

A: Yes, incidental *per diem* is allowed for travel as long as the trip is overnight and pre-approved as an exception by the Department Head.

Q: What is the guideline for giving tips?

A: For tips not covered by the GSA incidentals *per diem*, the amount should generally be 15%.

Q: For international travel, what if a particular location in foreign country is not listed for *per diem*?

A: Any location not listed for *per diem* under a country takes the "Other" rate GSA administers and publishes for that country. An unlisted suburb of a listed location takes the "Other" rate, not that of the location of which it is a suburb.

Q: When on foreign travel for official business, what does the M&IE incidental cover?

A: Separate amounts are established for lodging and meals plus incidental travel expenses (M&IE). The maximum lodging amount is intended to substantially cover the cost of lodging at adequate, suitable and moderately-priced facilities. The M&IE portion is intended to substantially cover the cost of meals and incidental travel expenses such as laundry and dry cleaning.

Q: For international business travel, are passports and visas reimbursable expenses?

A: Visas are reimbursed with original receipt. Passport expenses are not reimbursable.

Q: What documentation do I need to provide for currency conversion when foreign/ international travel for official business?

A: International travel expenses must be converted to U.S. dollars. Conversion rate should be calculated for the date the expense was incurred. Include proof of the currency exchange rate. Proof can be in the form of (1) receipts obtained by the employee during travel or (2) a copy of the employee's credit card statement showing the travel expense or (3) a print out from the OANDA.com website or other conversion website using the date shown on the receipt(s).

Q: What is the policy for expenditures incurred by persons who are not City employees?

A: In order for expenses (e.g., lodging, meals) to be allowable for persons other than the officer or employee, the Department Head must certify that such expenditures are for a public purpose and necessary for the conduct of City & County business. Expenses must conform to the guidelines and conditions as established for City employees. If there is any confusion on the applicability of this, please obtain prior written approval of the Controller.

Q: If an employee pays for conference registration in advance, can he or she be reimbursed before the conference date?

A: No, all employee reimbursements should be approved after the conference has completed. If the department wishes to take advantage of available discounts, a check from the financial system should be issued.

Q: Am I <u>required</u> to provide printouts from an online map service such as Google Maps or Mapquest to be reimbursed for mileage?

A: No, you may provide <u>either</u> an odometer reading, indicating beginning and ending mileage, <u>or</u> a printout from an automated mapping program (*e.g.*, Google Maps) showing the route and mileage.

4.8.3 | Non-Travel Expense Reimbursement Guidelines

This section provides the City's rules to departments on what expenses will be allowed for employee reimbursements for expenditures other than travel and training. As a general rule:

> **Officers or employees may be reimbursed for reasonable work-related costs, minor and non-recurring goods <u>up to $200</u> from any single vendor, with proper approval from Department Head or authorized designee. The only exceptions to the $200 maximum are subscription, membership, license, and certification expenses.**

4.8.3.1 | PRE-AUTHORIZATION

All requests for employee reimbursement require approval in advance by the Department Head or an authorized designee. An employee reimbursement authorization form must be completed by the employee and signed approved by the Department Head or authorized designee. Information required on the authorization form includes:

- Date(s) of expense
- Description of the expenditure
- Business purpose or need for purchase

Departments should develop detailed internal procedures for their employee reimbursement pre-approval process.

4.8.3.2 | GUIDELINES FOR SUBMISSION AND REVIEW OF EMPLOYEE REIMBURSEMENTS

Completed expense reimbursement requests must be fully supported by receipts and forwarded to the department's Accounting/Finance Division no more than 30 days after expenditure. Reimbursements with incomplete or insufficient documentation will be denied. Reimbursement requests must be processed in the City's financial system (FAMIS Accounting) no more than 90 days after the date of occurrence.

When Filing a Reimbursement, the Employee Is:

- Responsible for forwarding completed forms to the department Accounting/Finance Division no more than 30 days after the expense.
- Required to specify the business purpose or need of the expense to be made by the employee instead of through the normal purchasing process. The business purpose should be descriptive enough to clearly answer any questions regarding the necessity of the expense.
- Required to submit all supporting documentation including, but not limited to, approved *Travel Expense Voucher*; air, or other itinerary, conference/meeting/workshop schedule and agenda; original itemized receipts and proof of payment; and any necessary pre-approvals and/or justifications.

An employee's proof of payment may include, but not be limited to, a cancelled check, bank statement, credit card statement, or original receipt that shows distinct information that the payment was received. However, compliance departments can enforce a more stringent proof of payment policy.

When Reviewing Employee Reimbursements, Department Accounting/Finance Divisions Must:

- Ensure expenditures are reasonable, necessary, and for official business purposes.
- Review and audit the request for compliance with Controller's and Purchasing policies.
- Request additional documentation, information, justification from employee(s) as needed.
- Deduct unallowable expenses.
- For project- or grant-funded business expenses; review to ensure the request is in compliance with project/grant requirements.
- Verify authorized approver(s).
- Ensure all appropriate/required supporting documentation has been submitted and maintained in department files.
- Approve/deny and process reimbursements in a timely manner. Reimbursement must be completed and posted in the City's financial system within 90 days.

4.8.3.3 | CLARIFICATIONS/EXCEPTIONS

Subscriptions, Memberships, Licenses, and Certifications

Pre-approval by a Department Head/Authorized Travel Signatory is required before an employee's purchase of subscriptions, memberships, licenses, and certifications can be reimbursed. These expenses may exceed the $200 threshold as long as the pre-approval has been granted and the purchase does not violate any of the Unallowable Items criteria listed below in *Section 4.8.3.4 Unallowable Items*.

Credit Card as the Only Accepted Payment Method

In certain instances, a vendor may only accept a credit card for payment. Pre-approval by a Department Head/Authorized Travel Signatory is required before an employee can use his/her private credit card to purchase business expenses. Such a credit card purchase may exceed the $200 threshold as long as the pre-approval has been granted and the purchase does not violate any of the Unallowable Items criteria listed below in *Section 4.8.3.4 Unallowable Items*.

Local Field Expenses—Vehicles

Local field expenses are expenditures for business conducted within the nine (9) Bay Area counties and is not related to travel or training. Vehicle use for employees on official business is reimbursable where public transportation is not practical or possible (for example: parking, mileage and bridge tolls for a meeting in Oakland).

The following information should be included on the employee reimbursement voucher:

- Business purpose for use of vehicle.
- Starting point (*e.g.*, worksite or home, whichever is the closer of the two) and the destination.
- Vehicle make, model and license #. If using City-issued vehicle, provide vehicle number.
- Odometer reading, beginning and ending.

Personal Vehicle

In accordance with Section 10.28-1 of the *San Francisco Administrative Code*, the mileage rate for payments to officers and employees for use of privately owned automobiles in connection with any official duty or service shall be at the rate established by the Controller. The Controller adopts the IRS standard mileage rate for business use of an automobile; refer to the IRS's website to obtain the most updated rate.

- Mileage is reimbursed when using a personal vehicle; fuel is not reimbursed.
- Personal expenses, such as private vehicle repair and maintenance, are not reimbursable.
- Parking violations, moving violations, and towing charges are not reimbursable under any circumstances.
- When using a personal vehicle for official business, all passengers in the vehicle must be on official business.

City Vehicle

When using a City vehicle, fuel should be obtained from Central Shops. When impractical to do so, fuel purchased at a commercial location is reimbursed with written justification and original receipt(s). Mileage is not reimbursed. All passengers traveling in a City vehicle must be on official business.

Parking & Other Incidentals

- Parking within City limits will be reimbursed when a written explanation of why public transportation could not be used is provided.
- Parking meters and pay phones will be reimbursed without receipt.

Food

Departments must maintain their own written policy regarding the purchase of food and refreshments. The Controller's Office must review and approve this policy before minor food and refreshment purchases by employees can be reimbursed. The written policy should cover all instances where food and drinks might be purchased by, and then reimbursed to, the employee.

4.8.3.4 | UNALLOWABLE ITEMS

The following expenses incurred by employees are not reimbursable by the City:

- Toll citations, parking violations, traffic fines, and other citations associated with vehicle use
- Equipment purchase, rentals, and/or maintenance
- Recurring, regularly used commodities and services
- Non-work related expenses
- Professional and/or general services provided by vendors
- Commodities or services that can and should be purchased through encumbrances.
- Bottled water (per *Executive Directive 07-05 Permanent Phase-Out of Bottled Water Purchases by San Francisco City and County Government* http://www.sfenvironment.org/sites/default/files/policy/sfe_zw_mayors_directive_ban_bottled_water.pdf).

Executive Directive 07-05 (Permanent Phase-Out of Bottled Water Purchases by San Francisco City and County Government) states:

By virtue of the power and authority vested in me by Section 3.100 of the San Francisco Charter to provide administration and oversight of all departments and governmental units in the Executive Branch of the City and County of San Francisco, I hereby issue this Executive Directive to become effective immediately:

- Beginning July 1, 2007, there will be a prohibition from any city department or agency purchasing single serving bottles of water using city funds, unless an employee contract specifies usage. This prohibition will apply to city contractors and city funded and/or sponsored events. There will be no waivers from this prohibition.
- By September 30, 2007, all city departments and agencies occupying either city or rental properties will have completed an audit to determine the viability of switching from bottled water

dispensers to bottle-less water dispensers that utilize Hetch Hetchy supplied water. City departments will work with the San Francisco Public Utilities Commission (SFPUC), Department of Real Estate (DRE) and the City Purchaser to conduct the audit. Staff from the SFPUC will contact you shortly to begin the audit for your department.

- By December 1, 2007 all city departments and agencies occupying either city or rental properties will have installed bottle-less water dispensers that utilize Hetch Hetchy supplied water. Waivers will only be granted by the SFPUC based on legitimate engineering, health and fiscal concerns.

4.8.4 | Continuous Monitoring on Employee Reimbursement

To ensure compliance with the City's travel and employee reimbursement policies, the Controller's Office sends quarterly employee reimbursement reports to all City Department Heads for their review. The report includes travel, training, and miscellaneous employee reimbursements. Department Heads must review and sign to confirm that reimbursements are legitimate, required documentation is on file at the department, and expenditures are in accordance with the policies set forth in *Section 4.8 - Employee Travel & Business Expense*. The signatures must be from the Department Head and cannot be delegated. The Controller's Office will also periodically request supporting documentation in order to audit selected transactions.

4.9 | Payment Mechanisms

4.9.1 | Revolving Funds

This section sets forth the legal authorities for the establishment and use of revolving funds, identifies mandated responsibilities and accountability of departments, and sets forth the general procedures to follow for administration and reimbursement of revolving funds.

4.9.1.1 | AUTHORITY

The guidelines are issued according to the provisions of the *San Francisco Administrative Code* Chapter 10, Article XV, Sections 10.125-10.169.

Revolving funds are established by ordinance of the Board of Supervisors to pay for minor, non-recurring, goods and services that are needed to immediately and cannot be conveniently paid by the issuance of a check. The *Administrative Code* further provides that:

Petty cash purchases and disbursements shall be for purposes and within funds available in the appropriations from which said revolving fund claims are to be reimbursed; and shall be in conformity with applicable rules prescribed by the Purchaser of Supplies and the Controller.

The *Administrative Code* entrusts the Controller's Office with the responsibility to administer, manage, and monitor use of cash revolving funds; and to audit the cash revolving funds, assessing the appropriateness of authorized amounts and recommending changes to authorized amounts of such funds. To perform its oversight function effectively, the Controller:

- Establishes rules and regulations, accounting requirements, and processing instructions, and
- Performs detailed reviews and audits to ensure that departments comply with legal provisions, policies, and procedures governing the cash revolving funds.

4.9.1.2 | PROCEDURES FOR ESTABLISHMENT & ADMINISTRATION OF REVOLVING FUNDS

These procedures provide proper guidance to departments on the requirements, mandated responsibilities, and accountability to follow for the establishment, use, reimbursement, and management of revolving funds. This section establishes the Controller's rules and regulations to ensure compliance with legal provisions for administration of revolving funds.

Establishment of Revolving Fund

Cash revolving funds for departments are hereby continued, or established in such amounts as have been or may be specifically appropriated or made available to each to be used in connection with the operations for the respective departments for making cash change, for making petty cash purchases, and for disbursements which cannot be conveniently made by warrants drawn by the Controller upon the treasury of the City & County. Such petty cash purchases and disbursements shall be for purposes and within funds available in the appropriations from which said revolving funds claims are to be reimbursed; and shall be in conformity with applicable rules and regulations prescribed by the Purchaser of Supplies and the Controller (*Administrative Code*, Section 10.125).

To establish the revolving fund:

- Department submits request for revolving fund for review and approval of the Controller's Office Director of Accounting Operations.
- Department obtains approval from Board of Supervisors through a board ordinance to add the revolving fund to the *Administrative Code*.
- Department submits approved request to the Controller's Office Accounting Operations to establish the revolving fund in FAMIS with the subsidiary code. Include documentation of board resolution and ordinance that established the revolving fund, purpose of the fund, listing of fund custodians, procedures for security of warrants or cash, and fund replenishment. Also arrange for the Department Head or designated personnel to be the payee.
- Treasurer's Office coordinates with the Controller's Office and department to establish the revolving fund bank account.

Department's Management & Administration of Revolving Fund

The Department Head, board, or commission, with concurrence of the Controller may authorize such subdivisions in any revolving funds as will affect the most efficient operation thereof; provided, however, that all amounts for other than cash change and petty cash purposes shall be maintained in banks or a bank designated by the Treasurer. Withdrawals from such banks shall be made by checks signed by a representative or by representatives designated by the Department Head, board, or commission. A duplicate copy of the monthly statement shall be sent directly from the bank to the Treasurer (*Administrative Code, Section 10.128*).

The duly appointed and acting head of the respective department for which a revolving fund has been provided shall be responsible for the full amount of the revolving fund for his or her department (*Administrative Code, Section 10.129*).

Custodian, Safeguard, and Control of the Revolving Fund

The *Administrative Code* provides that "a Department Head, board, or commission, with concurrence of the Controller, may authorize such subdivisions in any revolving funds as will affect the most efficient operation thereof." Departments may disburse the cash in revolving funds to multiple locations. A listing of the subdivisions by location and custodians should be provided to the Controller's Office Fund Accountants and Auditors.

Custodians should comply with the following procedures:

- ☐ Checkbook and cash assets should always be securely stored in a locked cabinet or safe.

- ☐ The following functions related to disbursements of revolving fund money should be segregated among several different employees. At a minimum, (a) and (c) below must be assigned to separate individuals:
  (a) Custodianship of revolving fund checks
  (b) Signature authority
  (c) Reconciliation (receipt of bank statements and cashed checks)
  (d) Only the revolving fund custodian (and back-up) should have access to the revolving fund assets and cash.

Bank Reconciliation & Outstanding Checks

The following are record-keeping and reconciliation functions that are required for bank accounts and checks associated with revolving funds:

- ☐ Monthly bank reconciliation of revolving fund account is conducted by someone other than the fund custodian.

- [ ] Revolving fund amount should agree with FAMIS Subsidiary Account balance (General Ledger 151) and the amount authorized by the *Administrative Code*. Reimbursement will not be made by the Controller if reconciliations are in arrears.

- [ ] Ensure up-to-date posting to checkbook register (stub). Checks issued and outstanding for six (6) months should be written off and the amount of the check should be deducted from the next replenishment to reconcile the revolving fund bank account and the department account.

- [ ] Retain copies of paid checks, department approval forms, and invoices for at least three (3) fiscal years from the date of the expense.

- [ ] Void checks should be marked as "VOID" and retained.

- [ ] Bank statements and cancelled checks should be received and reviewed by someone other than the fund custodian.

Disbursement of Funds

In general, food for employees, gifts, travel and training expenses, subscriptions, membership fees, conference and registration fees, equipment purchase or rentals, maintenance, and regularly used commodities and services should not be paid through a revolving fund. Special circumstances or exceptions require pre-approval of the Controller.

Authorized revolving fund expenditures include but are not limited to:

- Small purchases of non-recurring goods and services of $200 or less from any single vendor. Revolving funds should not be used for the routine purchase of goods and services.
- Reimbursement to employees for minor out-of-pocket authorized expense less than $50.
- Other payments for items which cannot be conveniently made by checks drawn by the Controller.

Disbursement procedures are as follows:

- [ ] Receipts must be original. If the receipt is not original, it must be certified by the Department Head or designated personnel.

- [ ] Receipts must have authorization signature of the Chief Financial Officer or designated personnel.

- [ ] The custodian must be provided with the index code, sub-object, and a short description of the purpose of the expense using appropriate reimbursement form.

- [ ] The custodian should double check the amount before paying and require "received by" signature and date on the reimbursement form.

- [ ] All documents supporting the reimbursement must be kept in the safe until the next replenishment.

The Department Head, board, or commission shall cause a full, true and correct account to be kept of all money received for or disbursed from each revolving fund (*Administrative Code*, Section 10.130).

The supporting vouchers for any disbursement which has been disapproved by the Controller as in his or her opinion not being authorized by law, or the rules and regulations as provided for this article, shall be returned to the Department Head involved with a demand, upon such Department Head, to repay to the related revolving fund, within 30 days of the demand aforesaid, the amount of the disapproved disbursement. If the amount of the disapproved disbursement has not been repaid, the Controller shall withhold the amount thereof from any sums due and payable to the Department Head; and in writing notify the City Attorney of the full particulars of the case with a request that the City Attorney take such action as may be necessary (*Administrative Code*, Section 10.131).

Replenishment of Revolving Fund

Revolving funds are generally set at the minimum amount necessary for departments. The standard established by the Controller's Office for the frequency of replenishment of revolving funds is four times a year or every three months. The Controller's Office has not established any limit to the number of replenishments permitted for revolving funds. Generally, an indicator that replenishment is needed is when the revolving fund is reduced to a low cash level that could only be sustained for approximately ten (10) days.

The fund custodian must verify that department request forms are complete, properly approved, and appropriate supporting documentation is attached. The fund custodian should review all requests to ensure they meet City guidelines before disbursements, such as:

- Goods or services purchased are appropriate and authorized.
- Payee should be the revolving fund Department Head or designated personnel.
- Authorized request forms are used, completed, approved, and supported by original invoices or receipts, or certified copies signed by Department Head or designated personnel.
- FAMIS document must match original document submitted to the Controller.
- Unpaid sales tax, if applicable, is identified and properly accrued.
- Funds are budgeted and available.

Requests for replenishments are prepared by the department's revolving fund custodian, reviewed and signed by the department accountant, and submitted to the Controller's Office periodically. The request for replenishment is entered into FAMIS but the original replenishment voucher with supporting documents is required to be submitted to the Controller's Fund Accountant for review. Revolving fund expenditures are subject to audit and disallowance by the Controller.

Requests for replenishment require original receipts, authorization by appropriate personnel, and explanation of business purpose of incurred expenses. Replenishments procedures are as follows:

☐ Revolving fund custodian to reconcile the revolving fund, to ensure that cash on hand plus the total of all receipts add up to the revolving fund amount.

☐ Prepare the "Revolving Fund Voucher", shown below.

FIGURE 4-13. REVOLVING FUND VOUCHER FORM & INSTRUCTIONS

FORM 318
REVOLVING FUND VOUCHER

City and County of San Francisco
Controller's Office

Reimbursement is requested for expenditures below during month of _(1)_____ No. _____

Department (2) _____Bureau _____

(3) Item No.	(4) To Whom Paid	(5) For What	(6) Amount	(7) Sub Object			
				Total above Items	(13)	
(8) Index Code	(9) Acct. Number	(10) Char Obj.	(11) Sub Object	(12) Appro Amount	Adjustment previous voucher	(14)	
					Total This Voucher	(15)	Appro. No.
					In Transit	(16)	Acct. No.
					Money in Bank	(17)	
					Money on Hand	(18)	Extentions Footing
					Total Fund	(19)	Legality
					Auth. Admin. Code and Amount	(20)	(20)
					(21) Certification is hereby made that the above expenditures are according to law. That articles or services were received in quality stated and in quality according to specifications. _____ In Charge of Fund		Department Head Signature _____
							Items outside Acctg Period Checked
					(21) Admin Code Authorization	Approved	

APPENDIX A - FORM 318, CONTROLLER'S REVOLVING FUND VOUCHER

Instructions for completing each space on the form are provided as follows:

1.	Date	The period covered by the voucher for reimbursement of revolving fund expenditures. Reimbursement requests are recommended to be submitted monthly, or at least once every quarter. Indicate the number of reimbursement in the fiscal year.
2.	Department/Bureau	Department Identifier and Name.
3.	Check Number "Item No."	The number of the revolving fund check(s) issued. Revolving fund checks should be numbered and issued consecutively. All check numbers should be accounted for.
4.	To Whom Paid	Name of the employee/person or vendor to whom check is issued.
5.	For What	Goods or services purchased should specifically be identified, i.e., paper clips, adding machine tapes, field expenses, etc.
6.	Amount	Amount of the check issued which is supported by original invoice(s).
7.	Sub-Object	FAMIS number assigned to identify the goods or services. Refer to Departmental Accounting System Manual for sub-object numbering and descriptions.
8.	Index Code	Department's expenditure code indicating the funding source, program and organizational unit.
9.	Account	Source of funding to be charged for the expenditure.
10.	Char-Object	The general classification under which amounts are budgeted as reflected in the FAMIS Appropriation Report.
11.	Sub-Object	See 7 above.
12.	Amount	Amount chargeable to the sub-object.
13.	Total of Above Items	Total amount of checks issued as enumerated in the body of Form 318.
14.	Adjustments	Any adjustment, as appropriate, by the Custodian. Details should be shown on the reverse of Form 318.
15.	Total-This Voucher	This is the amount requested to be reimbursed.
16.	In Transit	This amount represents revolving fund reimbursements previously submitted not yet reimbursed.
17.	Money in Bank	Represents balance of the revolving fund checking account remaining in the bank.
18.	Money on Hand	Represents cash on hand.
19.	Total Fund	Represents the amount available in the revolving fund which is the total of: the voucher, in transit, money in bank, and money on hand.
20.	Authorized Admin. Code & Amount	Indicate the Administrative Code section authorizing the department's revolving fund and authorized amount.
21.	Certification	Signature of the revolving fund custodian

☐ Attach supporting documentation to the form, and obtain supervisor's approval signature.

☐ Submit to department accountant for input into the financial system. Submit physical documents (original voucher payment request with supporting receipts and reimbursement forms) to

Controller's Office once the accounting entry has been processed and approved at the department level.

Controller's Office—Oversight, Review & Audit of Revolving Fund

The Controller's Office will:

- Administer, monitor use, and authorize exceptions to revolving funds.
- Perform periodic audits of the revolving funds as part of its responsibility to monitor use of revolving funds.
- Assess the necessity for revolving funds and recommend the elimination of those with insufficient activities during a fiscal year, and the reduction of the authorized amounts for underutilized revolving funds.
- Establish requirements for management and reimbursement of revolving funds to ensure compliance with legal provisions and to identify mandated responsibilities and accountability of Department Heads and their employees.
- Perform pre-audit of revolving fund replenishment requests to ensure compliance with City rules and regulations on proper use of revolving funds.

The check for the reimbursement of revolving fund expenditures is issued by the Controller based on a Revolving Fund Voucher and supporting documentation submitted by the department. Prior to authorizing the issuance of the check, the Controller's Fund Accountants pre-audit the following:

☐ A. Approval of the Department Head or authorized representative – indicating the propriety, validity and legality of the expenditures from revolving funds:
　　1) Propriety: Goods or services are appropriate for the department.
　　2) Validity: Expenses are incurred by authorized city employees within the period for which funds are budgeted.
　　3) Legality: Funds are budgeted and available.

☐ B. The *Revolving Fund Voucher* attachment is complete:
　　1) Payee: Department head for the account of the (Department's Name) Revolving Fund
　　2) Required Approvals: See Item A above.
　　3) Purpose of requested payment: Replenishment of revolving fund for expenditures incurred for the period from _____ to _____.
　　4) The FAMIS accounting data elements indicating the funds, sub-funds and accounts to be charged. Please be guided by the "Departmental Accounting System Manual" for detailed instruction when preparing the Voucher.
　　5) Funds are available in department appropriations.

☐ C. The *Revolving Fund Voucher* is supported by:
　　1) A completed *Form 318, Controller's Revolving Fund Reimbursement Form*. This form is

prepared and signed by the Custodian as a full, true and accurate accounting of the fund. Please see Figure 4-13 for detailed instructions for completion of *Form 318*.

   2) A copy of the department authorization for the expenditure.

   3) The original invoice(s) which contains a description of the nature of every item of expenditure listed on *Form 318*. A "cash register tape"-type of invoice or non-original invoice is acceptable only if the item is identified by the following:

      a. By the employee making the purchase, and

      b. Certified by the Department Head, and

      c. Countersigned by designated personnel in the Controller's Office. The Controller waives the requirement for original invoices or receipts signed by clients of the Human Services Department. The Human Services Cash Revolving Fund "...provides funds for immediate need checks for welfare orders, and for the replacement of mutilated checks." (*Administrative Code*, Section 10.157). However, the Department Head must certify that following documents are on file with Human Services Cashier's Division.

   4) Non-original invoices are accepted only when certified as original by the Department Head or designated personnel.

   5) Original records signed by recipients who received cash.

   6) Approval of the department's officer authorizing payment.

☐ D. The department's accountant will refer to the *Sales & Use Tax Guidelines* and insure that appropriate sales and/or use taxes are paid by:

   1) Identifying use tax amounts not billed by out-of-state vendors when goods were purchased.

   2) Preparing a journal entry to charge the department for the amount of sales or use tax and accrue the liability under an Agency Fund for payment to the State monthly by the Controller's Office.

   3) Some departments remit use tax payments to the State monthly.

☐ E. Authorized revolving fund expenditures include:

   1) Purchases of emergency goods or services of $200 or less from any one vendor.

   2) Reimbursing employees for minor out of pocket expenses when properly supported by documentation and department authorization.

   3) Other payments for items as authorized in the ordinance authorizing creation of the fund and which cannot be conveniently made by checks drawn by the Controller upon the treasury of the City & County.

Revolving Fund Overage or Shortage

Fund shortages are the responsibility of the Department Head who is personally liable for all shortages. Should the fund have an overage, the custodian issues a revolving fund check to the department that should be deposited as a credit to other non-operating revenue.

Changes to the Revolving Fund Balance or Closing the Revolving Fund

Revolving funds, with the exception of change funds, are recommended to be closed by the Controller when replenishment is not needed every quarter, unless otherwise justified and approved by the Controller. It is the responsibility of the department to request *Administrative Code* changes to the revolving fund for Board approval and resolution. The revolving fund cash balance will be adjusted through entries made in FAMIS and according to the related amendments to the *Administrative Code* by Board authorization. When closing a revolving fund, departments should ensure that bank accounts will also be closed through the Treasurer's Office.

4.9.2 | Wire Transfers

These section addresses the policy and procedures of paying financial obligations through electronic wire transfers and explains how out-going wire transfers should be recorded in the financial system. These guidelines are issued according to the applicable provisions of the *San Francisco City Charter*, *Administrative Code*, and *Annual Appropriation Ordinance*.

4.9.2.1 | OVERVIEW

Occasionally, City departments are required to pay financial obligations through electronic fund transfers (EFTs) such as federal wire or Automated Clearing House (ACH). These payments can be for various reasons to various entities such as vendors, US Treasury, State Treasurer, escrow agents, and others. EFTs are authorized on a need basis only, *e.g.* requirement spelled out in the contract. Departments must obtain authorizations from Office of the Controller and the Treasurer.

Departments requesting EFTs of any amount should send the notification to the Treasurer's Office at least 72 hours before the wire is due. For large EFT payments that are over $1 million, the department must provide the Treasurer's Office with sufficient lead time so that the Treasurer can ensure that funds are available on the wire's due date.

4.9.2.2 | PROCEDURES FOR WIRE TRANSFERS & ACH

Recording of EFTs

Departments need to process the wire transfer or ACH document in FAMIS, complete the Treasurer's EFT template request, and e-mail it to the Treasurer's Office to set the wire transfers or ACH process in motion.

EFTs require several steps in order to record the activity in FAMIS. Departments should allow a minimum of three business days for processing. There are three primary steps:

1. Department Voucher Request
2. Advance Notification to Treasurer's Office

3. Treasurer's Office Prepares Journal Entry

1. Department Voucher Request

EFT requests can only be processed in FAMIS, and not ADPICS, using one of the following document types: payment request (PR), encumbrance payment (EP), or one-time payment request (OT). The journal entry (JE) document type is used for necessary adjustments referencing the original document in the Document Reference field and a complete Notepad explanation.

Each EFT payment transaction requires Controller's approval, and the Notepad must provide explanation or purpose of payment (e.g. who, when, why, breakdown of need, and other relevant information).

For illustrations on processing EFT payment transactions, refer to *Section 16 - How-to & Screenshots*.

2. Advance Notification to City Treasurer

Once the FAMIS document is approved by the Controller's Office, at least 72 hours prior to the date of transfer the Department notifies the Treasurer's Investment Office via e-mail (ttx.bankwires@sfgov.org or ttx.investment@sfgov.org) that an EFT payment is necessary (more time may be needed if the transfer is non-recurring or infrequent, and if the amount is greater than $1 million).

In order to be processed, the department's e-mail request must attach a completed Treasurer's EFT request template with complete instructions, other special instructions required, and the following information: FAMIS document number, name of payee, amount of transfer, and due date. The Treasurer's Office will not process the EFT request without an approved and posted voucher. The Table below provides the Treasurer's EFT request template.

TABLE 4-11. TREASURER'S EFT REQUEST TEMPLATE

REQUIRED INFORMATION	ENTER CORRESPONDING INFORMATION FOR RED INKED/NUMBERED ITEMS	EXPLANATION OF REQUIRED INFORMATION
ACH UNIT MODEL:	ACH/WIRE TEMPLATE:	For Treasury staff only: key in the model/template name assigned to this particular vendor
1) REQUESTING DEPARTMENT		Your department's name
2) REQUESTING DEPT. CONTACT NAME & PHONE #		Your name & phone no.
3) DATE OF EFT REQUEST		Date when this EFT is requested
4) DATE EFT IS DUE		Date when this EFT is required to be in vendor's account
5) REASON FOR PAYMENT REQUEST		Reason for payment e.g., Purchase of Cable Car
6) FAMIS DOCUMENT NUMBER		Document # in FAMIS that shows this payment request
7) EFT AMOUNT		Dollar amount

REQUIRED INFORMATION	ENTER CORRESPONDING INFORMATION FOR RED INKED/NUMBERED ITEMS	EXPLANATION OF REQUIRED INFORMATION
8) ACH PAYMENT AUTHORIZATION FROM PAYEE IS IN PLACE		Written authorization by payee to allow CCSF to send ACH credits to payee's account and, if applicable, reverse them via ACH debit. Please answer Yes or No.
9) BENEFICIARY BANK'S ACH ABA ROUNTING #		9 digit bank code for ACH. If payee doesn't accept ACH payments please state so on this line and provide FEDWIRE ABA # instead in the next row (Item 10).
10) BENEFICIARY BANK'S FEDWIRE ABA ROUTING #		9 digit bank code for FEDWIRE.
11) BENEFICIARY BANK		The receiving bank where this payment is being sent
12) BENEFICIARY BANK'S CONTACT		Receiving bank's contact name & number, if available.
13) BENEFICIARY'S ACCOUNT NAME		Payee or account holder's name
14) BENEFICIARY'S ACCOUNT NUMBER		Payee's bank account number
15) FOR FURTHER CREDIT TO		Other account number to be credited, if applicable
16) BENEFICIARY CO. CONTACT NAME & PHONE		Payee's contact information, if available
17) PAYMENT FOR		Invoice or Contract # being paid
18) GLA NUMBER		If applicable
CONTROLLER'S STAFF APPROVING FAMIS DOC#		For Treasury staff input only.
EFT INITIATED BY		For Treasury staff input only.
EFT APPROVED BY		For Treasury staff input only.
EFT SETTLEMENT DATE		For Treasury staff input only.
EFT REFERENCE NUMBER		For Treasury staff input only.
EFT INTERNAL REFERENCE NUMBER		For Treasury staff input only.

3. Treasurer's Office Prepares Journal Entry

The Treasurer's Office processes the EFT through the partnering bank's wire and ACH systems. After the bank has made the transfer, the Treasurer's Office prepares a journal entry with FAMIS Document Type WL using Transaction Code 262 to liquidate the voucher and debit vouchers payable and credit cash. FAMIS voucher number, bank number, and confirmation number must be coded in the document reference, bank number, and treasurer number fields on the transaction.

If the Treasurer's Office wishes to reverse an incorrect journal entry using Transaction Code 262, it will use Transaction Code 266 in another journal entry referencing the original EFT voucher. This entry cancels

the EFT and reinstates the EFT voucher payable. For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

Cancellation of Wire Transfers & ACH

Cancellation of a wire transfer or ACH is allowed only if the Treasurer's Office has not processed the transfer. In a situation where cancellation is still possible, the department must prepare a journal entry using an appropriate Transaction Code listed below to cancel the payment voucher. For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

TABLE 4-12. CANCELLATION TRANSACTION CODES

ORIGINAL TRANSACTION CODE	CANCELLATION TRANSACTION CODE
232	255 Manual cancellation of a wire transfer supported by subsidiary (GL#211, 216, 219)
236/238/239/242/245	240* Manual cancellation of a V/P-direct expenditures
243	244 Manual cancellation of a wire transfer supported by subsidiary (GL#153, 252)
247	254 Manual cancellation of a V/P charged to GL account w/subsidiary wire transfer (not GL211, 216, 219)
249	244 Manual Cancellation Of a V/P-Non-Expense Expenditures Supported By Subsidiary
251	248 Manual cancellation of a V/P –Revenue Refund
317	254 Manual cancellation of a V/P for wire payroll withholding (not GL211, 216, 219)

*Transaction code 240 cancels payment voucher but does not re-establish encumbrance. If the encumbrance needs to be re-established, an additional entry to encumber is required.

Other Requirements for EFT Payments

- Services being paid are supported by original invoice or properly certified copy thereof, completed within the period of the contract, and covered by up-to-date insurance.
- Request for payment is authorized by responsible project managers after review and acceptance of completeness and condition of the services or work done.
- Payment request is properly adjusted according to provisions in the contract such as retentions, liquidated damages, or liens.

- Payment request subject to liens requires proper coordination with the Controller's Claims and Disbursement Unit.

- Payment to a vendor other than the primary contractor is properly justified and/or covered by the provisions of the contract, or special agreements.

- Payment requests must be within the total amount of the contract.

- If final payment is determined to exceed the amount of the contract, the contract must be properly modified according to rules and regulations covering contract modifications. Failure to adjust the contract for the excess according to City policies and guidelines requires adequate justification and certification as to availability of funds and propriety and validity of the additional charges before such payment can be authorized.

- Payments must be properly coded as partial or final to avoid subsequent need to re-encumber or request direct payment. Payment under such situation must be properly justified.

- Services funded by special funds such as grants must be in full compliance of and allowable under the grant's funding requirements.

- Approval of the payment request is certification that it is proper, valid, and legal. Any officer who approves, or allows unauthorized or illegal obligations is liable to the City and subject to penalties.

- More information regarding payment processing can be found on the Controller's Intranet Page at: http://famis.sfgov.org/Controllerspolicies. Questions can be directed to the Controller's Office fund accounting team assigned to the department or Treasurer's Banking Services Division at 554-4509 or 554-5205.

5 | PROCUREMENT CARD (P-CARD)

5.1 | Overview

The City Procurement Card (P-Card) is a charge card designed to enable designated City employees to make authorized purchases under two circumstances:

- During declared emergencies and natural disasters
- For employee reimbursement items.

The P-Card can only be used for official City business and must be surrendered upon termination of employment for any reason or upon demand by City.

All P-Card participants are required to use the Access Online system provided by U.S. Bank in order to complete monthly billing statement reconciliation.

5.1.1 | Program Definitions

Access Online System is the U.S. Bank online system for tracking, approving and reconciling credit card transactions.

Approving Official is the individual designated by the Department Head or CFO to request cards for staff, approve Cardholder purchases and verify that purchases are made for official City business.

Billing Officials are accounts payable staff in the departments who perform accounting entries and transactions for card payments to U.S. Bank.

Cardholders are current City employees with procurement authority to use the P-Card for business purchases.

Department Coordinator is designated by the Department Head or CFO and oversees the P-Card Program at the department level.

P-Card Administrator is the Controller, or his or her designee.

5.1.2 | General Information

Eligible Employees

Application for use of P-Card must be approved by the Department Head or his/her designee. Termination of employment with a City department and/or abuse of the P-Card will result in cancellation

of the P-Card. Submit card enrollment and cancellation online at https://conforms.sfgov.org. See Section *5.4 - Form Automation* for more information.

Bona fide Suppliers Only

P-Card suppliers shall be established, reputable, reliable vendors with appropriate business licenses, certifications, permits, *etc.*, and not those of a questionable status. Do not make P-Card purchases from sources including, but not limited to:

- EBay (auctions) (www.ebay.com)
- Swap meet vendors
- Street market vendors
- Adult book stores
- Pawn shops
- Craigslist (www.craigslist.org)
- Your relatives, neighbors, friends, *etc.*

Ethical Use of Public Funds

Since P-Card purchases represent public funds, Cardholders and their Approving Officials (*e.g.,* Department Heads) must be continually reminded that their purchases reflect the City's interest and reputation for ethical and prudent dealings. Each transaction must be one that the Cardholder and Approving Official could easily explain or defend as a prudent use of public funds.

Written policies cannot be established to cover every event of P-Card use. All program participants must use their best judgment using a City P-Card. In those instances where a reasonable person might question the use of a P-Card, the Cardholder should refrain from making the purchase without first consulting the P-Card Administrator.

Use of the P-Card for Personal Purchases Strictly Prohibited

Under no circumstances is a Cardholder permitted to use the P-Card for personal purchases, even if the Cardholder intends to subsequently reimburse the City. Using the P-Card for personal purchases may result in a disciplinary action. Cardholders are required to attend mandatory training and accept the *Cardholder Acknowledgement Disclosure* during the online card enrollment process prior to the issuance of the P-Card for City use.

FIGURE 5-1. CARDHOLDER ACKNOWLEDGEMENT DISCLOSURE

PURCHASING CARD (P-CARD) CARDHOLDER ACKNOWLEDGEMENT DISCLOSURE FORM

The undersigned employee submits to this affidavit:

1. I received a copy of the City and County of San Francisco P-Card Policies and Procedures Manual and agree to abide by the provisions and requirements included in the manual when using the U.S. Bank Visa Purchasing Card.

2. I agree to abide by all City and County of San Francisco procurement and payment rules and regulations and will not split purchases or use the purchasing card in a manner that circumvents related City and County of San Francisco rules and regulations.

3. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.

4. I received P-Card program training from my agency/department that covered the provisions and requirements included in the City and County of San Francisco P-Card Policies and Procedures Manual.

5. I understand that the U.S. Bank Visa Purchasing Card is for City official use only and must not be used for personal purchases. Intentional use of the card for other than official City purposes will result in immediate cancellation of my purchasing card, and possible referral to the District Attorney. I may be personally liable the City for the amount of the purchase.

6. If my authorization or employment is terminated, or I transfer to a new position within the City and County of San Francisco, I will return my card to my approving official immediately.

7. If the P-Card is lost or stolen, I will immediately notify U.S. Bank by telephone and confirm the telephone call to U.S. Bank by email to the Program Administrator at pcard@sfgov.org. I will also immediately notify my supervisor.

8. As the P-Card is City and County of San Francisco property, I understand that I may be periodically audited to comply with internal control procedures designed to protect City and County of San Francisco assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.

Use of P-Card in Case of Declared Emergency and Natural Disaster

P-Cards have a default credit limit of $1,000. When enrolling for an emergency P-Card, departments can propose the emergency credit limit. Upon approval of the P-Card Administrator, the emergency credit limit will be kept on file and activated only during a disaster. Refer to Section 5.4 Form Automation for the detailed procedures.

Disaster P-Cards will not replace the City's existing *Emergency Purchasing Procedures*, but supplement the procedures. Purchases in excess of $1,000 may require the cardholder to follow normal City bidding procedures. In addition, departments should always be prepared and have emergency supplies in place and/or in regular procurement contracts. P-Card cannot be used to purchase professional services.

Refer to:

1.   *San Francisco Administrative Code,* Section 21.15 for Emergency Procurement Procedures

2.   Section 6.60 for Emergency Repairs, Work and Contracts

3.   Office of Contract Administration (OCA) *Guide to Ordering Goods and Services, Chapter 700: Emergency Purchasing Procedures.*

Use of P-Card for Non-Emergency Purchases

With approval from the P-Card Administrator, departments may issue P-Cards to selected employees for purchase of travel, training, and other employee reimbursement items.

Refer to the Controller's Office policies and procedures for travel, training and employee reimbursement in *Section 4.8 Employee Travel & Business Expenses.*

A *Travel Expense Form* must be completed and submitted for use of the P-Card for travel, training, and other employee reimbursement items.

FIGURE 5-2. TRAVEL EXPENSE FORM

Form: 319.xls							
CITY AND COUNTY OF SAN FRANCISCO							
TRAVEL EXPENSE FORM							
TRANSMIT ORIGINAL COPY TO CONTROLLER (WITH REQUIRED RECEIPTS ATTACHED)							

DEPT:		**DATE:**	
DIVISION:		**TRIP TO:**	
PURPOSE:		**TRIP DATE:**	

DATE	DESCRIPTION	RECEIPTS REQUIRED				PER DIEM	OTHERS	TOTAL
		REGISTRATION FEE	HOTEL	AIRFARE/ AUTO	MEALS			
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
TOTALS		$ -	$ -	$ -	$ -	$ -	$ -	$ -

					AMOUNT	
DATE:	LAST 4 DIGIT OF P-CARD:		PR#		PAID BY P-CARD	
DATE:	ADVANCE DOCUMENT NO.: TT#		PR#		ADVANCED	
			REFUND	[ ]	CR#	
			AMOUNT DUE	[ ]		$ -

CERTIFICATION is hereby made that expenditures claimed hereon are true and correct, and were incurred according to law and in connection with official business of the City and County of San Francisco.

DEPT. HEAD APPROVAL:		EMPLOYEE SIGNATURE:	
Print Dept. Head Name:		Print Employee Name:	

COMPLETE SECTION BELOW FOR DEPARTMENT ACCOUNTING INFORMATION:

INDEX CODE:		SUBOBJECT:		PROJECT OR GRANT:		PRJ OR GRNT DTL:	
LEGALITY VERIFIED:		ORDINANCE NO.			RESOLUTION NO.		
APPROVED FOR PAYMENT:		BD. OR COMMISSION RES. NO.:				AUTHORITY:	

FIGURE 5-3. FIELD EXPENSE FORM

	Form 300.xls										
	CITY AND COUNTY OF SAN FRANCISCO								SHEET NO.		
	FIELD EXPENSE FORM										
	Dept:				Date:					, 20___	
	Reimbursement is requested for field expense on official business for month									, 20___	
	DATE	PURPOSE	TRAVEL (From-To)	RT Y/N	ODOMETER READINGS	MILES	PARKING METER	CAR-FARE	TELE-PHONE	OTHER (Receipt Required)	

Instructions (left margin): Use additional Sheets as needed, numbering each sheet, totaling and certifying on last sheet for month. For Round Trip, check "RT" column.

INSTRUCTIONS: Enter Odometer Reading at start and end continuous driving on City business and extend mileage. Receipt or explanation required for "Other" expense.

Subtotal Parking Meter, Carfare, Telephone & Other	$ -	$ -	$ -	$ -
Total of last four columns above				$ -
Make and Model Car	License Number	Total Miles 0	Rate Per Mile $0.575	-

THE UNDERSIGNED HEREBY CERTIFIES that the above is a true statement of travel mileage and expense incurred in official business of the City and County of San Francisco. **TOTAL** $ -

LAST 4 DIGIT OF P-CARD: PR#   PAID BY P-CARD

TOTAL DUE TO EMPLOYEE $ -

Signature of Department Head   Expense incurred by (signature of employee)

5.1.3 | City Program Administration

The Office of the Controller administers the P-Card Program with U.S. Bank. In this capacity, Office of the Controller personnel serve as resources for all program users in the area of policy development and implementation, day-to-day administration, compliance, and training. The City P-Card Administrator is the Controller, or his or her designee. Responsibilities of the P-Card Administrator include:

- Develop the City's *P-Card Policies & Procedures Manual*.
- Review the policy and procedures at least annually to ensure that it keeps up with "best practices" in the purchasing card industry and that it allows participants in the program to utilize the P-Card to its utmost advantage in the procurement process within sufficient control guidelines.
- Serve as a central point of contact on all issues of policy and procedures. This position is the official liaison between the Bank and all P-Card participants.
- Communicate all P-Card Program policy and procedural changes to the users.
- Develop and maintain City-wide P-Card forms including automated online forms.
- Set up department accounts and maintain account profile changes for Department Coordinators, Approving Officials, Cardholders and Billing Officials.
- Monitor Cardholder employment status.
- Establish and make approved changes to dollar limits for all P-Cards.
- Review monthly and quarterly U.S. Bank reports for compliance and any discrepancies with policies and procedures.
- Facilitate training for all participants in the Program. Establish and maintain records for all training provided.
- Develop and maintain City training materials and handouts.
- Establish department and City-wide reporting of the data and card usage, as well as determine trends in spending and suppliers used.
- Perform audit reviews of the program participants to ensure compliance with P-Card Policy and P-Card Procedures.
- Maintain records in accordance to the records retention schedule.

Process Improvements and Audits

The P-Card Administrator audits the Program through periodic reviews and the annual Post Audit, and reviews department P-Card procedures during the audits.

Training

The P-Card Administrator will develop and deliver training on the P-Card Program to all Department Coordinators, Approving Officials, Billing Officials and Cardholders during the initial roll-out phase of the program. U.S. Bank is responsible for the implementation and initial training on the Access Online system. The P-Card Administrator will provide additional training as needed.

5.1.4 | Department Roles and Responsibilities

Enrollment Requirement

The department can enroll employees in the P-Card program by using the automated form online at https://conforms.sfgov.org. The enrollment must be:

1. Initiated by the Department Coordinator or his/her designee
2. Approved by the Cardholder
3. Approved by the Department Head or the CFO.

Department Coordinator Responsibilities

The Department Coordinator is appointed by the Department Head to administer the P-Card Program within their respective department. Contact information of the Department Coordinator must be submitted to the P-Card Administrator.

The responsibilities of the Department Coordinator include:

*   Attend the mandatory training provided by the P-Card Administrator.
*   Be proficient with the *P-Card Policies & Procedures Manual*, and ensure compliance within the department.
*   Develop department procedures including internal control measures to prevent and detect misuse or fraudulent use of the P-Card. These procedures cannot be less restrictive than the City *P-Card Policies & Procedures Manual*.
*   Immediately report any misuse by the P-Card participants to the P-Card Administrator.
*   Submit online P-Card forms for new cards, replacements, account changes and card cancellations.
*   Notify the P-Card Administrator within three (3) working days when an employee leaves the department's employment so that the card may be deactivated.
*   Be proficient with the Access Online system and utilize the reports available for department P-Card use and performance.
*   Ensure all P-Card participants attend the mandatory training provided by either the P-Card Administrator or the department.
*   Ensure program compliance related to internal controls, City procurement policies, and records retention requirements.

Approving Official's Responsibilities

Approving Officials approve Cardholder purchases, and verify that purchases are made for official City business. Approving Officials must have a thorough knowledge of the job responsibilities of the Cardholder in order to determine if purchases are reasonable. Other responsibilities of Approving Officials include:

- Attend mandatory training provided by the P-Card Administrator or the department.

- Be proficient with the *P-Card Policies & Procedures Manual*.

- Maintain knowledge of the P-Card Program and department procedures on the use of P-Card issued by the Department Coordinator.

- Notify the Department Coordinator when the Cardholder resigns, transfers, or is terminated from employment.

- Ensure P-Cards under their authority are properly utilized.

- Immediately inform the Department Coordinator if Cardholder has misused the card for personal use. Collect the P-Card from the Cardholder and return it to the Department Coordinator.

- Ensure that reconciled statements, associated receipts, credit slips, and *Travel/Field Expense Forms* (Figure 5-2 and Figure 5-3) are complete for each Cardholder account. Sign off on the reconciled statements and *Travel/Field Expense Forms*.

- Review and certify the reconciled *Cardholder Statements of Account*, and ensure that receipts and documents are in order.

- Ensure that each *Cardholder Statement of Account* is accounted for and forward them to the Billing Official within seven (7) calendar days of statement date.

Cardholder Responsibilities

All Cardholders are *de facto* purchasing agents for City. Accordingly, Cardholders must have a minimum understanding of the public purchasing rules and regulations.

Cardholders are appointed by their Approving Officials to make authorized purchases 1) under Declared Emergencies and Natural Disasters; and 2) for Employee Reimbursement items. Cardholder responsibilities include:

- Attend mandatory P-Card training provided by the P-Card Administrator or the department.

- Be proficient with the *P-Card Policies & Procedures Manual*.

- Maintain knowledge of the P-Card Program and department internal procedures on the use of P-Card issued by the Department Coordinator.

- Accept the *Cardholder Acknowledgement Disclosure* (Figure 5-1) during the online card enrollment process.

- Activate card following the procedures provided during the training.

- Maintain security of the account number and credit card, expiration date, and security code at all times.

- Know their respective Single Transaction and Cycle Credit Limit, or 30-Day Monthly Transaction Limit.

- Ensure all purchases are allowable purchases according to the City P-Card Program and department procedures.

- Obtain best value for the City when making purchases with the P-Card.

- Obtain an itemized receipt at the point of purchase and verify it for accuracy.
- Complete and sign the *Travel/Field Expense Form*.
- Reconcile all the transactions and forward them to the Approving Official for approval.
- Call Bank Customer Service to report lost or stolen cards and any fraud activities immediately, and notify the Approving Official.
- If there are any disputed charges on the statement that could not be resolved with the merchant, contact the Bank within 60 calendar days of the transaction date.
- Submit the reconciled statement, purchasing documentation, and all associated receipts to the Approving Official within three (3) calendar days from the statement date to ensure timely payment and recording of charges in the financial management system.
- Inform Department Coordinator of any account profile changes, like changes to last name, business address, or telephone number, *etc.*

Cardholder shall not do any of the following:

- Use the P-Card for personal use
- Allow family members to use the card
- Allow other staff members to use the card
- Make unauthorized purchases.

Upon transfer, resignation, or termination, the Cardholder shall return the P-Card to the Department Coordinator.

Billing Official Responsibilities

Upon receiving and reviewing an Account Statement, receipts, and reconciliation report, the Billing Official shall make the monthly P-Card payment to U.S. Bank using the department-specific vendor number and charge the expenditures to proper cost centers, sub-objects and General Ledger accounts.

Below is an example of the vendor numbers for US Bank in the financial system.

TABLE 5-1. SAMPLE VENDOR NUMBERS FOR P-CARD DEPARTMENTS

DEPARTMENT	FAMIS VENDOR ID NUMBER
AIR	P00001
CAT	P00002
DEM	P00003

DEPARTMENT	FAMIS VENDOR ID NUMBER
HSA	P00004
PUC	P00005
TIS	P00006
CON	P00007
DPH-LHH	P00008
FIR	P00009
ECN	P00010

Billing Official Responsibilities include:

- Attend the mandatory training provided by the P-Card Administrator or the department.
- Be proficient with the *P-Card Policies & Procedures Manual*.
- Maintain knowledge of the P-Card Program and department internal procedures on the use of P-Card issued by the Department Coordinator.
- Review the transactions reported by the Cardholders and approved by the Approving Officials. Such review include, but is not limited to:
  - Ensure all itemized receipts are attached
  - Ensure the completed *Travel/Field Expense Form* (Figure 5-2 and Figure 5-3) is attached
  - Check if usage of the P-Card was in compliance with the P-Card Policy and any applicable City policies (*e.g.*, *Business Travel Reimbursement Guidelines*)
  - Review the P-Card monthly reconciliation prepared by the Cardholder and approved by the Approving Official.
- Make monthly P-Card payments to U.S. Bank at least two (2) business days before the due date on the statement. Note that payments will be sent to U.S. Bank through ACH, and it takes two (2) business days for ACH payments to clear.
- Use document type PR or RM for the payment journal entry in FAMIS using the vendor number specific to the department. Post P-Card expenditures to proper cost centers and sub-objects.
- Reconcile Account Statement total with payments posted to the department's cost center, and conduct research to resolve any discrepancies.

- Determine whether proper sales tax has been paid and accrue any use tax. Refer to *Section 4.5 - Sales & Use Taxes* for more details.
- Provide assistance for any document request from the P-Card Administrator.
- Maintain records in compliance with records retention requirements.

5.2 | Use of the Card

This section defines the appropriate and inappropriate uses of the P-Card. All purchases made with the P-Card must be for official City business. Department policies governing use of the card can be more, but not less, restrictive than the City P-Card Policy.

Only the employee whose name appears on the face of the P-Card is authorized to initiate transactions with the card. Use of the P-Card by any other person is considered misuse of the card, even if the purchase is for legitimate City business.

5.2.1 | Allowable Purchases

There are two types of allowable P-Card purchase:

1. Emergency purchases during Declared Emergencies and Natural Disasters. Refer to *San Francisco Administrative Code,* Section 21.15 and Section 6.60 for emergency procurement procedures and who can declare emergencies.
2. Purchases related to travel, training, and other employee reimbursement items as allowed in the Controller's Office *Employee Reimbursement Guidelines.* Any monthly transaction over the credit limit must have prior written approval from the P-Card Administrator, by updating the *P-Card Enrollment Form*.

Declared Emergencies and Natural Disasters

The P-Card Administrator has the authority to raise the Monthly Transaction Limit to an amount deemed necessary to mitigate any declared emergencies as defined in the *Administrative Code*, or natural disasters. The Purchaser grants authority to forego standard procurement requirements for needs arising from unforeseen causes. Refer to *San Francisco Administrative Code, Section 21.15* for Emergency Purchasing Procedures.

The physical Disaster/Emergency P-Cards must be safeguarded by the Cardholders. The Disaster/Emergency P-Cards will have a default credit limit of $1,000. For emergency P-Cards, departments can propose the emergency credit limit. Upon approval of the P-Card Administrator, the emergency credit limit will be kept on file. When an emergency is declared, the department needs to contact the Program Administrator to have the approved emergency credit limit activated.

For disaster recovery from federal Emergency Management Agency (FEMA), please refer to FEMA Public Assistance information at http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit.

Required Compliance for Allowable Purchases

Use of P-Card must comply with applicable City policies and laws regarding the particular purchase.

Cardholders shall comply with policies and laws applicable to the type of purchase for which the P-Card is being used. For example, when using the P-Card for travel purposes, the use of the P-Card must comply with all applicable policies, including but not limited to the guidelines defined in *Section 4.8 - Employee Travel & Business Expenses*. Travel-related purchases must be within federal reimbursement rates for hotels and meals and must be in compliance with Facilities and Fleet Car Rental Policies, *etc.* Note that misuse of P-Cards may lead to employee disciplinary actions.

Federal Grant-Related Purchases

Use of P-Card for federally funded expenditures must comply with applicable federal regulations. Departments must follow the procurement rules defined in the Uniform Guidance for all federal grant-funded purchases.

Title 2 of the *Code of Federal Regulations (2 CFR) Section 200.320* states:

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction…

2 CFR Section 200.67 states:

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such

procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is $3,000* except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

*The micro-purchase threshold may change. Refer to *48 CFR Subpart 2.1 (Definitions)* for the most updated micro-purchase threshold. The government code can be found online at http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=2&SID=3e68a26a53fc6a7201c61b492bbea732&ty=HTML&h=L&mc=true&n=sp48.1.2.2_11&r=SUBPART

Refer to *Section 12.1.6.3 - Grant-related Procurement Procedures* for more information on grant-related purchases.

5.2.2 | Prohibited Purchases

Certain types of purchases are strictly prohibited by the P-Card policy and no exceptions will be granted. These purchases include, but are not limited to:

- Personal purchases of any kind (personal purchases are defined as purchases of goods or services intended for non-work related use or use other than for official business)
- Donations or gifts to a charity, a gift to an entity, or a political contribution.
- Fuel for personal cars since the personal vehicle expenses will be compensated through mileage reimbursement
- Gift cards, stored value cards, calling cards, pre-paid cards or similar products
- Entertainment, including in-room movies
- Alcoholic beverages
- Tobacco products
- Weapons, and related accessories, side arms and bullets even if these are for training purposes
- FasTrak toll tags or transponders for employees' personal vehicle
- Individual sized bottled water for non-emergency situations
- Services provided by a non-California vendor
- Professional services
- Goods and services available on a current City-wide contract
- Travel expense, lodging, or meals for persons providing services without compensation
- Fixed Asset Computers
- Fixed Asset equipment
- Hazardous Materials/ Removal of Hazardous Materials
- Chemicals
- Existing invoices for after-the-fact purchases.

Late Payment Fee/Interest

Untimely payment to U.S. Bank will result in late payment fees and interests. The payment is due within fourteen (14) calendar days from the statement date. Departments will be responsible for any late fees or interests incurred.

5.3 | Program Compliance

Card Management

1.   New Card

- Department Coordinator enrolls cards online at https://conforms.sfgov.org. Refer to *Section 5.4 - Form Automation* for more details.
- Upon complete approval of the card, P-Card Administrator sets up the cardholder account in Online Access and requests the physical card from U.S. Bank.
- Card will be mailed to the P-Card Administrator. P-Card Administrator informs departments for card pick up. Cards are stored in a locked drawer or the safe before pick up.
- Once picked up, P-Card Administrator updates eMerge employee records with "P-Card" as one of the City assets held by the Cardholder.

2.   Cardholder Employment Status Change

- When a Cardholder transfers to a different City department or terminates his/her employment with the City, Department Coordinator notifies P-Card Administrator within three (3) business days by submitting the P-Card Modification Request online at https://conforms.sfgov.org. Refer to *Section 5.4 | Form Automation* for more details.
- Upon complete approval of the request, P-Card Administrator deactivates Cardholder account in Access Online.
- P-Card Administrator contacts U.S. Bank to confirm account deactivation.
- P-Card Administrator also monitors Cardholder employment status through weekly eMerge reports.

3.   Credit Limit Change

- Department Coordinator submits the P-Card Modification Request online at https://conforms.sfgov.org with changed credit limit and reason for the change.
- Department Coordinator submits any supporting documents to justify the credit limit change to P-Card Administrator.
- P-Card Administrator reviews the request, and may submit the request to the Controller and OCA for further review.

- Upon complete approval, P-Card Administrator changes the credit limit in Access Online.

4.   Card Replacement

- If a P-Card is lost or stolen, the Cardholder must call U.S. Bank and inform Department Coordinator immediately.
- Department Coordinator submits the P-Card Modification Request online at https://conforms.sfgov.org with the reason of the card replacement.
- P-Card Administrator contacts U.S. Bank and requests the physical card to be mailed to the P-Card Administrator.
- Upon receipt of the new card, P-Card Administrator updates information including the new card number in Access Online.
- P-Card Administrator informs departments for card pick up, and stores in a locked drawer or the safe before pick up.

Internal Controls

Internal controls must include:

- Appropriate separation of duties between making transactions (Cardholders), review and approval transactions for payment (Approving Officials), and payment of the monthly billing statement (Billing Official). Any exceptions must be pre-approved by the P-Card Administrator.
- Review and approval of purchases by someone with supervisory authority over the Cardholder and/or with authority to question purchases if needed.
- Appropriate limits on the number of Cardholders assigned to a supervisor or Approving Official in order to ensure adequate review of business need and documentation.
- Provision for periodic audits and the annual Post Audit by the P-Card Administrator. Audits must address:
    - Adequacy of internal policies and procedures
    - Confirmation of card holders
    - Adequacy of card management process
    - Appropriateness of Cardholder spending limits
    - Adequacy of review, reconciliation, and payment procedures; and
    - Adequacy of documentation for transactions.

Card Issuance Requirements

- Issuance is limited to one P-Card per Cardholder by department.
- Cardholders must be full-time and part-time City employees. Cards will not be issued to temporary workers, or independent contractors.

- Cards will not be issued in the name of a department or work unit to be shared by multiple employees.
- All training requirements as described in the *P-Card Policies & Procedures Manual* must be met before an employee receives the P-Card for City use.

Cardholder Spending Limits

Spending limits enable management to provide Cardholders with the purchasing power to accomplish the needs of the job without exposing the City to unnecessary risk. Spending limits should be based on job responsibilities of the Cardholder and the need to use a P-Card to accomplish his or her duties. Cardholder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits.

Cycle Credit Limit, or Monthly Limit, is a mandatory spending limit that restricts the amount of purchases a Cardholder can make in one billing cycle (one month). The P-Card Administrator has the authority to raise the monthly limit to an amount deemed appropriate in order to improve business practices and/or when an emergency is declared.

Payment of California Sales and Use Tax

The Billing Official must ensure the accrual of California sales and use tax if the merchant has not charged such tax on the invoice or receipt of a P-Card purchase. Refer to *Section 4.5 - Sales & Use Taxes* for more details on sales and use tax accrual.

Records Retention Requirements

P-Card Program records shall be maintained according to the Controller's *Financial Records Retention and Destruction Policy & Schedule* available at:
http://sfController.org/modules/showdocument.aspx?documentid=4036.

Note that disaster/cost recovery documentation is required to be kept onsite for at least three (3) years as defined by *Title 44 Code of Federal Regulations* and *Title 19 California Code of Regulations*.

5.3.1 | Contact Information

For Cardholders

Contact your Department Coordinator for the following:

- New card enrollment
- Change of credit limit
- Change of employment status

Contact U.S. Bank for the following:

- Activation of P-Card [call 1-800-344-5696 (outside US call collect: 701-461-2010)]
- For initial online account setup, go to Access Online (https://access.usbank.com; call 1-800-344-5696 for technical support)

Contact U.S. Bank at 1-800-344-5696 (outside US call collect: 701-461-2010) <u>and</u> your Department Coordinator for the following:

- Lost/stolen card or fraud
- Transaction/billing dispute

<u>Note</u>: When contacting U.S. Bank, you will be asked for information such as your business telephone number, ZIP code, last four digits of your DSW number and 16-digit account number.

For Department Coordinator

Contact P-Card Administrator at 415-554-5218 or 415-554-7594 or pcard@sfgov.org for the following:

- Questions regarding automated forms for card enrollment and modification (see *Section 5.4| Form Automation* for more information on automated forms)
- Reporting lost/stolen card or fraud
- Obtain a log-in for Access Online.

5.4 | Form Automation

The section provides an overview of the automated forms for P-Card enrollment and changes. For more details, refer to the training materials online at http://sfcontroller.org/index.aspx?page=437#pcard.

5.4.1 | General Guidelines and Internal Controls

The following principles must be followed for any department using automated forms for P-Card enrollment and changes:

- There must be appropriate separation of duties between form initiation (Department Coordinators or designees), confirmation of form submission and details (Cardholders), confirmation of authority (Department Head or CFO), and final approval of request (P-Card Administrators).
- Initiators (department coordinators) are pre-designated and approved by Department Heads to assure submittal of requests is monitored.
- Cardholders are required to review and accept *Cardholder Acknowledgement Disclosure* before workflow reaches subsequent approvers.

- Any requests over a pre-established threshold will require additional review and approval by the AOSD Director and/or Controller.
- Requests for new cardholders and/or modification requests to existing cardholders must first enter and complete the appropriate automated workflow before being submitted by the P-Card Administrators to US Bank for processing.
- Departments must review all requests conducted by P-Card Administrators to ensure compliance with Controller and department policies and procedures.
- Documentation and log of past and open requests will be generated periodically to ensure the integrity of the workflow and system.

5.4.2 | To Request a New Card

This section provides a step-by-step overview of how a new P-Card is requested through form automation.

1. The initiator (Department Coordinator or his/her designee) logs into https://conforms.sfgov.org/ using the City e-mail and password.
2. The initiator selects *P-Card Enrollment and Agreement Form Online* and will be requested to complete the form as shown in the screenshot below:

FIGURE 5-4. ONLINE P-CARD ENROLLMENT & AGREEMENT FORM

3. Once submitted, the cardholder will receive an e-mail alert to approve the card enrollment online. The cardholder will be prompted by the automated form to accept the *P-Card Cardholder Acknowledgement Disclosure* as shown below:

FIGURE 5-5. P-CARD CARDHOLDER ACKNOWLEDGMENT DISCLOSURE

P-CARD CARDHOLDER ACKNOWLEDGEMENT DISCLOSURE FORM   ×

The undersigned employee submits to this affidavit:

1. I received a copy of the City and County of San Francisco P-Card Policies and Procedures Manual and agree to abide by the provisions and requirements included in the manual when using the U.S. Bank Visa Purchasing Card.
2. I agree to abide by all City and County of San Francisco procurement and payment rules and regulations and will not split purchases or use the purchasing card in a manner that circumvents related City and County of San Francisco rules and regulations.
3. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
4. I received P-Card program training from my agency/department that covered the provisions and requirements included in the City and County of San Francisco P-Card Policies and Procedures Manual.
5. I understand that the U.S. Bank Visa Purchasing Card is for City official use only and must not be used for personal purchases. Intentional use of the card for other than official City purposes will result in immediate cancellation of my purchasing card, and possible referral to the District Attorney. I may be personally liable to the City for the amount of the purchase.
6. If my authorization or employment is terminated, or I transfer to a new position within the City and County of San Francisco, I will return my card to my approving official immediately.
7. If the P-Card is lost or stolen, I will immediately notify U.S. Bank by telephone and confirm the telephone call to U.S. Bank by email to the Program Administrator at pcard@sfgov.org. I will also immediately notify my supervisor.
8. 8. As the P-Card is City and County of San Francisco property, I understand that I may be periodically audited to comply with internal control procedures designed to protect City and County of San Francisco assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.

Accept   Reject

4. The form will then be routed to the CFO for approval with an e-mail alert. If CFO is the cardholder, the Department Head will need to approve online instead.
5. The P-Card Administrator at the Controller's Office will then review the new card enrollment and approve or reject, as appropriate. If the card enrollment includes an emergency credit limit proposal, the request will be routed to the AOSD Director or the Controller for approval depending on the request amount.
6. Upon complete approval of the card enrollment, an e-mail confirmation will be sent to the initiator, the cardholder, and all approvers.

5.4.3 | To Modify, Replace, or Cancel a Card

This section provides a step-by-step overview of how to modify, replace, or cancel a P-Card using form automation.

1. The initiator (Department Coordinator or his/her designee) logs into https://conforms.sfgov.org/ using the City e-mail and password.
2. The initiator selects *P-Card Change/Cancellation Form Online* and will be requested to complete the form for change of credit limit or replacement/cancellation of the card.
3. Once submitted, the cardholder will receive an e-mail alert to approve the card enrollment online.
4. The form will then be routed to the CFO for approval with an e-mail alert. If CFO is the cardholder, the Department Head will need to approve online instead.
5. The P-Card Administrator at the Controller's Office will then review the modification or replacement/cancellation and approve or reject, as appropriate. If the modification includes an emergency credit limit proposal, the request will be routed to the AOSD Director or the Controller for approval depending on the request amount.
6. Upon complete approval of the card modification or cancellation, an e-mail confirmation will be sent to the initiator, the cardholder, and all approvers.

6 | INVENTORY

The following City-wide inventory guidelines are issued according to the applicable provisions of the *San Francisco City Charter*, *Administrative Code*, and *Annual Appropriation Ordinance*.

In the government accounting environment, inventory consists of various materials and supplies that are used by the government itself. This may consist of the usual variety of general supplies and spare parts. There are two main types of inventories: "Inventories Held for Consumption" or "Use and Inventories Held for Resale".

For the City & County of San Francisco, inventories recorded in the proprietary funds (Enterprise and Internal Service Funds) primarily consist of construction materials and maintenance supplies, as well as pharmaceutical supplies maintained by the hospitals. Generally, proprietary funds value inventory at cost or average cost and expense supply inventory as it is consumed. This is referred to as the consumption method of inventory accounting.

The governmental fund types use the purchase method to account for supply inventories, which are not material. This method records items as expenditures when they are acquired. Materials and supplies for governmental funds are usually not significant enough to be reported as inventory in the financial statements. However, the internal control procedures described in this policy still apply to the governmental fund departments that run storerooms for materials and supplies.

For fixed assets inventory, refer to *Section 10.3.1 - Inventory of Capital Assets*. Note that fixed assets inventory refers to inventory control over property and equipment over a specified cost threshold and useful life. Inventory control of fixed assets is different from that of the inventory addressed in this section.

6.1 | Policy Guidelines

Departments must have adequate control over inventory purchases and management. Control areas include but are not limited to: inventory planning, purchasing, safeguarding, counting, dispensing, valuation and accounting recording, and financial reporting. Departments must establish their own inventory policies and procedures.

Segregation of Duties

Ensure the following duties are performed by different employees:

- Procurement of inventory; refer to *Section 3 - Contracts & Encumbrances* for more information
- Physical custody of inventory, which may also include:
    - Receipt of inventory

        o   Issuance of inventory

- Recording inventory receipt, issuance, and adjustment transactions in the inventory management system
- Approval of the above transactions in the inventory management system
- Payment of inventory; refer to *Section 4 - Expenditures* for more information.

Purchase of Inventory

Evaluate inventory usage to:

- Set periodic replenish values or minimum/maximum levels for all inventory items and implement them in the inventory ordering process.
- Monitor obsolete and slow-moving inventories to avoid purchasing too much inventory or inventory that is no longer needed.

Upon receipt of inventory, ensure that:

- Staff review, sign, and date packing slips immediately
- Promptly record receipt in the inventory management system
- Promptly record any returns in the inventory management system
- All items have the correct location and label in the inventory storage facilities

Pay (within 30 days of receipt of invoice) and record invoices in the accounting system promptly. For definition of invoice receipt date, refer to *Section 4.4.1.1 - Prompt Payment Definitions*. For guidelines on discounts, refer to *Section 4.3 - Approval of Invoices*.

Safeguard of Inventory

- Restrict access to the inventory management system to authorized employees. Ensure access rights are immediately terminated once the employees no longer need access.
- Restrict inventory storage facilities to authorized employees.
- Limit key distribution or install electronic keys to track employee entry to storage facilities.
- Periodically check to ensure the storage facilities are free of fire and other hazards.
- For inventories with expiration dates, issue/use the inventories on a first-in-first-out basis and use up the inventories before expiration date to the extent practical.

Consumption of Inventory

- Issuance of inventory must be authorized by the operations staff and processed by the storage staff.
- Issuance of inventory must be promptly recorded in the inventory management system.

- Obsolescence must be properly managed and promptly recorded in the inventory management systems:
  - Definition of inventory obsolescence: The condition in which the actual value of inventory reflected on the balance sheet has deteriorated due to overstocking or lack of demand, rendering it unusable. Below are some examples of obsolete inventory for the City:
    - Fleet parts no longer in use
    - Expired batteries
    - Recalled/discontinued/expired pharmaceutical products
  - Obsolete or inactive inventory must be separated from operating inventory in storage.
  - Identifying and disposing of obsolete inventory must be conducted at least annually and be approved by both storage management and operations management.
  - Disposal of obsolete inventory must be communicated to accounting for reconciliation and accounting adjustment.
  - Obsolete inventory must be disposed of in a manner that will best serve the interests of the City. For details, refer to *San Francisco Administrative Code,* Section 21.03(i). For fixed assets disposal, refer to Section 10.3.2 Disposal of Fixed Assets
  - Departments are highly recommended to source disposal through the Department of Environment's Virtual Warehouse. For more information, go to http://warehouse.sfenvironment.org/.

Physical Inventory Counts

- Conduct a physical inventory <u>at least annually</u> to verify their existence and the quantity on hand.
  - Establish physical inventory schedule and cycle for storage visits
  - Establish specific inventory count procedures and instructions with inventory count sheet templates
  - Prepare and organize storage for inventory count. Make sure that only materials and supplies to which the City has title on the date of inventory is included in the count
  - Inventory count staff must have adequate knowledge and experience and be independent from the storage staff. Counters should work in pairs and be monitored by supervisors.
  - Full counts must be scheduled at least annually, accompanied with random sample counts or cycle counts
  - Sample counts should include all high dollar items and randomly selected items
  - A department may conduct a different method in its inventory count; however, its related department inventory policy must be approved by the Controller's Office.
- Ensure inventory management system records accurately reflect inventory on hand.
  - Inventory system records must be promptly adjusted for any discrepancies identified in the physical counts
  - Periodically review the inventory records for reasonableness and appropriateness of any changes to inventory unit cost, inventory valuation, and unit of measure

- Periodically review the inventory for obsolescence and reasonableness of inventory classification
- Periodically analyze usage of inventories to determine the desired frequency of counts.
- Investigate significant discrepancies between the physical count, the inventory system records, and the accounting records; document the reasons for discrepancy, and take corrective actions to reduce future discrepancies. Any related adjustments in the inventory system and the financial system must be reviewed and approved by management.
- For audit purposes, retain all documentation in the accounting office and also at the location(s) of all physical inventories.
- For office supplies, conduct physical inventory counts only if the dollar amount of the inventory is significant.
- Establish performance measurement systems to hold appropriate personnel accountable for accomplishing a consistent, accurate physical count of inventory.

Accounting & Financial Reporting of Inventories

- Governmental funds use the purchase method to account for supply inventories, which are not material. This method records items as expenditures when they are acquired.
- Proprietary funds value inventory at cost or average cost and expense inventory as it is consumed.
- All Generally Accepted Accounting Principles (GAAP) costing methods are allowed as long as they are being consistently used throughout and between fiscal years. GAAP inventory costing methods include (see Accounting Guidelines section below for definitions of the costing methods):
  - First-in-first-out (FIFO)
  - Last-in-first-out (LIFO)
  - Average/Weighted Average
- Inventory valuation includes both the purchase price and the sales and use tax. For more information on related taxes, refer to *Section 4.5 - Sales & Use Taxes*.
- The following adjustments must be approved by management and recorded in the financial system:
  - For discrepancies found in physical inventory count, adjust the general ledger to reflect the actual cost of the inventories on hand.
  - Adjust inventory general ledger for disposal of obsolete inventories.
  - Adjust inventory general ledger in the financial system at least annually before the end of each fiscal year.
- For physical counts conducted at fiscal year-end, receipts and issuances around year end should be reconciled to include items in transit.

Written Department Inventory Policies & Procedures

Establish department policies and procedures addressing at least the following areas:

- Segregation of duties
- Inventory planning
- Obsolete inventory monitoring
- Physical custody
- Physical count
- Inventory valuation
- Inventory recording
- Financial reporting
- Records retention.

6.2 | Accounting Guidelines

Governmental funds use the purchase method to account for supply inventories, which are not material. This method records items as expenditures when they are acquired. Proprietary funds (Enterprise and Internal Service Funds) value inventory at cost or average cost and expense supply inventory as it is consumed. Inventory valuation is calculated by each department.

As stated in the Policy Guidelines section above, all GAAP costing methods are allowed as long as they are consistently used throughout and between fiscal years. The definitions of the costing methods are as follows:

- FIFO: inventory usage is based upon the cost of material bought earliest in the period, while inventory on hand is based upon the cost of material bought later in the period. This results in inventory being valued close to current replacement cost.
- LIFO: inventory usage is based upon the cost of material bought towards the end of the period. The inventory on hand, however, is valued on the basis of the cost of materials bought earlier in the period. This results in inventory being valued close to historical cost.
- Average/Weighted Average: both inventory on hand and inventory usage are based upon the average cost of all units bought during the period.

For Proprietary funds, inventory purchase, usage and adjustment must be reflected in General Ledger (G/L) 157 (INVENTORIES). It is important to use the correct sub-object for inventory recording in the financial system. When using the following three sub-objects, G/L 157 will be updated:

04110   INVENTORIES-PURCHASE

04120   INVENTORIES-USAGE

04199   INVENTORIES ADJUSTMENTS

For illustrations on recording inventory purchase, usage and adjustments in the financial system, refer to *Section 16 - How-to & Screenshots*. There may be variations in accounting transactions for each department. For any questions, contact your Controller's Office Fund Accountant.

7 | INTERDEPARTMENTAL SERVICES*

This section describes the policies and procedures for interdepartmental service agreements (ISA) for work order services provided by one department to another on a cost reimbursement basis. Work order budgets must comply with the provisions of the *Budget and Appropriation Ordinance (Budget Ordinance) Section 9 (Interdepartmental Services)*:

The Controller is hereby authorized and directed to prescribe the method to be used in making payments for interdepartmental services in accordance with the provisions of Section 3.105 of the Charter, and to provide for the establishment of interdepartmental reserves which may be required to pay for future obligations which result from current performances. Whenever in the judgment of the Controller, the amounts which have been set aside for such purposes are no longer required or are in excess of the amount which is then currently estimated to be required, the Controller shall transfer the amount no longer required to the fund balance of the particular fund of which the reserve is a part. Provided further that no expenditure shall be made for personnel services, rent, equipment and capital outlay purposes from any interdepartmental reserve or work order fund without specific appropriation by the Board of Supervisors. The amount detailed in departmental budgets for services of other City departments cannot be transferred to other spending categories without prior agreement from both the requesting and performing departments. The Controller, pursuant to the provisions of Charter Section 3.105, shall review and may adjust charges or fees for services that may be authorized by the Board of Supervisors for the administration of the Computer Store. Such fees are hereby appropriated for that purpose.

7.1 | Overview

Departments of the City & County of San Francisco (CCSF) may establish a memorandum of understanding (MOU) or interdepartmental service agreement (ISA) for work orders with each other for the purpose of requesting and performing interdepartmental services. Although an MOU or ISA is not required if the work budget is established during the *Annual Appropriation Ordinance* (AAO) process, development of a written agreement is strongly encouraged as a best practice and, in some instances, may be a regulatory requirement.

There are two parties to an ISA or MOU:

- Performing Department – the department doing the services
- Requesting Department – the department receiving the services

Based on the MOU or ISA, the performing department sets up a work order recovery budget and account while the requesting department sets up a work order expenditure budget and account. The performing department then encumbers the funds from the requesting department through an

interdepartmental work order. The interdepartmental work order is cost recovery-based. The performing department first performs the service (incurs the cost), then recovers the costs from the requesting department by billing against the work order. The billing charges the expenditures under "Services of Other Departments" of the requesting department and credits the "Expenditure Recovery" account of the performing department.

At fiscal year-end, the interdepartmental service appropriations for annual funds are closed if services are completed. If services are not complete, they are requested to be carried forward upon agreement by both parties. Outstanding work orders supported by continuing funds will be automatically carried forward to the new fiscal year.

7.1.1 | Memorandum of Understanding (MOU) / Interdepartmental Service Agreement (ISA)

The requesting department creates a memorandum of understanding (MOU) or interdepartmental service agreement (ISA) describing the scope of the interdepartmental services to be provided and the basis for the cost of services. The requesting department should also define in the MOU the level of detail for any documentation it requires from the performing departments as proof of service provided. Such documentation shall be discussed with the performing department. The MOU or ISA must be signed by the Department Heads of both the requesting and performing departments prior to the creation of the work order.

If the services of the work order are grant funded, the requesting department must inform the performing department. The performing department should only accept the work order if it can comply with the grant requirements.

If positions, rates, position designations, or line item budgeted amounts are changed subsequent to the initial MOU/ISA, then an amended MOU/ISA must be signed by the Department Heads or Designated Signatory of both the requesting and performing departments, unless the original MOU/ISA contains provision for such changes. (Note that Designated Signatories for MOUs/ISAs should be on file with the Controller's Office.) If changes are minor or immaterial, then other forms of written communication such as e-mail may be used to document the changes and acknowledgement by both parties. Departments should confirm with their Fund Accountants for what qualifies as "minor" or "immaterial".

See the following Figure for a work order MOU template.

FIGURE 7-1. WORK ORDER MOU TEMPLATE (WILL BE UPDATED UPON IMPLEMENTATION OF PEOPLESOFT ACCOUNTING)

<div style="border:1px solid">

Memorandum of Understanding
For Interdepartmental Services
Between the Departments: _____
(the Requesting Department)
And
The _____ (the Performing Department)
For the Fiscal Year 20_____ - 20_____

☐

Initial MOU

☐

Modification #

The purpose of this document is to provide a written agreement between the requesting and performing departments for services to be provided through interdepartmental work orders. Performing departments must initiate this form and have it signed by requesting and performing Department Heads. Both departments should retain copies for audit purposes.

Performing Department services as itemized below:
Service #
1.

Budgeted Amounts:

Service # Above	Budgeted Amt	Performing Department		Requesting Department	
		Index Code	Subobj	Index Code	Subobj
			086_ _		081_ _
TOTAL					

</div>

MOU – Page 2

Method of Calculation of Charges:

Describe the calculation for each type of service in detail.

Billing Documentation Required from Performing Department Before Approval of Charges:

(Such as City personnel costs detailed, non-labor costs, other detailed documentation, etc.)

Billing Disputes:

Disputes shall be resolved by the Performing Department's Finance Director and the Requesting Department's Finance Director as necessary.

This MOU has been entered into on the dates below.

_____   _____   _____
Requesting Department Head   Print Name and Title   Date
Or Designee Signature

_____   _____   _____
Performing Department Head   Print Name and Title   Date
Or Designee Signature

7.1.2 | Work Authorizations

- Work Authorization are used to allow departments within the City to provide services to each other
- Work Authorizations do not utilize 081/086 and the original appropriation remains in the same project and sub-fund.
- Budget appropriations are transferred to performing department
- Work Authorizations are also considered direct charges to requesting department

7.2 | Procedures for Work Orders

Described below are more detailed procedures involving the technicalities of the work order cycle:

1. Budgeting
2. Encumbrance
3. Expenditure
4. Billing
5. Service to Outside Agencies
6. Adjustments
7. Liquidation / Carryforward
8. Year-End Process
9. Exceptions

7.2.1 | Budgeting

Through the City's budget process and the AAO, work order budgets, which provide the authorization of delivery of services by the performing department, are set up on the requesting department side A corresponding expenditure recovery account is set up on the performing department side that will be used to recover the cost of services provided when billing the incurred expenditures against the requesting department's budget. Work orders included in the budget process are automatically encumbered after the adoption of the budget.

7.2.1.1 | BUDGET SET UP THROUGH AAO

A MOU or ISA is signed by both the requesting and performing department with the scope and cost of services to be performed for each item included in the interdepartmental service budgets. The interdepartmental service budgets included in the annual budget process are appropriated as a function of posting the Budget Ordinance. These automated budget interface entries display the document type "BI" in July after the Board of Supervisors has adopted the budget. The automated encumbrances for the budgeted work orders are processed in August and display the document type "WK".

- Requesting department submits the budget request in Budget Ordinance under sub-object 081XX (XX is the performing department code)
- Performing department submits the request in Budget Ordinance under regular labor and non-labor characters, and a corresponding recovery budget under sub-object 086XX (XX is the requesting department code)

Note that the work order budget is controlled at the sub-object level to ensure one work order does not tap into the budget of another work order.

7.2.1.2 | MANUAL BUDGET SET UP

For new and additional work orders not included in the budget process, performing departments are required to establish the budgets manually. For new work orders, a MOU or ISA is signed by both the requesting and performing department with the scope and cost of services to be performed. Refer to procedures described below for requesting and performing departments.

Requesting Department

Use document type JE, RE (RIMS) or BA if the appropriation is funded from the same character or same project, otherwise use document type SU if qualified as a surplus transfer. Establish budget using sub-objects 081XX (XX is the 2-character Department Code) to identify the performing department. For step-by-step illustrations on requesting department work order budget setup, refer to *Section 16 - How-To & Screenshots.*

Performing Department

For new or additional work orders received or modifications to existing work orders after the budget process, the performing department submits a document type BW and prefix BW to adjust the performing department's budget.

- Establish recovery budget using recovery sub-objects 086XX (XX is the 2-character Department Code) to identify the requesting department.
- Alternatively, instead of recording expenditure recovery budget, set up budget for estimated revenue. This alternative is only used when services are charged above cost, and is primarily used in enterprise funds for charges of services. Interdepartmental services in this case are not expenditures but revenues to the performing department. If your fund is in a governmental fund and you wish to charge work orders as revenues, please contact your Fund Accountant.

For step-by-step illustrations on performing department work order budget setup, refer to *Section 16 - How-To & Screenshots.*

7.2.2 | Encumbrance

For interdepartmental service agreements established after the AAO budget process, a manual set-up of work orders in the financial systems is necessary. A MOU/ISA and journal entries for manual budget set-up and encumbrance of work orders must be approved by both requesting and performing departments.

Once the budget is approved by the Mayor and the Board or manually set up, an encumbrance is created in the requesting department fund against the budgeted 081XX sub-object, either through budget interface or manual entries. This is to set aside funds in the requesting department fund to ensure that the performing department will be able to recover the cost of the services provided.

7.2.2.1 | AUTOMATED WORK ORDER ENCUMBRANCES

Automated encumbrances are processed at the beginning of the fiscal year so that the amount budgeted for interdepartmental services will be encumbered and made available to the performing department. These amounts are automatically encumbered each year in August after the Board of Supervisors adopts the final budget. If requesting departments wish to reduce their budget for interdepartmental services, the concurrence of the performing department is needed. The automated process includes distribution of interdepartmental recovery under sub-object 08699 to department specific 086 sub-objects (e.g., 086CO). The distribution is based on 081 budget by requesting department mapped to the performing department's cost center. WK is used for the systematic encumbrance and is only used in the AAO process.

7.2.2.2 | MANUAL WORK ORDER ENCUMBRANCES

The performing department initiates the entry to create the work order encumbrance on the basis of a MOU/ISA signed by both the requesting and performing departments. Any questions or disputes regarding the amount and/or work order services should be settled between the performing and the requesting departments.

The approver reviews the MOU/ISA, authorization, amounts, and scope of services. To check funding, use FAMIS screen 6250-Appropriation Control Inquiry by entering the index code from the work order encumbrance document.

To manually establish work order encumbrances for new work orders not included in the annual budget process, use the following document type and document prefix:

- Document Type: IS (systematic numbering scheme)
- Document Prefix: WN (non-project), or WP (project-related)

For details on work order encumbrance setup, refer to *Section 16 - How-To & Screenshots*.

With MOU/ISA, budget, and encumbrance in place, the performing department provides services. The performing department incurs labor and/or non-labor expenditures, and records them in the corresponding sub-objects in (depending on departments):

- Performing department operating fund
- Performing department work order fund
- Performing department work order project

7.2.2.3 | SPENDING CONTROLS

Encumbrance and appropriation spending controls are set up at the individual work order or sub-object level. The sub-object control level ensures that one work order cannot tap into another work order's appropriation.

7.2.3 | Billing

Work order billings submitted by performing departments require the approval of requesting departments. Billings should be made at least quarterly, and preferably monthly. Supporting documentation should be sent at the time of billing. Certain departments such as Public Works and Department of Technology use an automated billing process due to the volume of transactions.

Work order billings record cost recovery in performing department funds under 086XX, and record expenditures in requesting department funds under 081XX.

7.2.3.1 | MANUAL BILLING

Performing departments should bill quarterly, and preferably monthly, to be assured of recovery and/or to avoid any last minute rushes at year-end. The final billing at year-end should reflect any adjustments due to reconciliation or changes in actual numbers.

To minimize the time the work order billing documents are on the approval path, bill only one department on each document. Multiple affected departments' approvals for one document will prolong the approval process, especially if there are disputes on the billed amounts.

Performing department is expected to support billing by providing documentation to the requesting department at the time of billing. Documentation may include, but is not limited to: labor distribution reports (LDRs), copies of invoices, and itemized receipts. In cases where confidentiality laws apply, such as the City Attorney's work product privilege, summary billing reports may suffice. Upon request, City Attorney's Office may provide, at its discretion, detailed back-up documentation on a case-by-case basis. Any questions or disputes regarding the amount, work order services, and documentation should be resolved between the performing and the requesting departments promptly.

Work order billing is not included in the Controller's approval path. The performing department initiates the billing entry, which goes on the approval path of the requesting department. Requesting departments should process the billing within five (5) business days, either approving the billing based on satisfactory service and documentation provided, or rejecting the billing with an explanation in the Notepad for the rejection.

Performing departments bill the requesting departments using document type WS (RIMS) or WE (non-RIMS). For step-by-step illustrations on work order billing entries, refer to *Section 16 - How-To & Screenshots*.

7.2.3.2 | AUTOMATED INTERFACE BILLING

Two (2) departments, Public Works and Department of Technology, use their own customized automated billing systems.

For federal compliance reasons, the Airport cannot be billed automatically, and must be billed manually unless otherwise specified in the MOU/ISA.

7.2.4 | Services to Outside Agencies*

When services are requested by outside agencies—such as the Unified School District, City College, and Housing Authority—no work orders will be issued. Performing departments should establish expenditure budget using regular expenditure sub-objects and record recovery as revenue in the appropriate fund.

7.2.5 | Adjustments

Work order adjustments or modifications can be made during the fiscal year. Any adjustments or modifications require the approval of both requesting and performing departments. Be sure to amend any MOU/ISA as necessary.

Work order adjustments such as increases, decreases, or cancellations, can be processed during the year, whereby the performing department initiates the entry, which goes on to the requesting department's approval path for processing. In addition to adjusting the encumbrances, it is important to adjust the appropriation accordingly. This means that when work order encumbrances are to be reduced, the appropriation needs to be reduced as well by the same amount. Any modification to decrease the requesting department's work order encumbrance requires a corresponding decrease to the performing department's appropriation and recovery budget. There must a corresponding amended MOU/ISA signed by both the requesting and performing departments to reflect the changes.

7.2.5.1 | MODIFYING WORK ORDERS

The performing department initiates the entry to create the work order modification on the basis of an MOU/ISA signed by both the requesting and performing departments. Use the following document type and document prefix:

- Document Type: IS (systematic numbering scheme)
- Document Prefix: WC (modifications)

Work Order Increase

When work order encumbrances are to be increased, the appropriation needs to be increased accordingly.

- Requesting department needs to approve and increase work order budget to increase budget under sub-object 081XX and to decrease appropriation of the funding source.
- Performing department then initiates the entry to increase work order encumbrances.
- The performing department must also increase appropriation of the funding source and increase the recovery budget.

For step-by-step illustrations on work order increase entries for both the requesting and the performing departments, refer to *Section 16 - How-To & Screenshots*.

Work Order Decrease

When work order encumbrances are to be reduced or cancelled, the appropriation needs to be reduced accordingly.

- Performing department initiates the entry to decrease work order encumbrances.
- Performing department must also decrease appropriation of the funding source and decrease the expenditure recovery budget.
- Requesting department should return excess funding to the source from which the original work order budget was transferred and decrease the appropriation of the funding source for the work order under sub-object 081XX.

For step-by-step illustrations on work order decrease entries for both the requesting and the performing departments, refer to *Section 16 - How-To & Screenshots*.

7.2.5.2 | CLEARING ERRORS & ADJUSTMENTS

Billing Adjustments

Billing adjustments require document type WS (RIMS) or WE (non-RIMS). For billings against encumbrances, be sure to indicate the original work order encumbrance document number in the

Document Reference field. Refer to *Section 16 - How-To & Screenshots* for step-by-step illustrations on adjustments for both billings against encumbrances and billings without encumbrances.

Adjustments for Billings Liquidating Encumbrances

To adjust for over-liquidation, performing department should make corrective adjusting entries.

To adjust for under-liquidation, simply bill more by increasing encumbered expenditures in the requesting department's account and increase expenditure recovery in performing department's account. For step-by-step illustrations on work order liquidation adjustments, refer to *Section 16 - How-To & Screenshots*.

7.2.5.3 | COMMUNICATION BETWEEN PERFORMING AND REQUESTING DEPARTMENTS

Performing department should periodically advise requesting department of progress and possible over-billing. When budget over-runs are certain, the budget needs to be adjusted accordingly, otherwise billing triggers posting errors of "appropriation exceeded."

7.2.6 | Liquidation / Carryforward

Once the work has been completed and fully billed, the balance in the work order, if any, should be liquidated. At fiscal year-end, work order appropriation carryforward requests are needed for work orders supported by annual funds. The Controller's Office sends both the requesting and performing departments a listing of outstanding work orders. Both requesting and performing departments review the listings and reach consensual agreement in determining which work orders are to be requested for carryforward. Where disputes exist regarding the carryforward, both the requesting department and performing department must work to reach a compromise or resolution. In the event that a dispute is not resolved, the Controller shall have the final decision.

Upon the Controller's Office approval of the carryforward requests, an automated process to carryforward performing and requesting departments' appropriations to support the approved requesting work order balances will be performed. Without the approved carryforward requests in annual funds, unexpended appropriations are closed at year-end.

Outstanding work orders and corresponding appropriations supported by continuing funds will be automatically carried over to the new fiscal year.

Timeline

- On July 1, the new fiscal year will be opened in FAMIS with prior fiscal year open work orders "rolled over" without appropriation support. This is included with the new fiscal year work order encumbrances.
- In August, listings of outstanding work orders will be provided by the Controller's Office to both performing and requesting departments to agree on carryforward needs.

- After the Controller's Office approval of the identified carryforwards, the work orders to be closed will be entered into "table 1090" for the encumbrance document closeout process. Appropriation balances of encumbrances not approved for carryforwards are closed.
- In September, upon approval of the Controller's Office, the automated carryforwards of requesting departments appropriation to support the approved work order encumbrances will be performed (program FAMJ9820-document and appropriation carryforward).
- In September, automated carryforward of performing department's appropriation to support the approved requesting work order encumbrances will be performed. The expenditure appropriation is reflected in sub-object 06A00 and calculated performing expenditure recovery appropriation 086XX for the recovery.
- In fiscal period 14, the requesting departments' remaining work order encumbrances approved for carryforward and the corresponding appropriation will be reduced accordingly. In fiscal month 01 of the new year, the encumbrance and the corresponding appropriation will be reflected in FAMIS. The automated encumbrance of the new fiscal year work orders will also be reflected after the budget interface
- Prior year carryforward budgets under sub-object "06A00" Interdepartmental Service Expenditures must be reallocated to the same expenditure accounts budgeted in the prior year.
- The scope and budgeted amount of any carryforwards should be reflected in the work order MOU/ISA.

7.2.7 | Year-End Processes*

Sometimes, despite a performing department's best efforts, it may find itself submitting a billing that does not yet have sufficient support, or one that has been submitted too late in the process for the requesting department to adequately review. If the requesting department does not have sufficient time prior to the Controller's Office's year-end work order payment deadline to conduct a sufficient review, then the requesting department may proceed with a conditional approval of the work order billing.

The following guidelines apply to year-end conditional approvals of work order billings:

- The performing department should provide any outstanding documentation to the requesting department no later than the end of Q1 of the following fiscal year.
- The requesting department should review any conditionally approved work order billings as soon as allowable, but no later than five (5) business days after the receipt of complete work order billing documentation.
- If the requesting department determines that it was mistakenly charged, it will contact the performing department with notification of the error, copying the Controller's Office. The two departments will then work out, in consultation with the Controller's Office, whether a credit or debit is due.

- If the requesting department was overcharged or charged for ineligible costs, the performing department will reimburse the requesting department either by:
  (1) a direct payment from the performing department to the requesting department, or
  (2) a credit against the performing department's next work order billing (if such a billing is anticipated).
- If the requesting department was undercharged, the performing department will recover the undercharge amount either by:
  (1) a direct payment from the requesting department to the performing department, or
  (2) an additional charge in the performing department's next work order billing (if such a billing is anticipated).
- The Controller's Office may determine that a credit or debit is immaterial following review of a conditional approval, and recommend no further action.

7.2.8 | Exceptions

Requests for exceptions to the interdepartmental service agreement guidelines in the Controller's Office's *Accounting Policies & Procedures* must be submitted to the Controller's Office for prior approval. To request an approved exception, submit your department's written work order policies and procedures for review.

7.2.9 | Frequently Asked Questions*

[PENDING]

8 | CASH RECEIPTS & REVENUE

The purpose of this section is to instruct City departments on how to properly process cash receipts, and timely and correctly post the revenue into the financial system.

8.1 | Cash Receipts

This section provides guidelines to departments for receiving cash receipts. These guidelines are issued under the authority granted to the Controller's Office in *City Charter*, Article I, Section 3.105. The *Administrative Code* also confers authority to certain departments to realize specific types of revenue.

For the purposes of this document, "cash" is any device that stores value and can be transferred between parties through a mutually agreed medium of exchange. In day-to-day business operations performed by City departments, "cash" is received in the forms of:

- ☐ Coins and bills (US currency)
- ☐ Credit cards
- ☐ Debit cards
- ☐ Checks (personal checks, cashier's checks, money orders)
- ☐ Electronic funds transfer (EFT) in the forms of wire, automated clearing house (ACH), *etc.*

"Cash" can be received by City departments through:

- ☐ In-person, over-the-counter, or point-of-sale transactions
- ☐ Online, electronic, or interactive voice response (IVR) phone system transactions
- ☐ Mailed remittances.

Departments must abide by the following cash deposit and recording guidelines:

- All cash received by any officer or employee of the City for, or in connection with the business of, the City, shall be deposited with the Treasurer or a City bank account <u>no later than the next business day</u> after its receipt.
- Departments must immediately endorse upon receipt checks, money orders, and other negotiable instruments that are being physically deposited, to prevent them from being negotiated or endorsed by someone other than the department.

- Cash receipt transactions should be recorded in the City's financial system on or about the same time the money is deposited. With pre-approval from AOSD Fund Accountants, exceptions to this timeframe may be granted, but cash receipts must be recorded in the financial system <u>no longer than fifteen (15) calendar days after the receipt</u> of funds.

Departments whose operations cannot meet the above requirements must contact their Controller's Office Fund Accountant to make other arrangements. The following sections set forth the requirements for City departments responsible for cash receipts.

8.2 | Properly Handling Cash

It is the responsibility of City departments to have effective controls in place to accurately collect and safeguard cash, properly and timely deposit all cash due to the City, monitor cash balances, and record the correct amount and type of cash collected and deposited in the City's financial system. Different departments receive various types of revenues, and each department requires specific revenue and cash management procedures.

8.2.1 | Department Documentation

Departments must develop detailed, written policies and procedures that will guide staff on safeguarding cash, processing transactions, handling, reconciling, and recording collections. There should be adequate separation of duties and good internal controls in all phases of cash handling. Department policies and procedures for cash handling processes and controls should include, but not necessarily be limited to, the following areas:

- ☐ Segregation of duties

- ☐ Security

- ☐ Tracking of cash

- ☐ Payment collection and depositing of cash receipts

- ☐ Inventory control over cash receipt books

- ☐ Data security over credit and debit transactions

- ☐ Reconciliation of daily collections

- ☐ Training of cash handling staff

8.2.1.1 | WRITTEN CASH HANDLING PROCEDURES

Departments must develop cash handling policies and procedures for their specific operations. Procedures must reduce the risk of errors and irregularities and should incorporate good internal controls, including segregation of duties. Procedures must be documented and communicated to staff. Management should monitor compliance with these procedures and update them as needed to reflect changes in conditions. A copy must be provided to the department's Fund Accountant at the Controller's Office. Any exceptions to City cash handling policy must be documented and approved by the Controller's Office.

Departments' cash handling documentation should include the following as applicable:

- General information as to sources of cash received, bank accounts, and/or investments held with trustees
- Cash receipts processes describing methods of receiving customer payments and how customer deposits are processed
    - Cash, checks, debit and credit card payments
    - Wire transfers (*i.e.*, federal and state receipts) and ACH payments through third party electronic billing system, Paymode-X, or Automatic Bill Pay, *etc.*
    - Payments by mail
    - Interactive Voice Response System (IVR)
    - Online payments
    - Cash and checks received directly by Accounting
    - Lock box deposits
- Reconciliation of deposits
- Research processing
    - Unidentified payments received
    - Returned checks from bank
- Accounting procedures for recording collections and deposits
- Analytical review by staff that do not handle cash to monitor daily cash balances and trends or variances
- Inventory control over receipt books.

Role-specific desk procedures should be formalized for staff who are tasked with safeguarding cash, processing transactions, and handling collections. These desk procedures should be updated periodically and staff appropriately trained in the handling of cash, based on their duties.

Departments must document and maintain a list of names and titles of all staff who collect cash; record cash receipts; deposit cash; reconcile cash; have access to safes, vaults, *etc.*; prepare accounting entries for financial system(s); or manage revolving funds.

8.2.2 | Cash Handling Segregation of Duties

Segregation of duties is an essential component of a department's internal controls (refer to *Section 1.7 - Internal Controls* for a full discussion of internal controls).

> **Segregation of duties requires that different staff have responsibility for different steps in the process. Receiving revenue, making deposits, and reconciling collections and deposits should not be done by the same staff person. The extent of controls put into any cash handling process should reflect the associated risks for misappropriation.**

Departments shall develop a plan of organization that provides segregation of duties appropriate for proper safeguarding of the City's assets. Key duties such as receiving cash, making deposits, and reviewing or auditing shall be assigned to separate individuals to minimize the risk for loss. A satisfactory internal control system depends largely on the elimination of opportunities to perpetrate and then conceal errors or irregularities. This in turn depends on the assignment of work in such a fashion that no one individual controls all phases of an activity or transaction.

Segregation of duties for each part of the cash handling process also requires that all transactions and supporting documents are accurately and properly recorded in department documents and systems. Departments must enforce dual custody and segregation of duties for handling and managing cash by ensuring the proper safeguards are in place, for example:

- The supervisor should observe and verify each cashier's cash count for end-of-day balancing
- Cash counts certified by two employees should occur for all deposits prepared for armored courier pickup
- Cash acceptance certified by two employees should occur for armored courier shipments
- Individuals present during cash counts and acceptances should sign directly on the cash count forms
- Signatures are required on reconciliation documents indicating their presence for the cash deposit reconciliation and that totals agree
- Employees responsible for collecting cash are prohibited from preparing bank deposits
- Back-up staff are identified in case of absence of key employees
- Only employees who need the combination to the safe should have access to the safe
- At least two staff should be present to open a safe
- Staff who prepares deposit should not be responsible for processing non-sufficient fund (NSF) checks.

The following Table provides some general guidelines for basic internal controls and methods for segregating duties for various types of cash receipts.

TABLE 8-1. CASH HANDLING INTERNAL CONTROL EXAMPLES

METHOD OF PAYMENT	BASIC INTERNAL CONTROLS
Online payment receipts (*e.g.*, ACH, automatic bill pay) and IVR receipts	Segregation of duties between processing and reconciliation
Over the counter (OTC) <u>with</u> point of sale system (POS) (*e.g.*, cash, checks, debit card, credit card payments)	• System-generated receipt issued for each transaction • Cashier performs end-of-day blind count on his/her drawer to reconcile cash to system • Count is verified by supervisor • Cash drawers are locked when not in use • Segregation of duties between collection, depositing, recording, NSF processing and receipts reconciling
OTC <u>without</u> POS (*e.g.*, cash and check only)	• Clerk issues pre-numbered receipt for each transaction and endorses checks • Cash and checks reconciled against receipts in dual custody • Safeguard proceeds securely until deposit • Segregation of duties between collection, depositing, recording, and reconciling receipts
Mailed payments <u>without</u> POS (*e.g.*, check)	• Clerk prepares list/spreadsheet (preferably in dual custody) of payments and endorses checks • Maintain proceeds securely until deposit • Segregation of duties between collection, depositing, recording, and reconciling receipts
Lockbox payment receipts (*e.g.*, check)	Segregation of duties between processing in the financial system and reconciliation

8.2.2.1 | TRAIN CASH HANDLING STAFF

Departments must ensure employees are well trained in important cash handling functions and maintain adequate segregation of duties by:

- Implementing a detailed annual training program of cash-handling procedures.
- Ensuring back-up staff's ability to perform each segregated set of cash-handling functions.
- Documenting all training that is provided.
- Exploring ways to train staff involved in collections to increase their ability to detect counterfeit currency, such as using a counterfeit pen or counterfeit detector.

8.2.3 | Security for Cash Receipts

Departments need to ensure security cash receipts by:

- Securing buildings, facilities, and conveyances for incoming cash receipts
- Securing the custody of cash receipts
- Timely depositing cash
- Maintaining controls
- Performing reconciliations.

8.2.3.1 | PHYSICAL SECURITY

Departments must analyze the security needs of each cash collection point and strengthen security controls whenever necessary. This might include installing security cameras that can monitor all areas where cash is collected and handled, providing additional security guards, and securing the safe and cash registers or drawers. In addition:

- Cashier areas must be restricted to cashier personnel and other authorized persons. Access doors to area should be locked at all times.
- During business hours, all active cash drawers should be secured in a locked drawer at the cashier window, including lunches and breaks.
- The key to the cash drawer should remain in the sole custody of the cashier and should never be given to anyone else or left in the drawer when the cashier is away from the window.
- Unused cash drawers must remain in the vault storage during the day.
- Department cashiering staff must avoid counting cash in view of the public during hours of operation. To prevent this process from being observed, windows should be covered or counts should occur in locations beyond the public's view.

Departments should arrange armored car pickup for transporting large amounts of cash and checks, or if not feasible, contact the Treasurer's Office. This procedure will minimize risk to staff's personal safety and decrease the risk of cash being unprotected.

Point of Sale (POS) systems used by departments should regularly prompt users to change their password. Industry standards indicate passwords should be changed every 60 to 90 days and users should not be allowed to reuse old passwords. Frequently changed passwords have the benefit of preventing predictability and provide greater protection of confidential customer information.

In the event that an emergency requires that the section staff evacuate from the area, all negotiable instruments must be locked and secured immediately. The key to the cash drawers will remain in the possession of the assigned cashier. All checks and any unopened mail must be placed in a secure location. After all items are locked up, the building must be evacuated immediately until further instructions from authorized personnel.

8.2.3.2 | TRACKING OF CASH

Departments need to ensure that cash is tracked from the point it enters into the department's custody until the cash is deposited, as follows:

- Perform and document beginning counts of the cash placed in each drawer.
- Implement a cash management system that allows each cashier to have their own cash drawer and can then be held responsible for any cash shortages and overages.
- Ensure that cash registers allow individual users to input a unique log-in code when they conduct a transaction. This will help track any shortages or overages, or misappropriation of cash so they can be properly investigated and resolved.
- Remind employees to log out of the POS (Point of Sale) system.

8.2.3.3 | PAYMENT COLLECTION & DEPOSITING OF CASH / TIMELINESS OF RECORDING

The Office of the Treasurer and Tax Collector (TTX) has promulgated Departmental Guidelines #2014-1 (issued September 13, 2013) regarding the overall management and processing of receipts throughout the City. This section summarizes the cash handling requirements of TTX #2014-1.

Collections & Deposits

Departments must coordinate and consult with TTX to determine appropriate depository services required by departments, such as armored car service, remote deposit service, lockbox service, *etc.*

A department may create its own policy to restrict or eliminate check acceptance in the following cases:

- There is high volume of returned checks for reasons such as non-sufficient funds (NSFs), closed account, invalid routing number, *etc.*

- Individual transactions are low dollar amounts
- There is no other means to recover payment after service is provided.

In addition, departments with customers who are "repeat NSF offenders" may instruct those customers to bring cash, cashier's check, or money order, or pay in person using a credit or debit card, or send ACH or wire payments next time they attempt to make payments.

> **In all circumstances, funds collected directly by the department or through a third party service provider must be deposited no later than the next business day to a duly authorized City account. Departments needing an exception must get prior authorization from TTX.**

The above standard applies to all City contractors and vendors.

Transactions for these receipts should be recorded in the City's financial system on or about the same time the money is deposited, but no longer than fifteen (15) business days after the receipt of funds.

Checks and money orders must be drawn on banks domiciled in the United States only and cash must only be in US bills and coins. Departments should not accept payments in foreign currency (checks or cash). Departments needing an exception must get prior authorization from TTX.

Accounting & Reconciliation

The Treasurer's Group of Accounts (TGOA) in FAMIS is monitored by TTX to ensure that all zero balance accounts (ZBA) have zero balances at the end of each day and are reconciled at the end of the month. For that process to take place, departments must reconcile their respective bank accounts on a monthly basis. Examples of these accounts are credit card settlement, disbursement, lockbox, depository, and department summary accounts. Many departments, especially those depositing to the City's main depository bank account, have been given their own depository account to make the reconciliation process easier for GL 1408D2 and for the remaining departments using the 1408D2 account. Many departments have also been given a department summary level account into which all ZBAs belonging to the department will roll up at the end of the day.

Departments must submit monthly bank reconciliation reports for each of their bank accounts via e-mail to the Controller's Cash Reconciliation Unit (cash.reconciliation@sfgov.org) no later than the tenth (10th) day of the following month. Departments must address all reconciling items and correct any errors on a monthly basis. The reconciliation process entails reconciling the bank statement balance to the book balance in TGOA.

Deposited items returned by the banks for reasons such as NSF, invalid routing number, or closed accounts go back to the specified account where the items were originally deposited. Departments are given access to the images of the returned deposited items so they can process those in a timely manner.

Third Party Contracts for Cash Receipt Services

Procurement and implementation of third party contracts that are related to cash collection services (*i.e.*, merchant processing, gateway, payment applications, systems with a payment component, online payments, *etc.*) must be approved by TTX to ensure that the services procured comply with banking regulations and Payment Card Industry (PCI) Council requirements.

Departments with third party contracts to process cash receipts must:

- Perform annual monitoring of their vendors' compliance with PCI regulations, financial stability requirements, and industry ratings in the service being provided. Departments must coordinate with TTX for guidance on this effort.
- Perform periodic reviews of their third party vendors to ensure compliance with agreed upon procedures surrounding control processes such as segregation of functions between the third party administrator and the contracting department, dual signatory policy on checks, releasing of checks to payees, *etc.*
- Obtain a Service Organization Control (SOC) report from the third party vendor. SOC reports are internal control reports on the services provided by a service organization providing valuable information that users need to assess and address the risks associated with an outsourced service.

Each department relying on third party system/administrators must develop internal procedures describing their vendors' participation and role in the collection or disbursement process (*i.e.*, review/sign checks before they are released, release positive pay file, approve exceptions, *etc.*). In addition, departments must ask their third party administrators for a flowchart of the collection or payment processes and the mechanism and appropriate controls in place to safeguard City funds. These documents must be provided both to TTX and CON. For collection services, departments must complete the applicable Flow of Funds diagram in order for TTX to determine the parties involved and their accountability in the process.

Notifications on Incoming Receipts & Payment Requests through Electronic Funds Transfers (EFTs)

For the City to optimize its investment interest earnings potential, all departments are required to notify TTX as far in advance as possible (*i.e.*, as soon as you know) or no less than three (3) business days in advance of incoming receipts, other than regular operating revenues, that are over $10 million. These receipts can be in the form of federal wire transfers, automated clearing house (ACH) payments, or checks. Send these notifications to TTX.investment@sfgov.org and TTX.TWS@sfgov.org.

8.2.3.4 | INVENTORY CONTROL OVER CASH RECEIPT BOOKS & CASH REGISTER RECEIPTS

Departments must develop an inventory control system for receipt books. Such a system would use the range of numbers preprinted on receipts in the books currently in stock to record books used and returned. When reorders are necessary, departments should request the printer place sequential numbers on the face of the books so that an inventory control system can be maintained using those numbers. In addition, departments should ensure that copies of these sequentially numbered receipts are compared to cash collected.

Departments must implement policies and procedures related to customer receipt issuance at the location to systematically account for sales transactions. In particular:

- Install a cash register that generates sequenced receipts that contain transaction amount, date, time, quantity, and description.
- Place a sign at each transaction location that receipts are required to be provided to customers.
- Maintain copies of issued receipts generated for accounting, balancing, verification, and auditing purposes.

Finally, departments must establish and monitor a record retention policy for all cash receipts documentation.

8.2.3.5 | TTX'S PAYMENT CARD ACCEPTANCE AND PROCESSING POLICY

Below is the Office of the Treasurer & Tax Collector's *Payment Card Acceptance and Processing Policy* for policies on credit and debit card payments.

Definitions

For purposes of this policy:

- *Accepted Payment Cards*:
  For Point-of-sale (over the counter) transactions, Accepted Payment Cards are those that have been approved by the City and County of San Francisco ("CCSF") as payment cards that carry a logo of Visa, MasterCard and Discover. American Express is expected to be available in 2014. For web and Interactive Voice Recognition (IVR) transactions, Accepted Payment Cards are those that have been approved by CCSF as payment cards that carry a logo of Visa, MasterCard, American Express and Discover.
- *Cardholder Data* is any personally identifiable data associated with a cardholder. This includes cardholder's primary account number (PAN), expiration date, name, address, social security number, PINs/PIN blocks, Card Validation Code CVC2 (MasterCard), Card Validation Value CVV2 (Visa), or Cardmember ID (Discover) (*e.g.*, three- or four- digit value printed on the front or back of a Payment Card).
- *Merchant* is a department or a location of CCSF that accepts Payment Cards from cardholders.

- *Merchant Account* is an account established by CCSF's Merchant Processor for the purpose of collecting revenue from sale of goods and services.
- *Merchant Processor* is a financial institution of CCSF or a company with which CCSF is contracted to issue Merchant Accounts and process Payment Card transactions for various CCSF departments and locations. As of the date of this policy, Bank of America is CCSF's Merchant Processor for over-the-counter transactions. Paymentech is a Merchant Processor for web and IVR applications supported by FIS.
- "*Payment Card*" or "*Payment Cards*" refers to a range of different cards that can be presented by a cardholder to make a payment. This includes, but is not limited to, debit cards and credit cards bearing a credit card company logo.
- *Payment Card Acceptance and Processing* is defined as the use of mechanisms such as point-of-sale terminals (also, commonly referred to as "over-the-counter", "face-to-face", "cardholder present" methods of acceptance), interactive voice response system (IVR) or a web site to accept payment cards for payment of goods or services sold by any department of the CCSF, or for payment of taxes, fines and fees owed to the CCSF and/or the Courts.
- *PCI Standard* stands for Payment Card Industry Standard developed by the four major credit card brands (Visa, MasterCard, American Express and Discover) with a single approach to safeguarding Cardholder Data. The PCI Standard defines a series of mandatory practices for handling, transmitting and storing Cardholder Data.
- *PCI DSS* stands for Payment Card Industry Data Security Standard which is a set of requirements established by the four major credit card brands (Visa, MasterCard, American Express and Discover) to protect Cardholder Data.

Purpose

The purpose of this policy is to establish guidelines for Payment Card Acceptance and Processing, gathering, transmitting and handling Cardholder Data in compliance with PCI Standard and industry's best practices. This policy is effective August 1, 2010, and applies to all CCSF departments. CCSF views Payment Card Acceptance as a convenient and advantageous way to handle business transactions and as such, is widely used throughout CCSF.

The Treasurer's Office recognizes that some departments have unique methods of accepting Payment Cards and due to that, departments may modify this policy to suit their internal business processes and procedures. However, departments must make sure that any such modifications shall be in compliance with the PCI Standard and PCI DSS.

Establishing a New Over-the-Counter Merchant Account

For over-the-counter Payment Card acceptance, requests to open a new Merchant Account must be made by a department in writing or via email explaining the reason for the request. The request must be sent to Treasurer's Office Banking staff. Upon review of the request, the staff will prepare and submit all documentation to the Merchant Processor, facilitate ordering of equipment, and notify the department of

the assigned Merchant and bank account numbers. It is each Merchant's responsibility to ensure Payment Card acceptance is limited to the Accepted Payment Cards.

Departments are responsible for reviewing their merchant statements on a monthly basis to ensure billed fees are accurate and to be able to promptly inform Treasurer's Office Banking staff of any incorrect or improper charges.

Establishing a New Web or IVR Merchant Account

For web or IVR Payment Card acceptance, requests must be made by a department in writing or via email explaining the reason for the request. The request must be sent to Treasurer's Banking Staff who will work with the vendor in setting up the Merchant Account. It is each Merchant's responsibility to ensure Payment Card acceptance is limited to the Accepted Payment Cards.

Security & Confidentiality of Credit & Debit Card Data

Cardholder Data obtained in the course of a business transaction must be handled as confidential. Storing of sensitive authentication Cardholder Data, such as magnetic strip data, PINs/PIN blocks, CVV2 (Visa), CVC 2 (MasterCard), or Cardmember ID (Discover) in any form is prohibited as it violates PCI Standard and PCI DSS and will result in penalties and fines issued to CCSF.

Receiving Payment Card information via fax machine is discouraged. However, if fax communication is the only possible way to perform CCSF's business, the faxed document must be stored in a secured location (*i.e.* locked cabinet), or shredded. Sending Payment Card information containing Cardholder Data to third parties via fax is prohibited. In cases where daily settlement receipts are requested by and sent to Merchant Processor via fax, they should have no visible Cardholder Data.

The Cardholder Primary Account Number (PAN) must be masked on all copies of receipts including those kept by the Merchant or issued to the customer (the first six and last four digits are the maximum number of digits to be displayed). If a department must store hard copies of receipts containing a full PAN, they must adhere to the strict requirement of PCI DSS and store such information in a secured location (*i.e.*, locked cabinet).

However, if the PAN is stored electronically (including data on portable digital media, backup media, in logs), it must be rendered unreadable anywhere it is stored by using any of the following approaches:

- One-way hashes based on strong cryptography
- Truncation
- Index tokens and pads (pads must be securely stored)
- Strong cryptography with associated key-management processes and procedures

A detailed description of any of the above methods can be found in PCI DSS: Understanding the Intent of the Requirements policy issued by PCI Security Standard Council LLC.

Departments must keep Cardholder Data storage to a minimum and develop data retention and disposal policies in accordance with the department's operations and businesses processes. Storage and retention time should be limited to that which is required for business, legal, and/or regulatory purposes as documented in the data retention and disposal policy of the department.

Departments are required to limit access to system components and Cardholder Data to only those individuals whose job demands such access. Access limitations include, but are not limited to the following:

- Restriction of access rights to privileged users that are required to perform job responsibilities
- Assignment of privileges based on individual personnel's job classification and function
- Requirement for an authorization form signed by management that specifies required privileges
- Implementation of access control (*i.e.* dual approval)
- Assignment to users of a unique ID to access Cardholder Data or system components
- Utilization of a unique password created by users, or a two-factor authentication system (*i.e.*, tokens, smart cards, site keys) for all in-house and remote users
- Render all passwords unreadable during transmission and storage on all system components using strong cryptography

When creating passwords or user ID's, it is recommended that these guidelines be followed:

- Do not use group, shared, or generic accounts and passwords
- Change passwords at least every 90 days
- Require a minimum password length of at least seven characters
- Use passwords containing both numeric and alphabetic characters
- Require a password change that is different from the user's last four passwords
- Limit repeated access attempts by locking out user ID after not more than six attempts
- Set lockout duration to a minimum of 30 minutes or until administrator enables the user ID.
- If a session has been idle for more than 15 minutes, require the user to re-enter the password to re-activate the session
- Verify user identity before performing password resets
- Control addition, deletion, and modification of user ID's
- Create unique first-time passwords and require a change at the time of the first log in
- Immediately revoke access for any terminated users
- Remove/disable inactive users every 90 days
- Enable third-party user access only during the time period needed (*i.e.*, maintenance, reporting, *etc.*)
- Inform department staff of password procedures and policies

Departments must ensure that any physical access to Cardholder Data or any systems that store the data is appropriately restricted. Detailed instructions on how to restrict physical access can be found in Chapter 9 of the Navigating PCI DSS guide.

No department employee, contractor or agent who obtains access to Cardholder Data in the course of conducting business with CCSF may use Cardholder Data for personal reasons, sell, purchase, provide, or exchange said data in any form, but not limited to, sales receipts, mailing lists, tapes, electronic and other media obtained by reason of a card transaction to any third party. The Cardholder Data can be provided in the course of business to the Merchant Processor, Visa, MasterCard or other credit card company accepted by CCSF, or upon a request by a law enforcement agency. All requests to provide information to any party with the exception of Merchant Processor must be coordinated with the Office of the Treasurer's Banking Services unit.

Compliance Responsibility

Departments shall be responsible for its compliance with PCI Standards, PCI DSS and requirements of this policy. They shall develop and implement a process for tracking and monitoring all access to network resources and Cardholder Data, and regularly test security systems and processes. These requirements are covered in detail in Chapters 10 and 11 of the Navigating PCI DSS guide.

Departments shall build and maintain secure networks, including, but not limited to the following:

- Establishing firewalls and router configuration systems
- Restricting connections between untrusted networks and any system components in the Cardholder Data environment
- Prohibiting direct public access between the Internet and any system in the Cardholder Data environment

It is strongly recommended that departments install personal firewall software on any mobile and/or employee-owned computers with direct connectivity to the Internet which are used to access CCSF's network.

Departments shall not use vendor-supplied defaults when installing a system on the network (*i.e.,* passwords, simple network management protocol (SNMP) community strings, *etc.*)

Upon Request of the Office of the Treasurer, departments shall complete an annual PCI-DSS Self-Assessment Questionnaire (SAQ) and any other security scans or reviews deemed necessary by the Office of the Treasurer.

Each department's ability to accept Payment Cards is conditioned on its compliance with the requirements of this section. If a department fails compliance, it shall be responsible for correcting deficiencies and such instances should be reported to the Office of the Treasurer, stating the reason for the deficiencies and the final results of the department's attempt to bring it into compliance.

The PCI DSS requires that service providers accessing Cardholder Data comply with the PCI DSS. Departments must contractually require all third parties with access to Cardholder Data to adhere to PCI Standards and PCI DSS requirements. At a minimum, the agreement with third parties should address:

- That the third party is responsible for security of Cardholder Data in its possession
- The right to the Cardholder Data acquired in the process of conducting CCSF's business belongs to CCSF. CCSF may share the Cardholder Data with the Payment Card brand, Merchant Processor or a law enforcement agency as allowed by law. The third party should acknowledge that such data can only be used for assisting these parties in completing a transaction, supporting a loyalty program, providing fraud control services, or for uses specifically required by law
- Business continuity in the event of a major disruption, disaster, or failure
- Termination provision that ensures the third party will continue to treat Cardholder Data as confidential

As part of its Cardholder Data retention and disposal policy, each department should develop and maintain a security breach plan in the event Cardholder Data is compromised.

If a department suspects a security breach, it must immediately contact the Office of the Treasurer's Banking Services unit. The Banking Services unit will investigate the incident and assist the compromised department in limiting the exposure of data.

In addition, departments shall adhere to Visa's "What to Do if Compromised" guidelines:

- Immediately contain and limit the exposure. Prevent further losses of data by conducting a thorough investigation of the suspected or confirmed compromise
- To preserve evidence, do not access or alter compromised systems (*i.e.*, do not log on at all to the machine, turn it off, unplug cable). Instead, isolate compromised systems.
- Keep logs and electronic evidence and log additional actions taken
- If using a wireless network, change SSID on the AP and other machines that may be using this connection with the exception of any system believed to be compromised
- Be on "high" alert and monitor all systems with Cardholder Data

Settlement of Transactions

Departments must develop an internal process for daily settlement of Payment Card transactions. As of the date of this policy, Visa allows 7 days and MasterCard allows 30 days for settling the transactions. Failure to settle within the specified period of time will require a second authorization from the cardholder. If the second cardholder's authorization is not obtained, the transaction will result in lost revenue to the department. Each department must train its employees on operating the credit card equipment. Training sessions can be arranged with the Merchant Processor by contact Treasurer's Office Banking Services staff.

Chargebacks

Departments will receive chargebacks notifications from Merchant Processor for over-the-counter transactions and from the vendor for web and IVR transactions. Departments must respond directly to the Merchant Processor within the "respond by" date provided in the chargeback notification and provide the requested information and appropriate documentation to demonstrate legitimacy and accurate processing of the original transaction. The Merchant Processor or vendor has sole authority to determine if the chargeback will be reversed and a credit will be issued to the department.

Refunds

Departments shall develop and implement a refund policy that describes circumstances under which a customer can be issued a refund. General guidelines should include the following:

- Request methods and department's contact
- Information needed to issue a refund
- Approval level required
- Turnaround time

Refunds should be processed only to the Payment Card that was used in the original transaction; never in cash or checks.

Sanctions

Non-compliance with this policy, PCI Standards, and PCI DSS could lead to exposure of sensitive Cardholder Data. A security breach of this nature could have serious consequences for CCSF including substantial fines, legal costs, auditing costs, damage to reputation, and loss of ability to accept Payment Cards.

Violation of the PCI Standards and PCI DSS requirements may result in fines as high as $100,000 per month for an individual Merchant.

In addition, failure to comply with this policy may result in revocation of the department's ability to accept Payment Cards.

Sources of Additional Information

- Payment Card Industry (PCI) DSS Requirements and Security Assessment Procedures - https://www.securitymetrics.com/docs/pci_dss_v1-2.pdf
- Payment Card Industry (PCI) DSS Navigating PCI DSS – Understanding the Intent of the Requirements - https://www.pcisecuritystandards.org/pdfs/pci_dss_saq_navigating_dss.pdf
- Payment Card Industry (PCI) Data Security Standard – Self-Assessment Questionnaire Instructions and Guidelines - https://www.pcisecuritystandards.org/pdfs/instructions_guidelines_v1-1.pdf
- Payment Card Industry Data Security Standards – http://www.pcisecuritystandards.org

- Visa USA Cardholder Information Security Program (CISP) – www.visa.com/cisp
- MasterCard Site Data Protection Program (SDP) - www.mastercard.com/sdp/
- Discover Information Security and Compliance Program (DISC) - http://www.discovernetwork.com/fraudsecurity/disc.html

For any questions regarding this policy, Payment Card processing, equipment, merchant products or services, please contact Treasurer's Office Banking Staff as follows:

Primary Contact:

- Eric Gatchalian – 415-554-5205 or eric.gatchalian@sfgov.org

Additional Payment Card Guidelines

In addition, departments should ensure that:

- Customers always sign the merchant's copy of the credit card receipt if more than $25.00.
- Customer credit cards are returned promptly upon completion of a transaction. No department should take possession of a customer's credit card at any time.
- Employees do not initiate the processing of transactions that may cause them to exceed the day's closing time. They should complete all transactions before closing at the end of their shifts.

8.2.3.6 | RECONCILE COLLECTIONS DAILY

Departments must ensure that:

- Cash, checks, and credit/debit card collections on cashier's balance sheet at the end of the day match the cashier's recap. Note any discrepancies on the cashier's recap.
- A supervisor reviews and approves any adjustments to financial reports, and verifies that adjustments are appropriate and discrepancies are adequately explained in the report.
- Cash reports should be forwarded to staff with responsibilities for daily reconciliation.
  - Cashier Workstation Summary
  - Cashier Recap
  - Deposit Summary
  - Cash Summary
  - Check Summary
  - Credit Card Summary
  - Credit Card Detail
  - Phone Payments
  - Electronic Payments

Reconciling the Department's Bank General Ledger Account

Departments must reconcile their book (FAMIS) balance to their bank balance on CashPro Online's Prior Day Report (PDR). CashPro Online is a Bank of America (BofA) online portal for corporate accounts. Departments with their own BofA depository accounts can access CashPro Online for their bank balances.

All cash receipts (CR) with Transaction Code 703 going into the account should reconcile to the bank sweeping entries (for zero balance accounts) coming out of the account with Transaction Code 519, with the document number starting with "BTIT" in FAMIS and in CashPro Online on a daily and monthly basis. If the department records its CR and all adjustments (e.g., bank fees for credit card accounts, NSF checks, and bank adjustments) correctly, the deposit total, net of adjustments, should equal the amount of sweeping entries with Transaction Code 519.

If there is any discrepancy between the CR (TC 703) net of adjustments and bank sweeping entries with Transaction Code 519, the department will need to do some research. Run an Executive Information System (EIS) report to get a list of transactions with TC 519 for a specific month and compare to the corresponding bank sweeping entries on the bank report (CashPro Online). If there are any missing TC 519 entries when compared to the bank report, please contact the Treasurer's Office to confirm.

In addition, the department should run an EIS report to get a list of all transactions with TC 703, 321, and 702. The total daily deposits net of bank adjustments should reconcile to the TC 519 entries with the same date or amount. If there is a variance, compare its TC 703 transactions to the bank report for any missing cash receipts or other bank activity. In most cases, the following scenarios may cause the variance:

- The department recorded a deposit using TC 703 in the current month, and the bank recorded it in the following month, causing a timing issue. The Controller's Office highly recommends that departments record its deposits to align with deposits in the bank report.
- The department did not book bank adjustments (bank record greater than FAMIS amount or vice versa) using TC 703 or 703R.

For Depository accounts:

- The department did not record an NSF check using TC 702.

For Credit Card Settlement accounts:

- The department did not book its bank fees using TC 321.

For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

After all the necessary entries are posted, the balance for each bank GL account in FAMIS should be zero. All bank account reconciliations should be forwarded to the Cash Reconciliation Unit of the Controller's Office by the fifteenth (15th) day of the following month.

8.3 | Properly Recording Revenue

This section provides guidelines to departments for properly and consistently recording revenue. Cash receipts should be recorded in the City's financial system on or about the same time the money is deposited, but no longer than fifteen (15) business days after the receipt of funds. Figure 8-1 provides a high-level perspective on how cash receipts are to be processed and recorded into the financial system.

Departments process numerous revenue category types, including but not limited to:

- Licenses
  - o Dog licenses (Dept. of Animal Care & Control)
  - o Marriage licenses (Treasurer & Tax Collector)
  - o Business licenses (Treasurer & Tax Collector)
- Permits
  - o Building permits (Dept. of Building Inspection)
  - o Landing permits (Airport)
- Fines, forfeitures, & penalties
- Rents & leases
- Concessions
- Charges for services & sales
  - o Admissions fees (Recreation & Parks Dept.)
  - o Class registration fees (Recreation & Parks Dept.)
  - o Greens fees (Recreation & Parks Dept.)
  - o Rental fees (Recreation & Parks Dept.)
  - o Merchandise sales
- Gifts & donations
- Dividends & other revenues

FIGURE 8-1. CASH HANDLING RECEIPT AND RECORDING
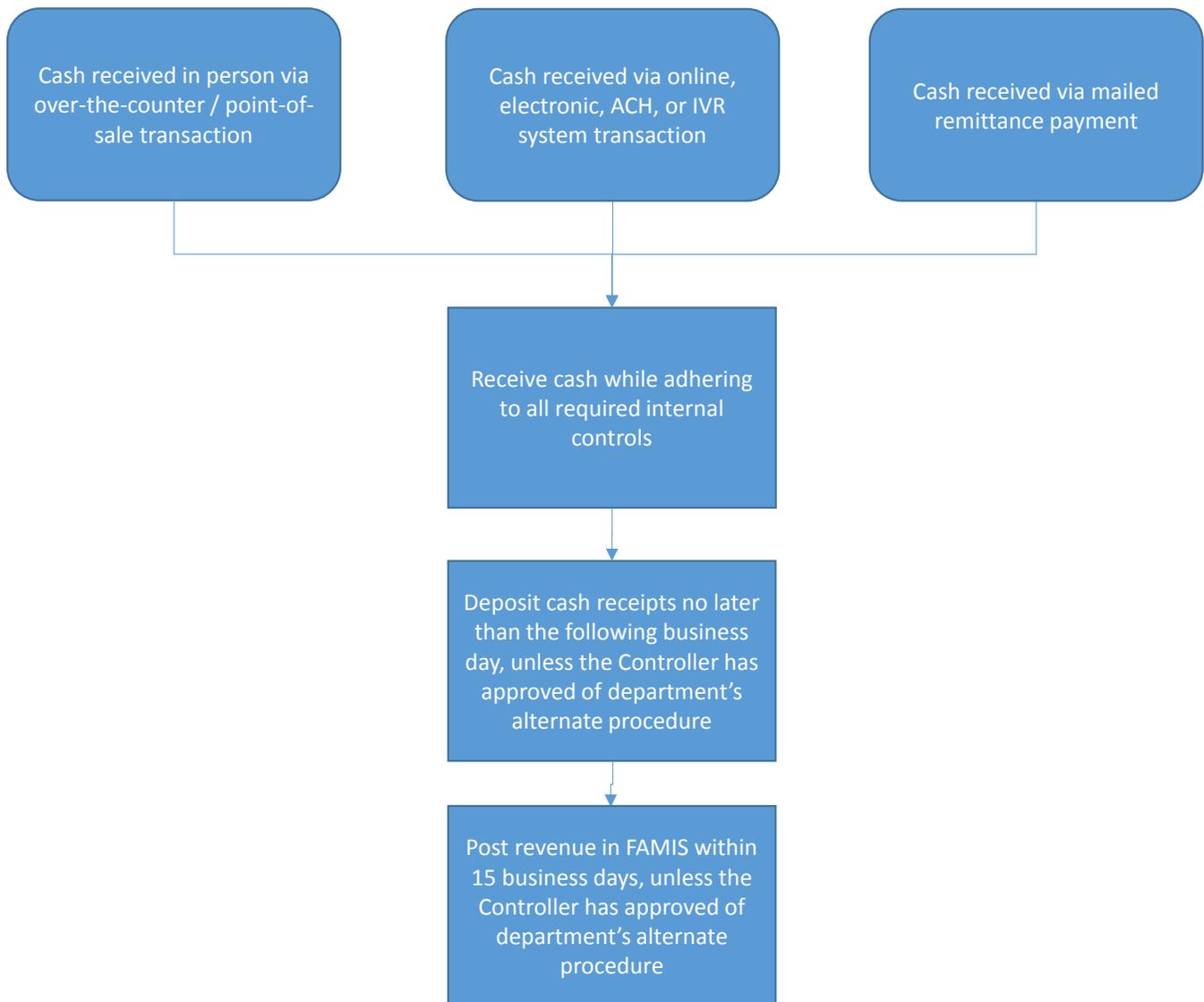
8.3.1 | Cash Difference / Overage

This section provides information about how departments should respond to cash differences and overages in department revenue collections. *Administrative Code*, *Section 10.82* (amended September 6, 2011) makes the Controller responsible for monitoring cash differences and overages for all departments and requires that all revenue-collecting departments record their cash differences and overages using a new sub-object code – 78905 (OVER/SHORT CASH REPORT TO BOARD OF SUPVS). *Administrative Code*, Section 10.82 authorizes the Controller to establish a Cash Difference and Overage fund for any

department requiring one, authorizes the Controller to manage the fund and to increase, reduce, or discontinue it. It requires any county officer, Department Head or judicial officer to report cash differences and overages to the Controller as directed, rather than daily. It also requires the Controller to issue regulations for the administration of the fund and to report annually to the Board of Supervisors.

8.3.1.1 | REVENUE PROCESSING OVERVIEW

A cash difference or overage occurs when a department's actual daily collection proceeds do not match the proceeds recorded on the department's point of sale system. This may occur due to cashier error or undetected counterfeit bills. In these instances, a department must record the cash difference or overage as a reduction or increase in revenue as part of the department's daily recording of its cash receipts transactions in the City's financial system.

Cash differences and overages will be recorded in FAMIS using Sub-object 78905 Cash Difference and Overage-Reporting. Departments should record the cash difference or overage in the appropriate revenue center index code where the cash difference occurred, and must use the Sub-object code 78905 - Cash Difference and Overage-Reporting.

As in the past, departments must still complete a *Cash Difference and Overage Report* explaining the reason for each occurrence of a cash difference or overage. These cash difference and overage reports must be maintained at the department for audit purposes for a minimum of three years. A sample *Cash Difference and Overage Report* is shown below; departments can customize the layout of the report but the required elements must be incorporated.

FIGURE 8-2. SAMPLE CASH DIFFERENCE / OVERAGE REPORT

CASH DIFFERENCE/OVERAGE REPORT

This report serves as notification that an overage or shortage of revenue has occurred at the close of business. Details of the variance are as follows:

Department/Division/Section: _____

Report Date: _____

Cashier Name: _____

Signature: _____

Overage ☐

Shortage ☐

Amount: _____

FAMIS Document No.   _____

Explain Reason or Circumstance (use reverse side if additional space is required)

_____

_____

_____

_____

_____

_____

_____   _____
CASHIER UNIT SUPERVISOR   DEPARTMENT HEAD
_____

8.3.1.2 | CASH DIFFERENCE OR OVERAGE PROCESSING DETAILS

When a department discovers that its daily collection proceeds are less than (cash shortage) or more than (cash overage) its recorded proceeds on its point of sale (POS or cash recording) system, it must:

☐ Complete a *Cash Difference and Overage Report* for each occurrence (*i.e.*, each employee) contributing to the cash difference or overage. Each report must explain the reason for the difference, must be signed by the affected employee, and reviewed/signed by the employee's supervisor. The Department Head or designee must also approve and sign the form. If the shortage or overage is $100 or more, the form must be signed by the Department Head. Departments must maintain a file with these completed reports at their offices.

☐ Ensure that its *Cash Difference and Overage Report* file is complete and ready for review by the Controller's Office on a periodic basis.

☐ Record the revenue transaction in FAMIS using the following transaction codes:

Recording a Cash Shortage

T/C 703	Record bank transaction for actual deposit (net of shortage)
T/C 718	Record revenue for total amount that should have been collected
T/C 718R	Record shortage, in department index code and sub-object 78905

Recording a Cash Overage

703	Record bank transaction for total deposit (including overage)
718	Record revenue for total amount that should have been collected
718	Record overage, in department index code and sub-object 78905

For illustrations on recording short/overage between actual collection and POS, refer to *Section 16 – How to & Screenshots*.

Reminders

Departments should not dismiss cash differences and overages as unimportant. Repeated instances of cash differences and overages by the same employees should be dealt with accordingly. For example, a department may:

• Provide in-depth cash handling training to employees with a certain number of cash differences and overages in one year.
• Include cash handling performance measures in employees' annual Performance Plans.
• Consult with the Department of Human Resources for further instruction as necessary.

Departments are being required to report their cash differences and overages in this manner to avoid having to "make up" or complete their deposits from a cash fund, which raises other internal control and security issues. Therefore, departments should not have cash funds that they are using as their own cash difference and overage fund.

8.3.2 | Non-Sufficient Funds (NSF) Checks

This section summarizes the NSF requirements of *TTX #2014-1* and the Frequently Asked Questions of the Banking Changes Year-End Workshop Jointly Presented by the Offices of the Controller and Treasurer (July 24 & 29, 2014).

Upon implementation of the new bank GL accounts in April 2014, the Treasurer's Office now requires that all departments with their own unique depository accounts, regardless of whether the depository accounts are new or old, record their own NSF returned items and adjustments in FAMIS effective May 1, 2014. As of that date, NSF items appeared in departments' own unique depository accounts on the online bank reports (CashPro Online) and departments are able to retrieve the check images on their own. Exceptions to this rule are departments which continue to deposit to the Treasurer's main account (previously GL 1051, now 1408D2). The Treasurer will continue to process NSF items on their behalf.

Since only the Treasurer had prior access to record NSF transactions, departments must now contact the Controller's Office FAMIS Security (FAMIS.system.security@sfgov.org and diane.mai-tran@sfgov.org) to request NS document type access for the individual(s) to whom your department's CFO designates authority. The CFO should also ensure that the designated individual (or individuals) to record TC 702 transactions has access to do so, and if not, request access at that time.

Bank charges for NSF checks are not on department bank statements. The fees associated with NSF checks are part of the general bank fees (maintenance fees, fraud prevention service fees, transaction fees, *etc.*) that TTX compiles from the banks' Account Analysis Statements. TTX provides this information to the Controller's Office, which distributes those charges to departments through a journal entry on a periodic basis (semi-annually in FY 14). Prior to FY 14, those bank fees were netted against the department's interest earnings; but now, those actual fees are directly charged to departments as expenditures.

8.3.2.1 | DEPARTMENT PROCESSING OF NSF CHECKS

San Francisco Administrative Code, Section 10.13-1 authorizes departments to levy a $50 fee for a NSF check. Departments should collect this amount and are responsible for documenting how they will implement the assessment of this fee. Although the actual NSF bank fee is lower than $50, the additional amount is meant to recover the department's cost of processing the returned check and collection efforts associated with replacing the returned check. This is considered revenue to the department and may be recorded in whichever index code is appropriate for the department when it collects the fee.

Even if the amount of the written check was for a small amount such as $5, $10, or anything less than $50, the department should still collect the $50 NSF fee from the customer.

It is the department's responsibility to establish its own policy on the waiting period for the replacement check. It can be as short as five (5) days or ten (10) days. What is important is for the department to demand that the customer pay for the total amount either by cash, credit or debit card, (replacement) check, money order, or cashier's check. However, due to limited City resources it may be difficult to determine if the replacement check, money order or cashier's check is valid. Departments should include in their policy whether they are willing to accept checks from customers who previously bounced a check.

The following sample letter can be used by departments for their NSF checks.

FIGURE 8-3. SAMPLE NSF CHECK COLLECTION LETTER

(Department's Letterhead)

(Dear Taxpayer)

NOTICE OF DISHONORED CHECK

You are hereby notified that your check was dishonored by your financial institution due to (specify actual reason for return). As a result, an administrative charge of $50.00 is automatically imposed on your account pursuant to the San Francisco Administrative Code, Section 10.13-1.

Furthermore, BY VIRTUE OF THE CALIFORNIA CIVIL CODE, SECTION 1719, AS A RESULT OF YOUR FAILURE TO PAY THE AMOUNT OF THE DISHONORED CHECK AND ABSENT A GOOD FAITH DISPUTE, YOU MAY BE LIABLE FOR THE AMOUNT OF THE CHECK and ADDITIONAL DAMAGES NOT LESS THAN $100.00 UP TO A MAXIMUM OF $1500.00 PLUS COST.

By this letter, you are advised to pay in person using cash, debit or credit card, guaranteed funds (i.e. money order or cashier's check), or sending electronic funds transfer to replace the check amount plus $50.00, within ten (10) days of the date of this letter.

Please send your remittance to the address below or contact this office as soon as possible.

(Department's Mailing Address)
(Department's Contact info)

Respectfully yours,

(Department Representative)

8.3.2.2 | PROCESSING NSF FOR DEPARTMENTS WITH THEIR OWN DEPOSITORY ACCOUNT

NSF with Accounts Receivable Transaction

If the NSF check is tied to an accounts receivable transaction (*e.g.*, a returned check for a property tax payment affects the property tax bill sent out by TTX (TTX receivable)), the receivable would need to be reinstated in the City's financial system. NSF checks not tied to receivables do not require that extra step. This section outlines the steps required to process NSFs with an account receivable.

1. When the Check is Returned

First, using TC 702, record the returned item in the department's NSF index code (XXXNSF) (sub-object 78902 is embedded) with NS document type. While recording the transaction in FAMIS, for the Bank Number, use the bank GL account, and for the Treasury Number, use the date that the bank posted the returned item. The Notepad should include the details of the check: payee, date, check number, amount, invoice/permit # and any other information you need to track. Then, using TC 408, reverse the NSF in your department's NSF index code and reinstate the receivable by using TC 423 (for accounts with subsidiaries) in the appropriate index code.

2. When the Replacement Check is Collected

Using TC 703, record the total deposit (including the $50 NSF fee) in the appropriate index code. Use TC 714 to clear the receivable, and TC 718 to record the additional miscellaneous revenue in whichever index code is appropriate for the department.

NSF without Accounts Receivable Transaction

1. When the Check is Returned

Using TC 702, record the returned item in your department's NSF index code (sub-object 78902 is embedded in this code) with NS document type. While recording the transaction in FAMIS, for the Bank Number use the bank GL account, and for the Treasury Number, use the date that the bank posted the returned item. The Notepad should include the details of the check: payee, date, check number, amount, invoice/permit # and any other information you need to track.

2. When the Replacement Check is Collected

Do not reverse the NSF transaction described above until you receive the replacement check. The NSF serves as a reminder that a replacement check is outstanding.

When you receive the replacement check and the $50 NSF fee, use TC 703 to record the total deposit, TC 718 to reverse the NSF in the NSF index code with CR document type, and TC 718 to record the additional miscellaneous revenue in whichever index code is appropriate for your department.

3. If the Replacement Check is Determined to be Uncollectible

The department must reverse the reduction of revenue from the NSF index code and apply it to the original transaction.

- If the original receipt transaction was an increase to revenue, clear the NSF index code by using TC408 and then clear the original revenue transaction by using TC 407 in the index code used for the original receipt transaction.

- If the original receipt transaction was an abatement of expenditure, clear the NSF index code by using TC408 and then clear the original expenditure abatement transaction by using TC 405 in the index code used for the original receipt transaction

For step-by-step illustrations on NSF processing, refer to *Section 16 - How-to & Screenshots*. For more information on transaction codes, refer to *Section 17.2 - FAMIS Transaction Codes*.

8.3.2.3 | PROCESSING NSF FOR DEPARTMENTS USING CITY'S MAIN DEPOSITORY ACCOUNT

1. When the Check is Returned

The Treasurer's Office records the returned amount plus the $50 NSF fee as revenue reduction in the department's NSF index code (XXXNSF) (sub-object 78902 is embedded), and notifies the department.

It is the department's responsibility to constantly check the balance in the NSF index code and clear the NSF items. The document type for NSF index code clearing is RA. The departments must reverse the reduction of revenue from the NSF index code by using TC 408 and sub-object 78902. In the same entry, the department must use other 400 series transaction code(s) as applicable to charge the NSF item and the $50 fee to the appropriate index code(s) and the actual sub-object(s) affected.

2. When the Replacement Check is Collected

The department applies the re-payment and the $50 fee to the index code(s) and sub-object(s) affected using the applicable 700 series transaction code(s).

For step-by-step illustrations on NSF processing, refer to *Section 16 - How-to & Screenshots*.

8.3.2.4 | INSTRUCTIONS & RECOMMENDED CONTROLS FOR PROCESSING RETURNED ITEMS

A staff person designated to process the department's deposits should not be the same person to process returned deposited items. Returned deposited items are items that cannot be charged against the check originator's account for reasons such as NSF, closed account, stop payment, questionable or missing signature, *etc*. In addition, staff making the deposits should not be the same person performing bank reconciliations. This is recommended to promote segregation of duties and implement checks and balances in the system.

At least two (2) employees from each department should have online access to the bank's returned deposited items report. This is recommended so that another staff has the ability to access the online reports for monitoring and back-up purposes.

Departments must process their returned items in a timely manner as established by each department. This is to mitigate various complaints that a customer may have such as missing the payment deadline and incurring a penalty for late payment due to the department's late notification.

Departments may keep a subsidiary record of their returned deposited items for use in making decisions whether to take future check payments, especially from customers who previously bounced a check.

Departments with their own depository bank accounts will be retrieving images and process their own items.

Also refer to *Section 16- How-To and Screenshots* for illustrations on various types of NSF check processing in the accounting systems.

8.3.3 | Interest Revenue*

<mark>UNDER REVIEW</mark>

8.3.4 | Chargebacks & Merchant Activity Reconciliation*

This section is from the Frequently Asked Questions of the Banking Changes Year-End Workshop Jointly Presented by the Offices of the Controller and Treasurer (July 24 & 29, 2014).

A "chargeback" (also known as a reversal) represents the amount of the original transaction that the credit card network debited from your merchant statement based on an item that was successfully disputed by the customer on his or her credit card statement. This section describes the merchant activity reconciliation that departments must perform when they provide sales and transactions with the public through credit card transactions.

8.3.4.1 | PROCESSING CHARGEBACKS

Recognizing a Chargeback Claim & Addressing Chargeback Items

If you are a department that processes credit and debit card transactions, you have been assigned a Merchant Identification Number (MID) that has been set up in Bank of America Merchant Services (BAMS) ClientLine portal. You can access your MID and set up notification alerts so that it is not necessary for you to access ClientLine on a daily basis if you are monitoring your chargeback items. The notification alert setting will prompt you to look at an incoming chargeback item so that you can process it timely.

You only have 20 calendar days to respond to BAMS' retrieval request and/or provide the required documentation for a disputed charge. It is critical that you stay current on all your chargeback items. If you do not provide the required documentation within this timeframe, you will lose the claim. In very rare cases where you can foresee that you will not be able to submit everything within 20 days, make sure you contact BAMS to ask for a special extension. There is no guarantee that BAMS will provide an extension, but it is important to communicate with them.

You can manage your chargeback items and send the required documentation electronically through the Dispute Manager task bar within BAMS' ClientLine portal. You can also write your notes about the claim on the Notepad.

If, after your research, you agree that the charge is in error and would like to accept the claim, instead of ignoring it or letting the 20 days expire, you should also access the specific item within the Dispute Manager and accept it. This is important so that the chargeback reports will only highlight the outstanding claims.

Before recording your department's CRs in FAMIS, you want to ensure that your CRs will reflect the correct amount of revenues that were collected through debit or credit cards. In doing so, you should access ClientLine and look for your MID's total transactions that were processed for the day and compare the totals with your settlement or depository account's Previous Day Report (PDR). This PDR can be retrieved through CashPro online.

If there are discrepancies in the amounts, look at ClientLine's merchant transaction detail and look for any possible errors in any of the transactions or for chargebacks or fees that were debited from your merchant account. If, after further research, you cannot determine the difference, call BAMS' help desk and ask for assistance.

Immediately Record the Chargeback

If the department sees a chargeback or reversal in its merchant statement, the department will have to record it accordingly by reducing its revenue.

Even though the department, as the merchant, is given some time to retrieve the documentation related to the charge, BAMS will debit its merchant account right away upon the receipt of the disputed charge from the credit card network. If the claim turns out to be in the department's favor, a credit will appear in its merchant statement and, at that time, the department can record the revenue again.

No Fees for Chargeback

Although a department can charge a fee to customers for NSFs, it cannot charge a fee for a chargeback. A chargeback fee cannot be imposed by a merchant upon a customer or cardholder. Even though the customer loses the claim, the credit card network does not allow fees to be imposed upon a customer for disputing a charge that appeared on his or her credit card statement.

8.4 | Cash Handling and Revenue Recording FAQs

Q: What happens if the department is paid with a NSF check for a large amount? Is there a process to escalate to a collection agency?

A: The Treasurer's Bureau of Delinquent Revenue (BDR) can assist with department collections, but there must be an MOU with BDR before services will be provided. BDR charges departments according to a predetermined work order, or a 25 percent commission on collected amounts. Please contact Margarita Rodriguez at BDR for more information at margarita.rodriguez@sfgov.org or (415) 554-4413.

Q: If a department receives bounced checks from a customer, could the department refuse to provide services until the customer satisfies his obligation?

A: Yes, the department can refuse to provide services due to nonpayment if that is the policy of the department. Note that the department does not have to limit its payments to checks; it may also choose to collect payments through debit or credit cards. Please contact the Treasurer's Office at ttx.bankwires@sfgov.org for more information on accepting debit and/or credit cards.

Q: What happens when a customer over-pays? For example, at the Department of Building Inspection customers are required to pay with a cashier's check and often the amount on the cashier's check is more than the amount that is required for the permit.

A: If the amount of over-payment is $10 or less, the department can keep the difference. If the over-payment amount is more than $10 and the customer says the department can keep the difference, have the customer sign on the Cash Difference/Overage Form (see Section 8.3.1 Cash Difference/Overage) as the acknowledgement. If the customer wants the department to issue an over-payment check, the department should first receive written confirmation from the customer for a current mailing address. When the department receives the address information, then an over-payment check can be mailed. This reduces the number of checks returned to the City.

Q: We received an ACH/wire payment but don't know what it's for—how do we figure out the correct recipient of the payment and the reason for the payment?

A: Incoming wire transfers or ACH especially those from State and Federal typically provide very little information regarding the purpose of the payment and the intended recipient department. Go to the State website at http://www.sco.ca.gov/ard_local_apportionments.html or federal website at https://www.fiscal.treasury.gov/ to research information on the receipt. If your department relies on the Treasurer-Tax Collector's Office (TTX) to process incoming wire transfers, notify TTX with an e-mail that an

incoming receipt is expected; that way, the money will not sit in the TTX unidentified incoming wire account.

Q: We received a lump sum payment from TTX with no detail on what the cash was for. How do we get this information?

A: See above answer.

Q: What happens if the department is paid in counterfeit currency?

A: If a department discovers the counterfeit currency before deposit, send the money to Bank of America for investigation. If Bank of America contacts the department to let it know about the counterfeit currency, it will keep the department informed of its investigation. Departments should record cash shortage since the bank does not give credit for the counterfeit deposit. It is the department's responsibility to review currency to ensure it is not counterfeit.

Q: My department does not receive a large amount in cash receipts so we do not make a daily bank deposit. Is this acceptable?

A: City policy is to deposit all cash receipts daily; however, if your department seeks an exemption from this policy it should document its cash handling policy and procedures and provide a detailed description of internal controls on its cash receipts. Submit your department's cash handling policy and procedures to the Controller's Office for review and approval.

Q: My department uses Link2Gov for online payments but there are lots of duplicate payment transactions and other errors. Who is responsible for clearing these errors—the department accounting office or the Link2Gov service provider?

A: Link2Gov (FIS) is the City's contracted vendor for online and phone payments. For online or web transactions support, please call 1-877-513-5465 or clientsupport@fisgov.com

Q: When and how can the department write-down or write-off NSF checks?

A: Please note the section in Receipts and Revenue on accounting for NSF checks. If an NSF check becomes uncollectible, the department may choose to send it to the Treasurer's Bureau of Delinquent Revenue (see earlier question on uncollectible accounts) or it may follow its own policy to write it off.

Q: My department has already submitted the Internal Control Questionnaire (ICQ) to the Controller's Office. The ICQ covers our cash handling process. Do we still need to have a separate policy and procedure for cash handling?

A: Yes, your department must have a written cash handling policy and procedure that is appropriate to the types and amount of cash receipts processed by the department. Forward a copy of your department's cash handling policy and procedures to your Fund Accountant.

Q: What kind of City training is available for employees who handle cash?

A: The Treasurer's Office has provided training and will continue to provide this training. It will become online soon. Also, departments can send staff to outside training.

Q: My department needs a more secure way to move cash from our sites to the bank. Who do I contact for armored truck service?

A: Contact the Treasurer's Office at ttx.bankwires@sfgov.org; that office owns the contract for these services.

Q: We have contractors that manage a site (e.g., parking lot). How often do they need to deposit cash receipts with the department?

A: Contractors need to wire funds to the City or deposit these receipts to a City owned bank account daily. If there is an exception to this policy in the contract between the department and the contractor, provide a copy to the Controller's Office and the Treasurer's Office.

Q: Will my department be able to accept payments using electronic methods, such as Google Wallet, iCash, ApplePay?

A: No, not at this time.

8.5 | Revenue Transfer*

The purpose of this section is to provide guidance to City departments on when and how to process revenue transfers, revenue allocations, and other revenue adjustments. These guidelines are issued by the Controller's authority under *San Francisco Charter, Article III, Section 3.105 – Controller's responsibilities.*

8.5.1 | Definition of Revenue Transfers / Other Allocations

"Revenue transfers" are the allocation of revenue from one fund (or project) to another fund (or project), or revenue adjustments between cost centers within the department or across departments and/or fiscal entities using FAMIS Document Type RA (RIMS) or RT (Non-RIMS). The revenue transfers, as described in this section, are non-grant revenue allocations for revenue budget and actual adjustments involving general ledger accounts 401 to 408 and 411 to 413. Grant-related revenue transactions are processed separately through GE (Non-RIMS) or GR (RIMS) Document Types. Refer to Section 12 Grants & Gifts for more information.

"Other allocations" involve collection of revenues offset by an expenditure account within or across department fiscal entities and cost centers, or to and from other city departments, or allocations from the General Fund.

8.5.2 | Common Revenue Transfers & Other Allocations

Listed below are some common examples of revenue transfers and other allocations:

- Application of revenue for an unidentified receipt
- Adjusting revenues for a Non-Sufficient Funds (NSF) check
- Accruing revenues and recording receivables
- Adjustment of deferred revenues
- Adjustment of revenues to proper accounts within the department or to other city departments
- Adjustment of actual and budget proceeds from sale of bonds within or across department bond and/or construction funds
- Transfer revenue to other departments for rental of facilities or for fees, licenses, and permits.
- Collection of revenue offset by expenditures account within or across department fiscal entities and cost centers, or to and from other city departments.
- Hotel tax allocations from the General Fund
- Revenue transfers and budget allocations between different funds – Operating Transfers In / Operating Transfer Out (OTI/OTO)
- Revenue transfers and budget allocations between different sub-funds – Intra-fund Transfer In / Intra-fund Transfer Out (ITI/ITO)

- Revenue transfers and budget allocations between and within projects

For illustrations on processing the above revenue transfer entries, refer to *Section 16 - How-to & Screenshots*.

8.5.3 | Review and Approval Path

Input and approval access to this document type is defined by security access assigned to the initiating department's document initiators and approvers and to other designated approvers outside of the initiating department.

- First level review and approval by assigned levels within the department
- Final approval by Accounting Operations either at level 795 or 800 according to dollar amount limit or other approvers with access to approval department CON and approval level equal or greater than 795 or 800.

The document details must be carefully reviewed for accuracy of input codes to ensure that the appropriate accounting transactions are processed.

8.5.4 | Compliance with City Policies, Guidelines, and Regulations

Departments must comply with the following criteria with regard to processing revenue transfers:

- Proper notification to and/or approval from responsible managers of the cost centers, projects, or departments are obtained before revenue adjustments are made.
- Redistribution of revenue accounts, especially unidentified receipts, must be processed accurately within 15 calendar days of the receipts. Revenues must be recorded within the same fiscal year when the receipts are recorded.
- Revenues requested for redistribution must be reviewed in detail to ensure that adjustments or reallocations are being made to the correct accounts, cost centers, projects, or departments, and that funds are actually received and available.
- Revenue adjustments must be properly and completely documented and supported.
- Revenues collected for other departments or agencies must be properly accounted for and transferred according to the agreements or provisions of the laws or ordinances covering such allocations.
- Transfer-in and -out appropriations and billings must be for appropriate purposes supported and authorized between transferring entities and departments.
- Revenues collected for specific purposes may only be appropriated for such use as allowed under applicable City ordinances, or State or Federal programs.

- Approval of the revenue adjustment entry is certification that it is proper, valid, and legal. Any officer who approves or allows unauthorized or illegal obligations is liable to the City and subject to penalties.

9 | INVESTMENTS HELD WITH TRUSTEES*

9.1.1 | Fiscal Agents

IN PROGRESS

10 | FIXED ASSETS*

This section provides guidelines for capitalizing fixed asset purchases and completed capital projects at year-end.

10.1 | Overview of Fixed Assets

10.1.1 | Generally Accepted Accounting Principles

City departments must adhere to the pertinent guidelines promulgated by the Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA), and the American Institute of Certified Public Accountants (AICPA). The guidelines that have been promulgated by FASB and GASB constitute generally accepted accounting principles (GAAP); the following GASB & FASB standards represent authoritative literature for fixed assets accounting:

- **GASB 33** – Accounting & Financial Reporting for Nonexchange Transactions
- **GASB 34** – Basic Financial Statements and Management's Discussion and Analysis
- **GASB 42** – Accounting & Reporting for Impairment of Capital Assets and Insurance Recoveries
- **GASB 49** – Accounting & Financial Reporting for Pollution Remediation Obligations
- **GASB 51** – Accounting & Financial Reporting for Intangible Assets
- **GASB 60** – Accounting & Financial Reporting for Service Concession Agreements
- **GASB 62** – Codification of Accounting and Financial Reporting Guidance
- **GASB 72** – Fair Value Measurement and Application
- **FASB 34** – Capitalization of Interest Costs
- **FASB 62** – Capitalization of Interest Cost Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants

Accounting for capital assets is based on underlying accounting concepts such as recognition of expenses under accrual basis accounting, the matching principle, and cost accounting principles.

The most recent *Government Accounting, Auditing, and Financial Reporting* (GAAFR)—also known as *The Blue Book*, published in 2012 by the Government Finance Officers Association (GFOA)—provides standards and best practices for state and local governments applying generally accepted accounting principles (GAAP). GAAFR complements the *Hierarchy of GAAP for State & Local Governments* (GASB 55). This policy reflects concepts published in GAAFR, particularly *Chapter 25, Capital Assets*.

10.1.2 | Regulations & Contractual Arrangements

In many cases the City & County of San Francisco must meet additional compliance requirements, whether it is due to funding agreements (*e.g.*, debt arrangements and grant awards) or regulatory requirements (*e.g.*, Federal Aviation Administration, *Administrative Code*).

- **Financial Terms & Economic Substance** – Each funding agreement, regulation, local law, and contract has different financial terms. In all cases, GAAP is to be applied to determine the proper accounting treatment based on the financial terms and economic substance.
- **Compliance** – Each funding agreement, regulation, local law, or contract will likely have compliance requirements that may or may not be required by GAAP and in those instances other systems or offline schedules may need to be maintained by the department.

City & County of San Francisco *Administrative Code*

Local law or *Administrative Code* determines contracting, acquisition, encumbrance policies and procedures for capital asset related costs, and various other issues (e.g., accept and expend authority for grants that fund capital) that impact capital assets.

- *Chapter 6* governs public works or improvement contracting policies and procedures, including the procurement of professional design, consulting, and construction management services for public works projects.
- *Chapter 21* governs the acquisition of commodities and services. *Chapter 21* shall not apply to contracts for public works or improvements or to contracts for the purchase, sale, or lease of any interest in real property. "Commodity" shall mean products, including materials, equipment and supplies, purchased by the City.

Contractual Arrangements

There are many contractual arrangements with government agencies, investors, developers, and third parties (*e.g.*, debt issues, grant awards, donations with restrictions) that help to fund capital assets. Those contractual relationships may require costs tracking and reporting, which is in addition to GAAP requirements. It is the department's responsibility to ensure all compliance requirements are met.

10.1.3 | Capital Asset Definitions, Thresholds, Valuations & Useful Lives

10.1.3.1 | DEFINITIONS

Capital assets as stated in the *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR), published in 2012, includes furnishings and equipment, land, buildings, improvements other than buildings, infrastructure, construction/development in progress, and other capital assets. Accounting for these classes of assets is the scope of this policy.

Fixed assets are defined as assets that are:

1. Used in operations AND
2. Have an initial useful life in excess of one year
    (see most recent *GAAFR* (published 2012), *Chapter 25 Capital Assets*, for complete definitions).

This definition includes both tangible assets (*e.g.*, furnishings and equipment, land, buildings, building improvements, vehicles, machinery) and intangible assets (*e.g.*, software, water rights, easements). The following Table summarizes the major classes of capital assets and their corresponding category code in the City's Fixed Assets Accounting and Control System (FAACS).

TABLE 10-1. CAPITAL ASSET TYPES & FAACS CATEGORIES

MAJOR CLASS	FAACS CATEGORY
Furnishings & Equipment – movable items (*e.g.*, furniture & fixtures, machinery)	E
Buildings – includes building improvements	B
Land (non-depreciable)	L
Improvements other than buildings – non-movable (*e.g.*, depreciable land improvements)	I
Construction/Development in progress (non-depreciable)	C, D , V
Infrastructure	N
Other capital assets including intangible assets (*e.g.*, software, right of ways, easements).	U, T

Infrastructure Assets

Infrastructure assets are defined as "…long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, lighting systems." – *GASB 34*, paragraph 19.

Improvements Other than Buildings

Improvements other than buildings are permanent improvements to land that have a limited useful life as improvements other than buildings (or land improvements). Examples include fences, retaining walls, parking lots, and most landscaping.

Works of Art, Historical Treasures, Library Books, and Zoological Animals

Works of art, historical treasures, library books, and zoological animals are held for public exhibition, education, or research in furtherance of public service, rather than financial gain, and are not capitalized. These items are protected, kept unencumbered, cared for, and preserved by the City. It is the City's policy to utilize proceeds from the sale of these items for the acquisition of other items for collection and display.

10.1.3.2 | CAPITALIZATION THRESHOLDS

Standard capitalization thresholds for capitalizing assets have been established for each major class of assets, as shown in the Table below.

TABLE 10-2. CAPITALIZATION THRESHOLDS

CLASS OF ASSET	THRESHOLD
Personal (moveable) and real property other than those listed below (e.g., furnishings, fixtures)	Greater than $5,000
Equipment	$5,000
Land (non-depreciable)	Capitalize all
Improvements other than buildings (e.g., land improvements, fences, retaining walls, parking lots, landscaping)	$100,000
Buildings & building improvements	$100,000
Leasehold improvements	$100,000
Construction/Development -In-Progress (non-depreciable)	$100,000
Infrastructure	$100,000
Intangible (e.g., software, easements, etc.)	$100,000

System of Assets

Often a group of individual components of an item such as a desktop computer can be capitalized into a single unit. For instance, if the total costs of the components "required" to make the asset useable and

render it into service exceed the capitalization threshold, then the total costs are to be recorded as a capital asset.

Purchases that do not meet these thresholds are to be recorded as expenses.

The following Figure presents asset capitalization thresholds from other public jurisdictions.

FIGURE 10-1. CAPITALIZATION THRESHOLDS FROM OTHER JURISDICTIONS

Sample California Counties and Cities Capitalization Thresholds
Data from FY14 CAFRs, Capital Assets section of Note 1

		"Greater Than" Years Useful Life (U/L)	Land	Equipment	Buildings	Building Improvements	Infrastructure	Intangibles	Non-Software Intangibles	Internally Generated Intangibles	Software Intangibles	Donations	Art	Other Useful Lives or Thresholds	Explanation
Counties	Alameda	silent	$5,000	$5,000	$250,000	$250,000	$250,000	silent	silent	silent	silent	FV-DoD	silent		
	Contra Costa	silent	$5,000	$5,000	$100,000	$100,000	$25,000	$100,000	silent	$1,000,000	silent	silent	silent		
	Los Angeles	silent	silent	$5,000	$100,000	$100,000	$25,000	silent	$100,000	silent	$1,000,000	silent	not cap.		
	Marin	1+	silent	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	silent	silent	silent		
	Orange	silent	$0	$5,000	$150,000	$150,000	$0	$150,000	silent	silent	silent	silent	silent		
	Sacramento	4+	silent	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	FV-DoD	silent	3+years	computers & software
	San Bernardino	1+	silent	$5,000	$100,000	$100,000	$100,000	$5,000	silent	$100,000	silent	FV-DoD	silent	$10,000	easements/ rights of way
	San Diego	silent	$0	$5,000	$50,000	$50,000	($25k-50k)	silent	silent	silent	($50k-100k)	FV-DoD	silent	$50,000	easements/ rights of way
	San Mateo	1+	silent	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	FV-DoD	silent		
	Santa Clara	silent	silent	$5,000	$150,000	$150,000	$150,000	silent	silent	$100,000	silent	FV-DoD	silent		
Cities	Berkeley	2+	$1,000	$1,000	$1,000	$1,000	$100,000	silent	silent	silent	silent	FV-DoD	silent		
	Los Angeles	1+	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	FV-DoD	not cap.		
	Modesto	2+	$5,000	$5,000	$5,000	$5,000	$0	silent	silent	silent	silent	silent	silent		
	Oakland	1+	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	silent	$5,000		
	Riverside	1+	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	silent	silent	FV-DoD	silent	$100,000	Infrastructure U/L >3 yrs.
	Sacramento	silent	$20,000	$20,000	$20,000	$20,000	$20,000	$100,000	silent	silent	silent	FV-DoD	silent	$5,000	If paid for by federal funds
	San Diego	1+	$20,000	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	FV-DoD	silent		
	San Jose	1+	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	silent	silent	silent	FV-DoD	silent		
	Santa Barbara	1+	silent	$10,000	$50,000	$25,000	$100,000	silent	silent	silent	silent	FV-DoD	not cap?		notes say Art not depreciated
	Santa Clara	silent	silent	$1,000	$20,000	$20,000	$20,000	silent	silent	silent	silent	FV-DoD	silent		
	Walnut Creek	1+	$5,000	$5,000	$5,000	$5,000	$25,000	silent	silent	silent	silent	FV-DoD	silent		

10.1.3.3 | ASSET VALUATION

Asset Cost (Historical Cost) or Fair Market Value

The City & County of San Francisco values fixed assets based on historical cost plus any other changes associated with placing the asset into service.

For purposes of determining whether the value of a potential asset exceeds the above capitalization thresholds, costs should include the necessary costs incurred to place the asset in service. Costs include the invoice price plus incidental costs (*i.e.*, insurance during transit, freight, capitalized interest, duties, title search, registration fees, and installation costs). Exceptions to this rule include interest expenses associated with deferred payments and real estate taxes paid, if any, in the acquisition of property.

If something other than cash is used to pay for the asset, then the fair-market value of the non-cash payment or consideration determines the asset's cost or acquisition value. When the value of the consideration paid can't be determined, the asset's fair-market value determines its cost.

Acquisition Value

GASB 72 was issued in February 2015 and is effective for reporting periods beginning after June 15, 2015. Once *GASB 72* was adopted, certain capital assets that were previously reported at fair market value would be measured instead on a go-forward basis at acquisition value.

Acquisition value is not the same as fair value. Fair value is an exit price notion, whereas acquisition value is an entry price notion. Acquisition value is the price that would be paid to acquire an asset with equivalent service capacity in an orderly market transaction at the acquisition date. The use of acquisition value should be applied prospectively to transactions occurring after *GASB 72* is effective; organizations do not have to re-state these types of capital assets to acquisition value upon implementation.

The following assets should be measured at acquisition value:

- Donated capital assets, as provided in paragraph 18 of *GASB 34*, as amended
- Donated works of art, historical treasures, and similar assets as provided in paragraph 27 of *GASB 34*
- Capital assets that a government receives in a service concession arrangement as provided in paragraph 9 of *GASB 60*.

10.1.3.4 | USEFUL LIVES

The following Table summarizes the depreciable life span of various non-infrastructure capital assets.

TABLE 10-3. SUGGESTED USEFUL LIVES FOR NON-INFRASTRUCTURE CAPITAL ASSETS

ASSET TYPE	EXAMPLES	DEPRECIABLE LIFE IN YEARS
Non-Infrastructure		
Furniture, office equipment	Desks, tables, chairs, fax machines, photocopiers	5-7
Computer hardware	Monitors, CPU, printer	5
Telephone equipment		10
Motor vehicles:		
Cars and light trucks		5
Buses	City	8-10
Patrol vehicles		5
Fire trucks		5-10
LRV's, streetcars, cable cars		25
Intangible		Varies with type
Buildings	Airports, convention center, healthcare facilities, jails, libraries, maintenance facilities, museums, office/administration, parking garages, recreation centers	50
Buildings – Temporary	Trailer offices	20
Building and structure improvements:		20
HVAC systems	Air-conditioners, heating, ventilation systems	15
Building signage		15
Environmental, health and safety		15
Food service equipment		5-20
Heavy construction equipment	Backhoes, trucks, dozers, front-end loaders, large tractors	5-10
Shop, building, and field maintenance equipment	Compressors, forklifts, generators, pumps, carpentry equipment, automotive equipment, painting equipment	3-15
Engineering, scientific equipment	Lab equipment	5-15
Firefighting equipment	Ladder, hoses	5
Police special equipment		10
Medical equipment		5

ASSET TYPE	EXAMPLES	DEPRECIABLE LIFE IN YEARS
Traffic control equipment	Stoplights	5
Radio, communications equipment	Mobile, portable radios	5
Recreational/athletic equipment	Fitness equipment, golf equipment, marine equipment	5
Outdoor equipment	Playground equipment, scoreboards, bleachers, radio towers	5
Custodial equipment	Floor scrubbers, vacuums, other	5
Grounds equipment	Mowers, tractors and attachments	15
Land improvements	Parking lots, sidewalks, bus ramp, fencing, running track, flagpole	15
Land improvements- ground work	Golf course, ball field, park landscaping	15
Landfill disposal systems		25
Land		NA
Sewerage treatment plants		25
Water treatment system		15
Power plant		20
Pumping plant		20

Refer to FAACS Screen 5105 – Class Code Table for specific useful lives by class code. The Class Code Table is more extensive than the suggested list above. Please refer to Screen 5105 if you cannot find the item you are looking for in the Table above.

The following Table summarizes the depreciable life span of infrastructure capital assets.

TABLE 10-4. SUGGESTED USEFUL LIVES FOR INFRASTRUCTURE CAPITAL ASSETS

INFRASTRUCTURE	DEPRECIABLE LIFE IN YEARS
Easements	Varies with type
Roadway structures	30
Overhead lines and poles	40
Rails, tracks, and roadways	40
Substations, switches, and rectifiers	50
Stations, passenger	30
Tunnels	40

INFRASTRUCTURE	DEPRECIABLE LIFE IN YEARS
Sewerage treatment plants	25
Water treatment system	15
Power plant	20
Pumping plant	20

Refer to FAACS Screen 5105 – Class Code Table for specific useful lives by class.

10.1.4 | Capital Asset Process Overview

Budget – Capital assets appropriations are part of the capital budget or as capital outlay (character 060) in department operating budgets. The costs should be charged to the department(s) that will ultimately own the asset(s). If the budget does not reflect ownership of the asset, then journal entries moving budgetary estimated revenues and appropriations may need to be recorded as well as cash transfers. As legal form should be considered, the guiding principle to determine which party owns the asset is "financial or economic substance".

Certification of Funds – The encumbrance process for purchasing goods and/or services (general, professional, and construction services) against the approved budget certifies the availability of funds. To charge salaries to a capital project, proper authorization may need to be obtained by the department's project controls staff.

Capital Asset Costs – Charge capital asset related costs in the capital outlay character code (060) or in the capital project code.

Placed in Service – When the asset is placed in service and all certificates of completion (e.g., safety and inspection certificates) are obtained, the asset is capitalized or recorded as a capital asset.

Depreciation Expense – After the asset is placed in service depreciation begins. The straight-line depreciation method is used for depreciation over the assets estimated useful life.

Additions – If additional costs are spent on extending the useful life of an asset already placed in service the costs are to be capitalized if the expenses increase the life or value of the asset by 25% of the original estimated useful life or original costs. To meet the 25% threshold of original costs, determine the present value of the additional costs using a discount rate that reflects average consumer price index (or inflation) from the original date of purchase. These rates can be found at the U.S. Bureau of Labor Statistics website (www.bls.gov).

Asset Management – For the inventory of capital assets, disposal (retirements), transfers of capital assets between departments, and impairment of capital assets, see the Section 10.3 Asset Management.

Reporting – Capital assets are required to be annually reported in the City's *Comprehensive Annual Financial Report* (CAFR) for both the primary government and the business-type activities. Also, capital assets are reported on accrual basis financials that are separately issued by departments (*e.g.,* enterprise departments such as MTA, Airport, PUC, and the Port).

Detailed processing procedures for entering capital assets into the Fixed Assets Accounting and Control System (FAACS) are provided in the FAACS manual entitled *FAACS 4.2 Hold File Fundamentals for Fixed Assets Accounting*. FAACS is the fixed asset module for the Financial Accounting Management Information System (FAMIS).

FIGURE 10-2. FIXED ASSET PROCESS OVERVIEW
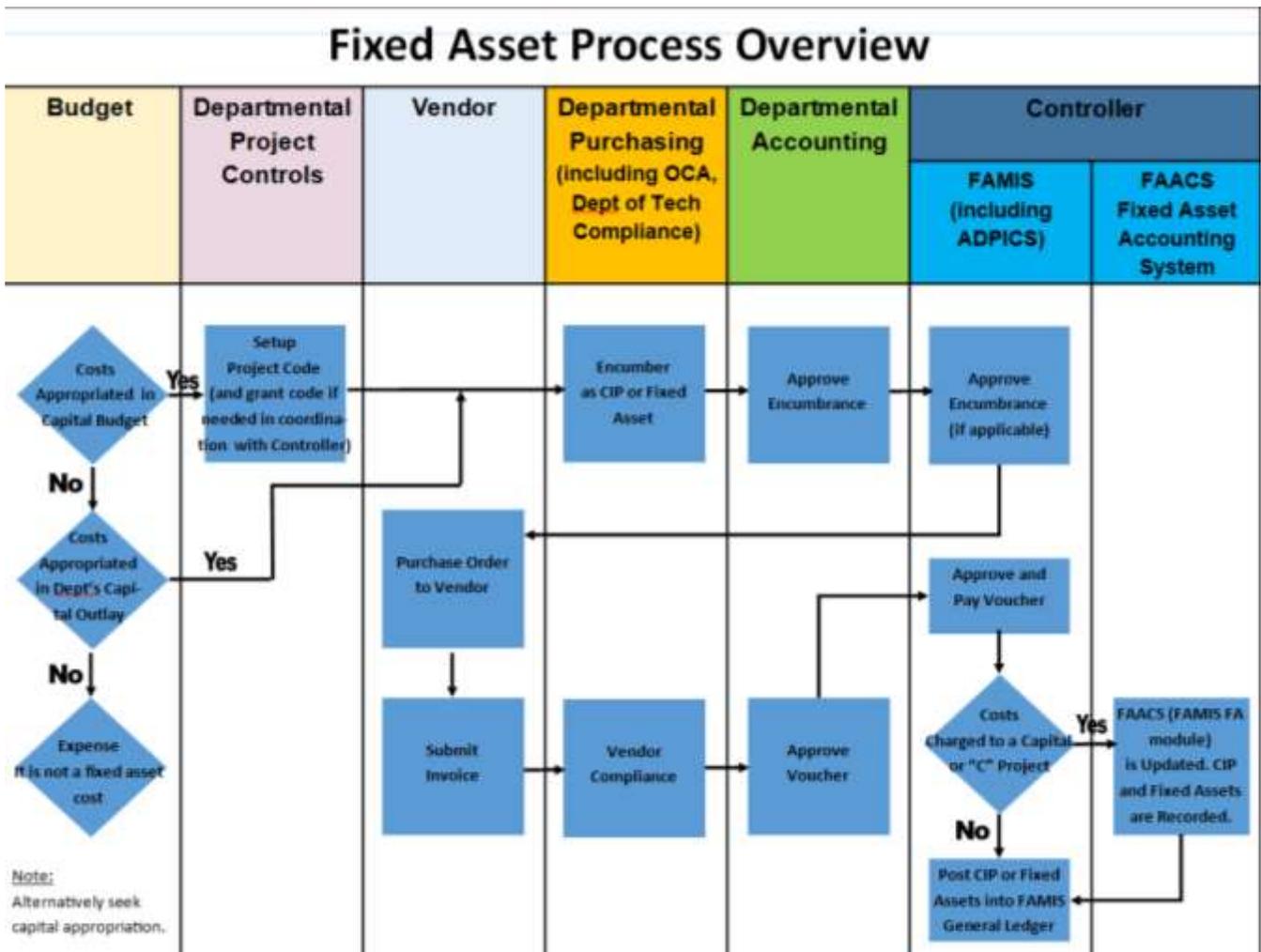
10.1.5 | Construction/Development-in-Progress (CIP)

Construction/development-in-progress (CIP) costs are costs for tangible and intangible capital assets that are in progress, but have not been placed in service, as of the fiscal year-end. Generally, CIP involves larger capital projects with construction/development occurring over a period of time. When the project is placed in service, the related CIP is capitalized as a capital asset and then depreciated. Costs to include in CIP are those that directly contribute to the capital asset, including the following.

- Direct labor
- Soft costs (*e.g.*, design documents, environmental impact studies, *etc.*)
- Professional services and construction contracts
- Installation fees
- Overhead costs
- Interest on borrowings or capitalized interest
- Costs to prepare the asset for its intended use

Once a construction project is placed in service, the CIP asset should be transferred out (or capitalized) by the accounting staff to the appropriate capital asset category. If your department is an off-line department, use the *FAACS CIP Transfer Form*, which is shown below.

FIGURE 10-3. FAACS CIP TRANSFER FORM

10.1.6 | Interest Capitalization

Governments frequently incur interest costs in connection with the acquisition, construction, development, or improvement of a capital asset. Accountants view this interest costs as one of the ancillary charges necessary to place the asset into its intended location and condition for use. Therefore, interest expense incurred to acquire a capital asset should be included as the cost of the asset. This only applies to capital assets reported on enterprise funds. Interest costs should never be capitalized on capital assets accounted for as part of governmental activities in the government-wide financial statements (including internal services funds, which are incorporated into governmental activities for on government wide financial statements).

As interest capitalization is a complex area of accounting, review the authoritative literature:

- **GASB 62** – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements (Paragraphs 5-22)
- **FASB 34** – Capitalization of Interest Cost (Paragraph 8-19)
- **FASB 62** – Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gift and Grants (an amendment of FASB Statement No. 34) (Paragraph 3, 4, 6, and 7).

Also, GFOA's 2012 *GAAFR*, chapter on Capital Assets, provides additional guidance.

Theoretically, the amount of interest cost to be capitalized as part of the cost of the capital asset is the amount that could have been avoided had that asset <u>not</u> been acquired. There are two categories or sources of potential capitalized interest costs:

- **Debt financing** – By issuing debt to finance the acquisition of a capital asset.
- **Existing interest bearing liabilities unrelated to the capital asset** – It might appear that there are not costs to capitalize if a government used available cash to acquire a capital asset. However, if there also are interest-bearing liabilities outstanding, the government theoretically could have avoided incurring interest costs by using the cash to pay off those liabilities instead. Therefore, as long as any interest-bearing liabilities are outstanding a given enterprise fund, interest capitalization is required in that fund, <u>even if those liabilities are completed unrelated to the acquisition of the capital asset.</u>

Amount of Interest Cost to be Capitalized

Below is the basic formula (no netting) of interest costs to be capitalized.

Average cumulative expenses since inception.	X	Borrowing rate (weighted average or specific to borrowings)	=	Capitalizable interest (not to exceed total interest cost of the period)

Tax-Exempt Borrowings

However, if the financing is from tax-exempt debt a different approach than the formula shown above is needed. Typically, a substantial portion of the debt proceeds is temporarily reinvested during acquisition or construction, pending progress payments to contractors and suppliers. In the interval, a government often is able to recoup a portion of its expense by reinvesting the proceeds of the lower interest, tax exempt debt in materially higher yielding taxable securities (arbitrage). In such cases the interest revenue earned on the debt proceeds should be netted against the interest expense on tax-exempt debt. The netting of expense and related interest revenue only applies to tax-exempt debt that is <u>externally restricted</u> to finance the acquisition of specified qualifying assets.

Capitalization Period

The capitalization period normally begins at the start of pre-construction activities and ends when an asset is substantially complete and ready for use. However, in the case of tax-exempt debt financing that is externally restricted for the acquisition of specified qualifying assets, capitalization can begin when the debt is first issued, which may be even earlier.

10.1.7 | Intangible Assets

GASB 34 provided some guidance for intangible assets. *GASB 51, Accounting and Financial Reporting for Intangible Assets*, established additional requirements for intangible assets to reduce inconsistencies and enhance comparability with other local governments.

An intangible asset is an asset that possesses all of the following characteristics:

- **Lacks physical substance** - An asset that may be contained IN or ON an item with physical substance, such as computer software on a compact disc, or a right-of-way easement on top of land
- **Non-financial in nature** - Cannot be receivables or prepayment of goods, an asset that is not in monetary form or represents neither a claim nor right to
- **Initial useful life** that extends beyond a single reporting period.

Examples of intangible assets include internally generated software, easements, land use rights, patents, trademarks, *etc. GASB 51* defines these items and provides guidance for capitalization and depreciation.

- **Internally generated computer software** - Computer software is a common type of intangible asset that is often internally generated. Computer software should be considered internally generated if it is developed in-house by the government's personnel or by a third-party contractor on behalf of the government. Commercially available software that is purchased or licensed by the government and modified using more than minimal incremental effort before being put into operation also should be considered internally generated for purposes of this Statement. For example, licensed financial accounting software that the government modifies to add special reporting capabilities would be considered internally generated. *GASB 51*, AICPA's *Statement of Position 98-1*, and GFOA's *GAAFR* published in 2012 provide guidance on capitalizing the various stages of software development.
- **Internally generated modification of computer software** - These are modifications to software already in operation and should be capitalized. *GASB 51* provides guidance on what qualifies as a "modification".
- For **easements, land use rights** (*e.g.,* water rights, timber rights, *etc.*), **patents**, and **trademarks**, refer to *GASB 51*, including the illustrative examples.

Exceptions are intangible assets acquired or created primarily for directly obtaining income or profit, assets resulting from capital lease transactions reported by lessees, and goodwill created through the combination of a government or other entity.

10.1.8 | Capital Leases

GASB 62, Codification of Accounting and Financial Reporting Guidance establishes the following guidance for capital leases. GASB codification bases its criteria for capital leases largely on *FASB Statement 13*.

If, at its inception, a lease meets one or more of the following four criteria, the lease should be classified as a capital lease by the lessee; otherwise, it should be classified as an operating lease:

1. **Transfer of Ownership** - The lease transfers ownership of the property to the lessee by the end of the lease term.
2. **Bargain Purchase Option** - The lease contains a bargain purchase option.
3. **Lease Term 75% or more of estimated useful life** - The lease term is equal to 75 percent or more of the estimated economic life of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease.

4. **PV of Minimum Lease Payments is 90% of Fair Value** - The present value at the beginning of the lease term of the minimum lease payments, excluding that portion of the payments representing executory costs such as insurance and maintenance to be paid by the lessor, including any gain thereon, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease over any related investment tax credit retained by and expected to be realized by the lessor. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease. A lessor should compute the present value of the minimum lease payments using the interest rate implicit in the lease.

10.1.9 | Placed In Service

If a capital asset is substantially complete—that is, all required certificates of completion/inspection (*e.g.*, building inspection, safety inspection) are obtained, it is placed in service for its intended use, and the organization is receiving benefit of the asset—then the costs should be capitalized as a capital asset. These criteria are applicable for donated capital assets such as public improvements constructed and dedicated by the developer and accepted by the City.

If a capital project has multiple capital assets, and each asset is placed in service at different times, then capitalize each asset individually. Apply all the criteria mentioned earlier to each asset. Departments are to develop policies to address their specific needs in this area.

10.1.10 | Service Concession Agreement (SCA)

SCAs are types of public-private or public-public partnership. An SCA may provide the government with the ability to leverage existing infrastructure and other public assets to generate additional available resources for the right to operate such assets. SCAs are technically defined as an arrangement between a government (transferor) and an operator (a company or another government) in which all of the following criteria are met:

- The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration, such as up-front payment, installment payments, a new facility, or improvements to an existing facility.
- The operator collects and is compensated by fees from third parties.
- The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates to be charged for services.
- The transferor is entitled to significant residual interest in the service utility of the facility at the end of the agreement.

GASB 60 provides guidance on whether the transferor or the operator should report the capital asset in its financial statements, when to recognize up-front payments from an operator as revenue, and how to record any obligations of the transferor to the operator. The requirements of *GASB 60* are effective for financial statements for periods beginning after December 15, 2011. The provisions of *GASB 60* generally are required to be applied retroactively for all periods presented.

10.1.11 | Ownership & Multiple Funding

For significant capital projects, sometimes multiple and complex funding agreements (e.g., debt agreement, grant agreement, tax measures) help to finance capital project costs resulting in multiple assets (or shared ownership) with different owners. For instance, DPW, MTA and PUC all work on a large construction project that will result in new streets owned by DPW, public railways owned by MTA, and new sewers lines owned by PUC. The project code structure is particularly important if the departments involved issue separate audited financial statements. The expenses are to be recorded on the department funds (the fund type, fund, and sub-fund code combination) that own the construction-in-progress or capital asset at fiscal year-end. There will likely be multiple combinations of fund codes (the fund type, fund, and sub-fund code combination). During the initial project set up, the underlying funding and budget of estimated revenues and appropriations are to be recorded and allocated on the departments' books that own the assets.

10.2 | Depreciation

Capital assets are depreciated over their useful lives when they are placed in service, unless the asset is inexhaustible (e.g., land). Therefore, the costs of an asset are recognized as depreciation expense over the useful life of the asset. The straight line method is used to depreciate assets. Inexhaustible assets are not depreciated.

10.2.1 | Straight Line Depreciation Method

Under the straight line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated useful life.

For example, a $12,000 copier is placed in service on March 16, 2002. It has an estimated life of five years and a salvage value of $2,000. The depreciation calculation for the straight-line method would be:

Historical Cost	$12,000
Less: Salvage value	$(2,000)
= Adjusted basis	$10,000
Divide by estimated useful life	5 yrs.
= Depreciation per year	$ 2,000

- **Asset Cost or Historical Cost** – As mentioned above, this includes the actual costs, not only of the goods and services, but also the cost of freight, site preparation, architect and engineering fees, *etc*.
- **Salvage Value** - The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. In other words, the salvage value is the amount for which an asset could be sold at the end of its useful life.
- **Estimated Useful Life** - Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was purchased.

10.2.2 | Depreciating an Asset not Purchased at the Beginning of a FY

To avoid the complications of depreciating each asset from the specific date on which it was placed in service, GAAP supports guidelines that assume various assets are placed in service or disposed of at designated dates throughout the year.

There are three methods of calculating straight line depreciation for capital assets:

1. The recording of no depreciation in the first year of operation in the asset
2. The recording of depreciation excluding the first month of acquisition
3. The half-year convention where half a year's worth of depreciation is taken in the first year that the asset is placed in service.

Departments are responsible for entering the appropriate depreciation indicator code in FAACS when a capital asset is initially recorded.

The Public Utilities Commission's enterprises and the Municipal Transportation Agency have adopted the first convention in which no depreciation is recorded in the year of acquisition. The Laguna Honda Hospital has adopted the third convention in which six months of depreciation is recorded in the year of acquisition and six months of depreciation is recorded in the year of disposition. For all other departments, depreciation is recorded from the month after the date in which the asset is placed in service.

10.2.3 | Amortization of Intangible Assets

Existing guidance for depreciation of capital assets generally applies to amortizing intangible assets.

- No factors currently exist that limit the useful life of the asset
- Intangible assets with indefinite useful lives should not be amortized.

10.2.4 | Department's Monitoring Procedures

Departments are responsible for reviewing their respective depreciation entries for accuracy and reasonableness on a quarterly basis. Significant fluctuations in depreciation expense from period to period should be investigated to ascertain their nature and determine the reasonableness of the amount recorded. If changes have to be made to the capital asset variables (such as life of the asset or acquisition costs), the departments are responsible for updating FAACS on a timely basis to reflect these changes and maintaining supporting documentation for those changes. If the changes are significant, a copy of the support and effects of the changes should be provided to the Controller's Office.

Refer to the *FAACS Manual* for procedures on adjustments made in the initial year of acquisition. If the adjustments are detected subsequent to the year of acquisition, documentation of the change should be provided to the Controller's Office because the impact of the adjustment on depreciation expense recognized in previous years should be manually computed and a journal entry should be recorded to reflect the appropriate amount of accumulated depreciation.

10.3 | Asset Management

10.3.1 | Inventory of Capital Assets

Departments are responsible for maintaining a system of control over their capital assets and ensuring that the physical location code of each asset is accurately recorded in FAACS.

10.3.1.1 | FIXED ASSETS INVENTORY GUIDELINES

Non-Federally Funded Property

A physical inventory of all non-federally funded property and equipment should be taken and reconciled to the property and equipment records <u>at least once every year</u>. For artifacts and library resources, a perpetual inventory shall be maintained through a recognized cataloging system. Physical inventories should be conducted by personnel having no direct responsibility (custody and receipt/issue authority) for assets subject to the inventory count.

Inventory Control over Federally Funded Equipment

A physical inventory of equipment acquired with federal funding shall be taken and reconciled to the equipment records at least once every two years in accordance with Office of Management and Budget (OMB) *CFR Title 2 § 200.313*.

10.3.1.2 | CONDUCTING PHYSICAL INVENTORY

Background

In accordance with City policy governing capital assets, departments are to conduct periodic inspections of all property and equipment within their areas of responsibility, and reconcile those inventories with the property and equipment records. This section provides some basic guidelines to be followed when conducting those inspections.

Initiate Project Planning

Conduct a planning meeting with all key members of the inventory team and department personnel. Issues to be discussed during the meeting include:

- Reviewing the project scope
- Identifying specific properties to be included from the inventory
- Identifying specific properties to be excluded from the inventory
- Establishing time frames for completion of the entire project, as well as each phase of the project
- Identifying and specifying elements expected to be part of the final product (*e.g.*, special reports, asset classes and codes, and tagging procedures)
- Establishing specific dollar amount cut-offs for items to be excluded or grouped into specified classes of assets
- Specifying types of tags and identification procedures, if tagging is to be utilized
- Maintaining the inventory through with manual or computer applications.

Develop a Detailed Project Plan

Develop a detailed project plan that incorporates the above issues and includes the following:

- An internal budget of hours by task and individual assigned to the inventory
- A detailed task list that includes all steps necessary to conduct the inventory
- An example of the inventory forms being used to capture the capital asset data, and instructions as to the use of the forms
- A detailed description of the inventory tagging process to be employed during the performance of the physical inventory
- Maps and plot plans of areas to be included in the inventory

- A listing of all available information such as blueprints, drawings and plans, existing inventory listings, space utilization studies, contractor's cost breakdowns for construction, recent purchase orders, and anything else that may be used in establishing actual costs
- A list of names, phone numbers, and e-mail addresses of key personnel that will be involved in the process
- Any special circumstances and procedures for the inventory including infrastructure valuation
- Specific work hours for the performance of the inventory process.

Obtain or Prepare Inventory Tags and a Tag Control Listing

Obtain or prepare inventory tags to be affixed to assets once they have been inspected to prevent double counting of assets.

The tags should be individually numbered in sequential order and the tag numbers should be summarized on a comprehensive tag control listing. Inventory tags should be affixed to all capital and moveable equipment once the necessary data is recorded on the form to signify that the asset was inspected.

Assign Control Tags to Inspection Teams

Assign the responsibility of maintaining control over the inventory tags to one individual. Tags should be assigned to the inspection teams in blocks and the tag numbers should be recorded on the tag control listing as each team receives a block of tags.

Identify the Parcels of Land to Include in the Inventory

Obtain a listing of land (by parcel) from the Assessor's Office, which identifies the parcel number and/or lot, block and tract. Visually inspect the listing for completeness and accuracy, and document the identification or parcel number, year acquired, and cost or value.

Conduct a Physical Inspection of Buildings and Building Improvements

Conduct a physical inspection of all buildings and building improvements, and document the asset identification number, year acquired or constructed, location, and cost or value.

The building inventory should include a quantitative description of each structure segregating basic building construction from heating, ventilation, air conditioning, roof elevators, plumbing, lighting, floor and ceiling cover, and other components not directly attributable to the construction itself.

Conduct a Physical of Improvements other than Buildings

Conduct a physical inspection of all improvements other than buildings, and document the asset identification number, year acquired or constructed, location, and cost or value.

Improvements other than buildings include all improvements outside a building or improvements to a parcel of land. For paving, include total quantitative and qualitative amounts for the site including beams

and parking lot striping. Fencing should be inventoried by total linear feet including gates by type of fence. Playground and picnic equipment should be inventoried. Concrete work should include sidewalks and flatwork with curbs inventoried separately. Plumbing for sites should include drainage, irrigation, drinking fountains, hose bibs, and on-site sewer. Area lighting should be inventoried separately.

Conduct a Physical Inspection of Moveable and Capital Equipment

Conduct a physical inspection of all moveable and capital equipment ensuring to affix an inventory tag on each asset once it has been inspected to prevent double counting. The area to be inspected should be segregated into specific quadrants and inspection teams should be assigned to each individual quadrant. Each inspection team should document the asset description, quantity, manufacturer, model number, serial number, year acquired (if known), specific location of the asset such as the building and floor in which the asset is maintained, and the tag number that is affixed to the asset.

Once the physical inspection of the capital and moveable equipment is completed in each quadrant, have someone tour the location to ensure that each applicable asset has been properly tagged signifying that it has been inspected.

Account for Inventory Tags Used during Inspection

Reconcile the used (based on the tag numbers listed on the inventory forms) and unused tags to the tag control listing to ensure that all tags can be properly accounted for. Missing tags should be investigated and located.

10.3.1.3 | RECONCILIATION

Reconciliation and Action on the Results of the Physical Inventory

In order to ensure objective reporting and reconciliation of inventory items, physical inventories should be performed by personnel having no direct responsibility (custody and receipt/issue authority) for assets subject to the inventory count.

During a physical inventory, discrepancies might arise as a result of the physical inventory. Reconciliation is the process of identifying, explaining and correcting the differences occurring between the physical count and the inventory records.

- A search of the inventory lists should be made to determine whether inventory listed as unrecorded is not listed on another portion of the inventory.
- Unrecorded inventory should be recorded into the inventory system as soon as possible. If a significant number of unrecorded assets are discovered, the inventory officer should determine why this problem is occurring.
- For assets not located, a search should be conducted in an effort to locate missing assets. The search should include research on transfers to other divisions, scrapping, *etc*. When the asset is

deemed lost, it shall be removed from the inventory and accounting records. In addition, records of this loss shall be maintained in accordance with record retention rules.

After the inventory is reconciled, the inventory officer is to certify the reconciliation with a statement and signature indicating his inventory is complete. A copy of this is to be forwarded to the Department Head as well as the Controller's Office within 30 days of the physical inventory. The department will then have 60 days to respond to the results of the inventory (if discrepancies are noted).

Inventory Recounts

Inventory recounts should be performed for all significant unreconciled differences to ensure that the discrepancy between the inventory of capital assets and the records does in fact exist.

Both the inventory taker and the department representative are to sign the reconciliation statement indicating their consent to the results. A copy of this report is to be forwarded to the Controller's Office within 60 days.

The department will then be required to fill out a *Capital Asset Change Form* indicating the assets as lost, stolen, damaged (and should therefore be retired), or destroyed based on the inventory results.

10.3.2 | Disposal of Fixed Assets

Any item that is sold, traded-in, scrapped, abandoned, or otherwise removed from service during any given reporting period is classified as a disposal. Dispositions are not budgeted; however, replacement equipment for equipment that has been disposed is budgeted and marked with an "R" for replacement equipment on the budget documents.

- **Sale** - When an asset is sold to another entity, a gain or loss must be recognized when the proceeds do not equal the net book value of the asset. This gain or loss is classified as other income for financial reporting purposes.
- **Exchange or Trade-in** - When an asset is exchanged or traded-in for like equipment, the difference between the cost and the accumulated depreciation (net book value) should be added to the cash outlay of the new asset.
- **Lost or Stolen** - For assets that are listed as missing (lost/stolen), the accounting personnel responsible for capital assets will prepare a capital asset report listing the missing items. The personnel will document all efforts made to locate the missing assets. This missing capital asset report listing will be reviewed by the Department Head on a periodic basis. Items will remain on the listing for a period of one year.

FAACS shall be updated on a regular basis to reflect all asset disposals that occurred. Various methods include the following:

- Cannibalized - Where parts of an asset to be disposed are used in rehabilitating another capital asset.

- Donated - Where an item is donated usually to charity (this is typically performed by the purchasing department).

- Recycled - Where an item is delivered to a recycling facility.

- Traded-in - Where an asset is exchanged for an asset of similar nature with a manufacturer. This usually occurs when the asset is under warranty.

- Junked - Where an asset is literally discarded because it has not remaining life.

- Reverse acquired - Where an asset is reversed from FAACS and then subsequently re-input. This could be due to errors in the initial input of the asset. This is only permitted in the first year of acquisition of an asset.

- Sold - When an asset is to be sold, the purchasing department signs a *Surplus Turn-in* equipment form indicating receipt of the capital asset to be sold. This form is to be kept together with the asset transfer form as support.

- Lost/Stolen - Items that simply cannot be located. If any capital asset item is identified as stolen, the employee discovering the theft must report the theft to his/her supervisor as soon as possible.

- Destroyed - This usually applies to items destroyed due to such occurrences as fires, floods, or earthquakes.

All assets that are retired/disposed of in any way require a *FAACS Retired/ Disposed Assets Form* (Figure 10-4) that provides justification of the change indicated (*e.g.,* sold, donated, stolen, lost, destroyed/damaged, traded in, or written off). Approval from a Department Head is required in instances of an asset being lost, stolen, destroyed/damaged.

FIGURE 10-4. FAACS RETIRED/DISPOSED ASSETS FORM

City and County of San Francisco
FAACS Retired/Disposed Assets Form

The following list are valid disposal codes:
CANNIBALIZED, DONATED, RECYCLED, TRADE IN, JUNKED / LANDFILL, LOST, SOLD, THEFT, WRITE OFF, and DESTROYED / DEMOLISHED etc.
Please provide additional information for the disposal in the explanation column e.g. for disposal code WRITE OFF "equipment has become non functional"

In cases where assets are disposed of prior to full depreciation, departments must work with the Controller's Office FAACS Unit to reflect depreciation over the service life of the asset as closely as possible.

Disposing Federal/Grant-Funded Assets

For all dispositions involving federally funded assets, the project grants finance personnel must first ascertain if there are specific grant requirements surrounding the disposition of capital assets. Typically, in the event that an asset to be disposed of has a fair market value in excess of $5,000, the department must report the disposal to the federal agency that provided the initial funding.

In some instances, departments may be required to remit some or all of the cash proceeds received from the disposition of assets acquired with federal funding to the federal agency involved. Refer to the individual grant agreements for specific guidance on federal requirements governing the disposition of federally funded assets.

FIGURE 10-5. SAMPLE FIXED ASSET DISPOSAL PROCESS FLOW (SFMTA)*
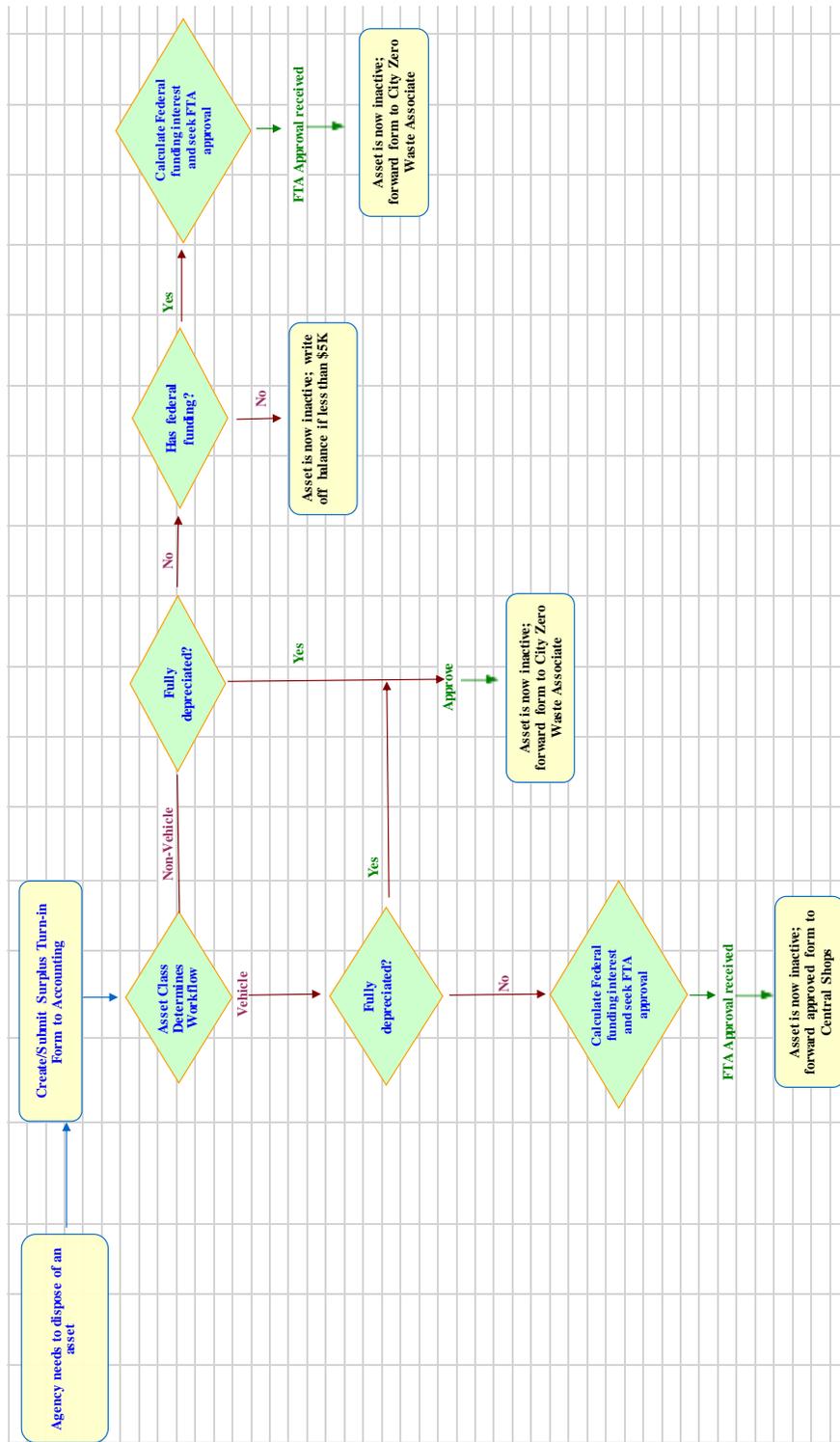
10.3.3 | Transferring Fixed Assets

Transfers are defined as the physical relocation of a capital asset, either by account, department, building, floor, or room. A transfer may be a complete transfer or a partial transfer of an item. This is particularly useful for those pieces of equipment that have multiple parts such as computers, where only certain pieces are changed frequently.

Desktop computer equipment shall be treated as a single unit (*e.g.*, monitor, keyboard, tower, and any other peripheral equipment such as external disk drives). As such, the mere act of exchanging one keyboard for another does not constitute a transfer of an asset. Only in those cases in which the complete desktop computer (meeting the equipment threshold definition) is physically relocated, shall an asset transfer form be completed, and an entry made in the capital asset system.

Intra-Department Transfer

An intra-department transfer is a change in physical location of an asset while remaining within the same department. (An example of an intra-department transfer would be moving a bus from one MUNI facility to another.) Individual City departments are responsible for tracking their capital assets and ensuring that the FAACS location codes accurately reflect the location of each asset. All transfers of capital assets are required to be documented. The *FAACS Input Form* (Figure 10-6) is to be used for this purpose with the explanation of the transfer. The completed form must be approved by the Department Head or designee. A copy of the approved form is kept by the property manager. The departments must provide a copy of the approved form to the Controller's Office FAACS Administrator of any intra-department transfers.

FIGURE 10-6. FAACS INPUT FORM

Inter-Department Transfer

An inter-department transfer is the movement of an asset between departments. Transferring an asset between departments requires that both the location and department code be updated in FAACS. All inter-department transfers must be documented using the *FAACS Input Form* with a complete explanation of the transfer. The form must be approved by the Department Heads or their designees for both the transferring and receiving departments and delivered to the Controller's Office. These transfers will result in a transfer in and transfer out on the City-wide *Comprehensive Annual Financial Report*.

FIGURE 10-7. INTER-DEPARTMENTAL TRANSFER PROCESS FLOW*

Approved Transfer form received

↓

Fixed Asset Accountant updates Screen FACL 4360

↓

Fixed Asset Supervisor reviews Screen FACL 4360 and signs off on transfer form

↓

Transfer is complete
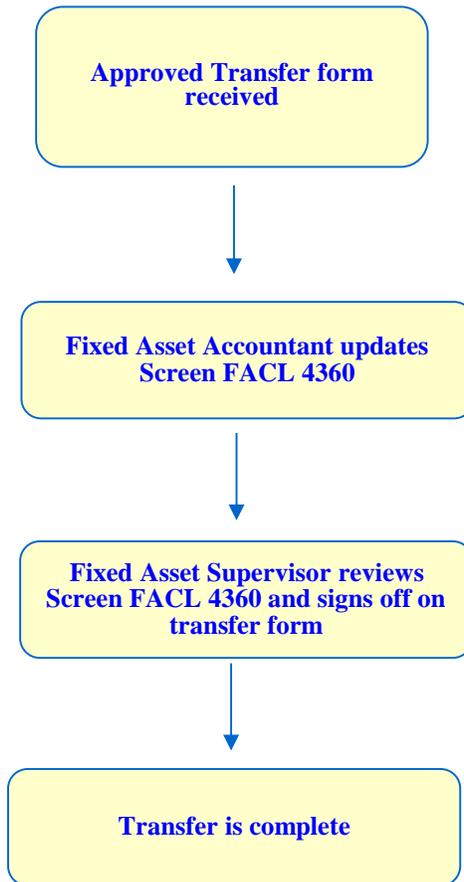
10.4 | Capital Assets Impairment

Authoritative accounting standards define an asset impairment as "a significant and unexpected decline in the service utility of a capital asset."

Prominent events or changes in circumstances affecting capital assets include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

Authoritative Literature

- **GASB 42** - *Accounting & Reporting for Impairment of Capital Assets and Insurance Recoveries* provides guidance on quantifying losses against the capital asset and how to record the related loss and partial/whole asset write-off.
- **Insurance Recovery** - An insurance recovery associated with events or changes in circumstances resulting in impairment of a capital asset should be netted with the impairment loss. Restoration or replacement of the capital asset using the insurance recovery should be reported as a separate transaction. Insurance recoveries should be disclosed if not apparent from the face of the financial statements.
- **GASB 34 Basic Financial Statements and Management's Discussion and Analysis** - for State and Local Governments (paragraphs 41 through 46, 55, 56, 101, and 102) provides guidance for the reporting of impairments. Also, refer to paragraphs 19 through 24 of *Accounting Principles Board Opinion No. 30, Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions*. If not otherwise apparent from the face of the financial statements, the description, amount, and financial statement classification of impairment losses should be disclosed in the notes to the financial statements. If evidence is available to demonstrate that the impairment will be temporary, the capital asset should not be written down. Impaired capital assets that are idle should be disclosed, regardless of whether the impairment is considered permanent or temporary.

10.5 | Reporting

The City & County of San Francisco values fixed assets based on historical cost plus any other charges associated with placing the asset into service. Donated fixed assets are recorded at estimated fair market value at the date of donation. Once *GASB 72* is adopted, donated fixed assets that were previously reported at fair market value would be reported instead at acquisition value going forward.

The City's fixed assets are recorded in the Fixed Assets Accounting and Control System (FAACS), an interactive, real-time asset management system. They are accounted for in the General City's Fixed Assets Fund (97FASFAC).

Fixed assets are reported in the City's *Comprehensive Annual Financial Report* (CAFR) and are reported by major classes such as Land, Construction-in-Progress, Facilities and Improvements, Machinery and Equipment, Easements and Infrastructure. Refer to the City's CAFR reports in the following link: http://sfController.org/index.aspx?page=118. The Controller's Office is responsible for preparing the CAFR and verifying all contents included in this report.

10.5.1 | Government-wide Financial Statements & Accrual Basis Accounting

- Depreciation expense is included in expenses on the Statement of Activities, but not on a separate line item.
- Capital assets that were depreciated are reported net of accumulated depreciation on the Statement of Net Position.
- Land and other inexhaustible assets are included with Construction in Progress as Capital Assets not being depreciated as a separate line item on the Statement of Net Position.
- Ending Net Position is decreased by depreciation expense and increased by capital assets.
- Unspent debt proceeds from capital assets related debt should be reported in the Net Position section of the Statement of Net Position as "Restricted for capital projects".

10.5.2 | Governmental Fund Financial Statements & Modified Accrual Basis Accounting

When capital assets that are to be used in government activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds, *i.e.*, public protection; public works, transportation and commerce, *etc.* and a decrease in cash. As a result, fund balance decreases by the amount of financial resources expended.

10.6 | Fixed Asset Year-End Process*

[DISPOSAL OF ASSETS AT YEAR-END]

10.7 | Fixed Assets Frequently Asked Questions

Ownership of Asset & Funding

Q: If the capital project will be divided into multiple assets and different departments will own the asset how should we structure the project code?

A: The budget and actual revenues and expenses should be recorded on the department that will ultimately own the asset. This is particularly important if either department has separately issued financial statements (*e.g.*, PUC, MTA, Airport, Port, General Hospital, Laguna Honda, *etc.*). As there are a few approaches, consult your Fund Accountant. One approach is to utilize the project details codes to distinguish costs charged against each department. For instance, if a capital project will result in two assets, one owned by MTA and the other owned by DPW, create project detail codes such as CENTRN_**MTAX**, CENTRN_**DPWX**. Charge the costs associated with the portion MTA will own to CENTRN_**MTAX** and the costs associated with the portion DPW will own to CENTRN_**DPWX**. Quarterly or semi-annually costs are to be reviewed and allocated properly between the two project detail codes. Even if the exact ownership split of the asset or costs between the two departments is a bit unclear at the outset, it is recommended that this approach be implemented rather than charging all costs to a single project code and then allocating costs between two departments at the completion of the project.

Q: What if the funding for a project has not been approved, yet charges have already been incurred?

A: Charging capital costs against the operating budget or to another project is not authorized by the Annual Appropriation Ordinance.

Capitalize or Expense

Q: If a commission resolution, ordinance, or statute states that a percentage of staff time is to be charged as overhead to a capital project, but it is unclear if the costs directly relate to the project, can I charge staff time as capital project overhead?

A: GAAP and other accounting literature determine what costs can be included in CIP and eventually capitalized as a capital asset. All overhead costs should directly contribute to the capital project itself and must be supported with clear documentation.

Q: Do I capitalize an inventory item as a capital asset if it meets the capitalization threshold?

A: Generally not, as inventory items are not expected to have a useful life of more than one (1) year.

Q: Can training cost be capitalized?

A: As stated in *GAAFR Chapter 25*, published 2012, the costs of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. The focus is on readiness of the capital asset itself, not its user(s). Accordingly, training on how to use a capital asset is not itself a capitalizable cost.

Q: Can I take advantage of bond proceeds issued for capital improvements and charge maintenance and repair costs against the capital budget?

A: Normal maintenance and repair costs are not to be charged to the capital budget and are to be expensed rather than capitalized.

Q: We have installed an HVAC system as part of the construction of a building. Should the estimated useful life of the HVAC system follow the building's useful life, or a shorter useful life reflecting the estimated life of the HVAC system?

A: Record shorter-lived component pieces as a separate capital asset. For instance, discrete portions such as a HVAC system will have substantially shorter estimated useful life than the building itself.

Q: Can I include employee travel for out of the country sewer site visits to another sewer plant in preparation for the upcoming Sewer Capital Improvement Plan?

A: Generally not, as there needs to be written documentation and tangible evidence justifying how such a trip directly contributed to the capital asset(s) itself. There may be exceptions for unique situations.

Capital Asset Additions

Q: What is considered an addition to an existing capital asset?

A: See Additions in *Section 10.1.4 Capital Asset Process Overview*. In the context of accounting, an addition is an issue of capitalizing significant costs incurred subsequent to the original placed-in-service date. The accounting issue is the matching principle and to determine if the costs should be recognized through depreciation. If the worked performed increases the estimated useful life at least 25% or if the costs incurred is at least 25% of the original costs of the asset, then the related costs are to be capitalized.

Departments can further define capital additions to address their specific needs. For instance, the Department of Public Works may further define a street addition as one that requires not only hard construction costs, but also significant design and planning.

Damaged Capital Assets

Q: If a capital asset has been damaged significantly and it appears it will not last as long as originally expected, do I change the estimated useful life?

A: Refer to *GASB 42 - Accounting & Reporting for Impairment of Capital Assets and Insurance Recoveries*. This appears to be loss impairment, in which case there will be a write-down of the asset value and a loss recorded.

Appraisals for Real Property

Q: When we purchase or exchange real property, is an appraisal required?

A: Yes. Appraisals are required to ensure the land is being recorded at "fair market value".

Capital Projects Tracked in FAMIS

Q: How are capital projects with construction costs accumulated and tracked in FAMIS? As a project manager, how can I review these costs?

A: Construction projects are identified in FAMIS as "C" capital project types. FAMIS tracks all project costs on a monthly, quarterly, year-to-date, and all-years basis. It also displays budgeted costs versus actual costs-to-date. Project managers should review costs charged to a project on at least a monthly basis to insure that the charges are appropriate and capital in nature. They should monitor the actual costs for their projects against budgets to control project costs by phase and gauge the progress of the project against set timelines.

Project managers are typically aware of a project's completion status and prepare a project status report that lists projects and the estimated start and completion dates of each project phase. A copy of the project status report is provided to the accounting/finance personnel so that they may summarize the total costs to each project. See "Placing Constructed Assets in Service" below for completed projects.

Finance Corporation CIP

Q: How are vendors paid for Finance Corporation capital projects?

A: If the CIP project is financed by the Finance Corporation, the bank pays the vendor separately for the Finance Corporation. Therefore, the Office of Finance, on behalf of the Finance Corporation, provides the payment information to the Controller's Office to book the CIP entry into FAACS. A separate funding source and index code are used for the Finance Corporation.

In some cases, the department may have purchased the asset and was reimbursed by the Finance Corporation. The corresponding voucher that purchased the asset should not be posted by the department into FAACS. The Finance Corporation and/or the department should notify the Controller's Office to post an alternate entry into FAACS

Department Capital Asset Policies

Q: Should departments develop specific policies and procedures to ensure an asset is placed in service before capitalizing an asset?

A: Yes. Departments should to develop policies to address their specific needs within the framework of the Controller's Capital Asset Policy. For instance, constructing a water or power utility plant falls under specific federal, state, or local jurisdictions and requires specific safety inspections and certificates of completion that construction of an airport terminal would not.

10.8 | Elaboration of Key Fixed Assets Terms

10.8.1 | Building (Including Improvements or Betterments)

Definition of "Building"

A "building" is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. Buildings should be recorded at either their acquisition cost or construction cost. The cost of new construction should be carefully evaluated. Usually projects consist of major components such as land, land improvements, building construction (including professional fees and permits), furniture, fixtures, and equipment. In addition, buildings include components (*e.g.*, roof, air conditioner system, *etc.*) that should be recorded separately when significant because these building components have different useful lives. The value of each component needs to be determined and placed within its own category.

Definition of "Building Improvement"

Building improvements are capital events that materially extend the useful life of a building or increase the value of a building, or both. A building improvement should be capitalized as a betterment and recorded as an addition of value to an existing building if the expenditure for the improvement is at the capitalization threshold, or the expenditure increases the life or value of the building by 25 percent of the original life period or cost.

For a replacement to be capitalized, it must be a part of a major repair or rehabilitation project, which increases the value, and/or useful life of the building, such as the renovation of a health center. A replacement may also be capitalized if the new item/part is of significantly improved quality and higher value compared to the old item/part, such as replacement of an old shingle roof with a new fireproof tile roof. Replacement or restoration to original utility level would not qualify. Determinations must be made on a case-by-case basis.

Examples of building improvements:

- Roofing projects
- Major energy conservation projects
- Remodeling or replacing major building components
- Conversion of attics, basements, *etc.*, to usable office, clinic, or research space
- Structures attached to the building such as covered garages, enclosed stairwells, *etc.*
- Installation or upgrade of heating and cooling systems, including ceiling fans and attic vents
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing
- Installation or upgrade of window or door frame, upgrading of windows, built-in closets and cabinets
- Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, *etc.*
- Exterior renovation such as installation or replacement of siding, roofing, masonry, *etc.*
- Installation or upgrade of plumbing and electrical wiring
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building)
- Other costs associated with the above improvements
- Fencing and gates
- Parking lots/driveways/parking barriers
- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Golf courses

- Paths and trails
- Septic systems
- Stadiums
- Swimming pools, tennis courts, basketball courts
- Fountains
- Plazas and pavilions
- Retaining walls.

10.8.2 | Land

Definition of "Land"

"Land" is the surface or crust of the earth, which can be used to support structures, and may be used to grow grass, shrubs, and trees. Land is characterized as having an unlimited (indefinite) life.

Land is always capitalized as a separate capital asset in its own right, even if it is closely associated with some other capital asset. The land under a building or highway must be classified as land rather than included as part of the costs of the building or highway. The amount capitalized as land should include any land preparation costs that will have an <u>indefinite</u> useful life. Examples include basic site improvements (*e.g.,* excavation, fill, grading) as well as the costs of relocating or reconstructing any property belonging to others that needs to be removed from the site (such as the costs of moving power lines).

Certain legal rights are presumed to be inherent in the ownership of land, even though they sometimes exist separately (*e.g.,* mineral rights). Legal rights associated with the land are reported as a separate asset <u>only if they are acquired separately</u>.

Land normally is not depreciated because it has an indefinite useful life. The particular use to which land is put, however, can effectively limit its useful life (*e.g.,* land used as a site for the disposal of toxic waste), which would require the use of depreciation accounting. If so, the land being depreciated would need to be included in some other major asset class that reported depreciable assets (other capital assets).

10.8.3 | Improvements Other than Buildings (*i.e.,* Exhaustible Land Improvements)

Governments classify permanent (non-movable) improvements to land that have a <u>limited useful life</u> as improvements other than buildings (or land improvements). These are also known as exhaustible land improvements. Examples include parking lots, landscaping, and fencing, are usually exhaustible and are therefore depreciable. Depreciation of site improvements is necessary if the improvement is exhaustible.

All acquisitions of land and land improvements will be capitalized.

Examples of expenditures to be capitalized as land or improvements other than buildings:

- Purchase price or fair market value at time of gift
- Commissions
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, *etc.*)
- Land excavation, fill, grading, drainage
- Demolition costs of existing buildings and improvements (less salvage) on land purchased with the intent to demolish and rebuild will be included in the cost of the land. (Please note that demolition costs related to assets already placed in service should be expensed)
- Removal, relocation, or reconstruction of property of others (railroad, telephone, and power lines)
- Interest on mortgages accrued at date of purchase
- Accrued and unpaid taxes at date of purchase
- Other costs incurred in acquiring the land
- Water wells (includes initial cost for drilling, the pump and its casing).

10.8.4 | Maintenance & Repairs Expense

The following are examples of expenditures <u>not</u> to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance and repairs expense.

- Adding, removing and/or moving walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building
- Improvement projects of minimal or no added life expectancy and/or value to the building
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decorations such as draperies, blinds, curtain rods, wallpaper, *etc.*
- Exterior decoration such as detachable awnings, uncovered porches, decorative fences
- Maintenance-type interior renovation such as repainting, touch-up plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, *etc.*
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities
- Any other maintenance-related expenditure which does not increase the value of the building.

10.9 | Development Agreements*

10.9.1 | Overview

California Government Code, Sections 65864-65869.5 and Chapter 56 of the *San Francisco City and County Administrative Code* set forth the procedures by which a development agreement is processed and approved. There are four common categories of agreements:

- **Development Agreements**
  Voluntary contractual agreements between a landowner and the City concerning provisions of infrastructure, public spaces, and amenities.
- **Disposition and Development Agreements**
  A contract between a developer and the City that involves the sale of City-owned land to the developer.
- **Lease Disposition and Development Agreements**
  A contract between a developer and the City that involves the lease of City-owned land or property to the developer.
- **Owner Participation Agreements**
  A contract between a property owner/developer and the City to allow for development of property owned by an entity other than the City, generally the owner.

Each development agreement (DA) contains dozens and, in some cases, hundreds of requirements for the City and developers. Each DA is negotiated on a case-by-case basis and adopted by Ordinance. The nature, timing, and extent of the requirements may vary greatly. A development period can range from 10 to 30 years. Two types of DA are further described as follows:

- **Project is a private undertaking**
  The development proposed to be undertaken by the developer on the project site is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of said improvements. The developer shall exercise full dominion and control over the project site, subject only to the limitations and obligations of the developer contained in the agreement.
  (Examples are the California Pacific Medical Center project and the proposed 5M project)
- **Public-private partnership or joint venture**
  The City enters into a DA with any person having a legal or equitable interest in real property related to the development of such property.
  (Examples are Park Merced and Visitation Valley projects)

Additional information can be found at http://www.oewd.org/development-agreements.

Mandatory DA contents per *Administrative Code,* Chapter 56 include:

FIGURE 10-8. PBEJTD PUBLIC-PRIVATE DEVELOPMENT PROJECTS

```
FAML6200 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        03/28/2016
LINK TO:                      PROJECT SUMMARY INQUIRY                    7:50 PM


BALANCE (Y,M,Q,A) : A          CURR/PRIOR PRD  :        CURRENCY CODE :
FISCAL MO/YEAR    : 09 2016   MAR  2016   PROJECT END DATE:
PROJECT           : PBEJTD PUBLIC-PRIVATE DEVELOPMENT PROJECTS
PROJECT DETAIL    : XX
CHARACTER         :
OBJECT CODE       :
FT/FUND/SUBFND    :
ORGANIZATION      :
-------------------------------------------------------------------------------
S PJDTL  DESCRIPTION          BUDGET       ACTUAL   PREENC/ENC       BALANCE
   FM    FLOWER MART PROJEC                 8,941                      8,941
   IB    INDIA BASIN DEVELO   43,733       55,769                     12,036
   MW    GSW MISSION BAY DE  220,381      275,665                     55,284
   PI    PIER 70 DEVELOPMEN   61,050       61,050
   PM    PARK MERCED DEVELO   91,488      146,794                     55,305
   SL    SCHLAGE LOCK DEVEL   51,445       58,353                      6,908
   SW    SWL 337 DEVELOPMEN   33,300       33,300
   00    JOINT DEVELOPMENT 2,164,353      467,344                 -1,697,009
   5M    5M DEVELOPMENT PRO   98,374      185,315                     86,941
         REVENUE TOTAL     2,764,124    1,292,530                 -1,471,594
   PI    PIER 70 DEVELOPMEN                  106                       -106
   00    JOINT DEVELOPMENT 5,062,497    2,253,004      233,477    2,576,016
         EXPENDITURE TOTAL 5,062,497    2,253,110      233,477    2,575,910
          REVENUE LESS EXPE -2,298,373    -960,581     -233,477    1,104,316
```

> **Once the DA has been adopted by Ordinance (project entitlement), reconciliation and corresponding abatements will be processed to move the amounts from PBEJTD to a unique project-level detail code.**

10.9.2.2 | BUDGET SET-UP THROUGH SUPPLEMENTAL APPROPRIATION

For DAs adopted by Ordinance, budget authority for estimated revenues and appropriations can be set up in the financial system based on the terms and conditions of the DA. It is best practice to establish unique project and funding codes, as in the sample below.

FIGURE 10-9. CPMC DEVELOPMENT PROJECT SET-UP IN FAMIS (2 SCREENS)

```
FAML6200 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        03/28/2016
LINK TO:                        PROJECT SUMMARY INQUIRY                7:22 PM
BALANCE (Y,M,Q,A) : A       CURR/PRIOR PRD  :        CURRENCY CODE :
FISCAL MO/YEAR    : 09 2016   MAR  2016   PROJECT END DATE:
PROJECT           : PBECPM CPMC COMMUNITY BENEFITS
PROJECT DETAIL    : XX
CHARACTER         :
OBJECT CODE       :
FT/FUND/SUBFND    : 2S   CDB   CPM   CPMC DEVELOPMENT AGREEMENT
ORGANIZATION      :
-------------------------------------------------------------------------------
S PJDTL  DESCRIPTION           BUDGET        ACTUAL   PREENC/ENC      BALANCE
  IN     CPMC INTEREST ACCO    220,886       278,975                  58,090
  PI     PROGRAM INCOME      9,037,558     9,037,558
  01     CPMC WORKFORCE AGR  1,000,000     1,000,000
  02     CPMC PUBLIC IMPROV  7,350,000     6,075,000               -1,275,000
  03     CPMC HOUSING PROGR 29,063,620    29,063,620
  04     CPMC TRANSPORTATIO  6,900,000     5,400,000               -1,500,000
         REVENUE TOTAL      53,572,064    50,855,154               -2,716,910
  PI     PROGRAM INCOME      9,037,558                              9,037,558
  01     CPMC WORKFORCE AGR  1,000,000       193,761      550,540     255,699
  02     CPMC PUBLIC IMPROV  7,350,000     5,979,573       95,427   1,275,000
  03     CPMC HOUSING PROGR 29,063,620    12,138,946    3,711,139  13,213,535
  04     CPMC TRANSPORTATIO  6,900,000     5,400,000                1,500,000
         EXPENDITURE TOTAL  53,351,178    23,712,280    4,357,106  25,281,792
           REVENUE LESS EXPE   220,886    27,142,874   -4,357,106  22,564,882
```

```
FAML6200 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        03/28/2016
LINK TO:                       PROJECT SUMMARY INQUIRY                    7:32 PM
BALANCE (Y,M,Q,A) : A         CURR/PRIOR PRD  :        CURRENCY CODE :
FISCAL MO/YEAR    : 09 2016   MAR  2016   PROJECT END DATE:
PROJECT           : PBECPM CPMC COMMUNITY BENEFITS
PROJECT DETAIL    : 02XX   CPMC PUBLIC IMPROVEMENTS
CHARACTER         :
OBJECT CODE       :
FT/FUND/SUBFND    : 2S   CDB   CPM   CPMC DEVELOPMENT AGREEMENT
ORGANIZATION      :
----------------------------------------------------------------------------
S PJDTL  DESCRIPTION          BUDGET      ACTUAL   PREENC/ENC      BALANCE
  01     CH PED & TRAFFIC S   975,000     400,000                 -575,000
  02     TL SAFE PASSAGE GR   200,000     200,000
  03     TL LIGHTING & TRAF  4,150,000  4,150,000
  04     PAC-CAL ENFORCEMEN  2,000,000  1,300,000                 -700,000
  05     DUBOCE PARK GRANT     25,000      25,000
         REVENUE TOTAL       7,350,000  6,075,000              -1,275,000
  01     CH PED & TRAFFIC S   975,000     400,000                  575,000
  02     TL SAFE PASSAGE GR   200,000     104,573      95,427
  03     TL LIGHTING & TRAF  4,150,000  4,150,000
  04     PAC-CAL ENFORCEMEN  2,000,000  1,300,000                  700,000
  05     DUBOCE PARK GRANT     25,000      25,000
         EXPENDITURE TOTAL   7,350,000  5,979,573      95,427   1,275,000
          REVENUE LESS EXPE              95,427      -95,427
```

10.9.3 | Fees and Exactions

Cities are authorized by law to levy development impact fees, which are monetary exactions charged by a local government to a development applicant as a condition of approval for the development project. In most cases, the law requires the fee amount be reasonably related to the cost of the infrastructure provided by the government collecting the fee. The collected fee monies are allocated to pay for, or defray the costs of, the infrastructure improvements necessitated by the new development. Development impact fees may not be levied to pay for existing infrastructure deficiencies unrelated to the impacts of new development. The Developer shall pay to the City all development impact fees and exactions set forth in the DA.

The negotiated public benefits, which include the development impact fees and city cost recoveries, are defined on a case-by-case basis depending on the specific DA adopted by Ordinance. There are DAs with additional public benefits or "Community Commitments" paid and/or performed in increments.

For example, the DA for the CPMC project includes a total cash payment of $70 million paid out in increments. See the payment schedule below.

FIGURE 10-10. CPMC DEVELOPMENT IMPACT FEE PAYMENT SCHEDULE

PAYMENT SCHEDULE[1]

	Agency	Effective Date + 30 days	First Installment[2]	Second Installment	Third Installment	Fourth Installment	Fifth Installment	TOTAL
Affordable Housing Payment[3]	MOH	2,400,000	6,700,000	7,000,000	8,825,000	8,100,000	3,475,000	36,500,000
Healthcare Innovation Fund[4]	DPH/SF Foundation	2,000,000	1,500,000	1,125,000	1,125,000	1,725,000	1,125,000	8,600,000
Bus Rapid Transit (BRT) contribution[3]	MTA		2,100,000	2,900,000				5,000,000
Transit Fee[5]	MTA				1,500,000	2,500,000	2,500,000	6,500,000
Bicycle Studies Contribution[5]	MTA	400,000						400,000
Workforce training payment[6]	OEWD	1,000,000	2,000,000	1,000,000				4,000,000
Tenderloin sidewalk widening and pedestrian lighting improvements[7]	DPW/PUC	400,000	1,200,000	1,275,000	1,275,000	100,000		4,250,000
Tenderloin Safe Passage Grant[7]	OEWD	200,000						200,000
Transit and safety improvements in neighborhoods around the Cathedral Hill Campus[7]	MTA	200,000	200,000		575,000	575,000		1,550,000
Enforcement & traffic safety measures around Pacific & California Campuses[7]	MTA	300,000	300,000	700,000	700,000	1,000,000		3,000,000
Total		6,900,000	14,000,000	14,000,000	14,000,000	14,000,000	7,100,000	70,000,000

[1] All initially capitalized terms are as defined in the Agreement, unless otherwise defined herein.

[2] First Installment is due thirty (30) days after the earlier of the date the Approvals are Finally Granted or the date the Cathedral Hill Campus Hospital Commences Construction, and each following Installment is due on each anniversary thereafter.

[3] As set forth in Exhibit G.

[4] The "Innovation Fund" is defined in Exhibit F.

[5] As set forth in Exhibit K.

[6] As set forth in Exhibit E.

[7] As set forth in Exhibit H.

10.9.4 | Developer Agreement Implementation Costs

Under *Section 11.24* of the Administrative Provisions, the Controller is authorized to appropriate reimbursements of City costs incurred to implement DAs approved by the Board of Supervisors, including but not limited to City staff time; consultant services and associated overhead costs to conduct plan review, inspection, and contract monitoring; and to draft, negotiate, and administer such agreements. This provision does not apply to development impact fees or developer exactions, which shall be appropriated by the Board of Supervisors.

10.9.5 | Transfer Process

Budgets for revenue and expenditures go through the capital budget process and are initially setup in the unique development project level one code. The costs should be charged to the department(s) that will ultimately own the asset(s). Since the initial budget does not reflect ownership of the asset, then journal entries transferring the budgets may need to be recorded as well as cash transfers.

FIGURE 10-11. TRANSFERRING OUT TO CITY DEPARTMENT FOLLOWING DEVELOPMENT AGREEMENT

```
FAML6200 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       03/28/2016
LINK TO:                       PROJECT SUMMARY INQUIRY                 7:39 PM

BALANCE (Y,M,Q,A) : A        CURR/PRIOR PRD :        CURRENCY CODE :
FISCAL MO/YEAR    : 09 2016   MAR  2016   PROJECT END DATE:  06/30/2999
PROJECT           : PBECPM CPMC COMMUNITY BENEFITS
PROJECT DETAIL    : 0203   TL LIGHTING & TRAFFIC SAFETY
CHARACTER         :
OBJECT CODE       :
FT/FUND/SUBFND    : 2S   CDB   CPM    CPMC DEVELOPMENT AGREEMENT
ORGANIZATION      :
------------------------------------------------------------------------------
S SUBOBJ DESCRIPTION          BUDGET      ACTUAL    PREENC/ENC      BALANCE
  79994  DEVELOPER EXACTION  4,150,000   4,150,000
         REVENUE TOTAL       4,150,000   4,150,000
  03801  COMMUNITY BASED OR    800,000     800,000
  0935T  OTO TO 5T-HETCH HE  3,350,000   3,350,000
         EXPENDITURE TOTAL   4,150,000   4,150,000
```

10.9.6 | Dedication of Public Improvements

Through the development agreement, the Developer is responsible for the negotiated community benefits including public improvements/infrastructure, easements, buildings, public art, and monetary payments. The Department of Public Works exercises permitting jurisdiction for all public improvements and easements. Upon completion of each public improvement in accordance with the development agreement, the Developer dedicates and the City accepts the public improvement. Once the Resolution to accept is approved, the donated asset is recorded in the City's financial system by the City department owning the donated asset. The following Figure provides an overview of DPW's acceptance process.

FIGURE 10-12. DPW ACCEPTANCE PROCESS

Acceptance of Public Right of Way and Public Improvements
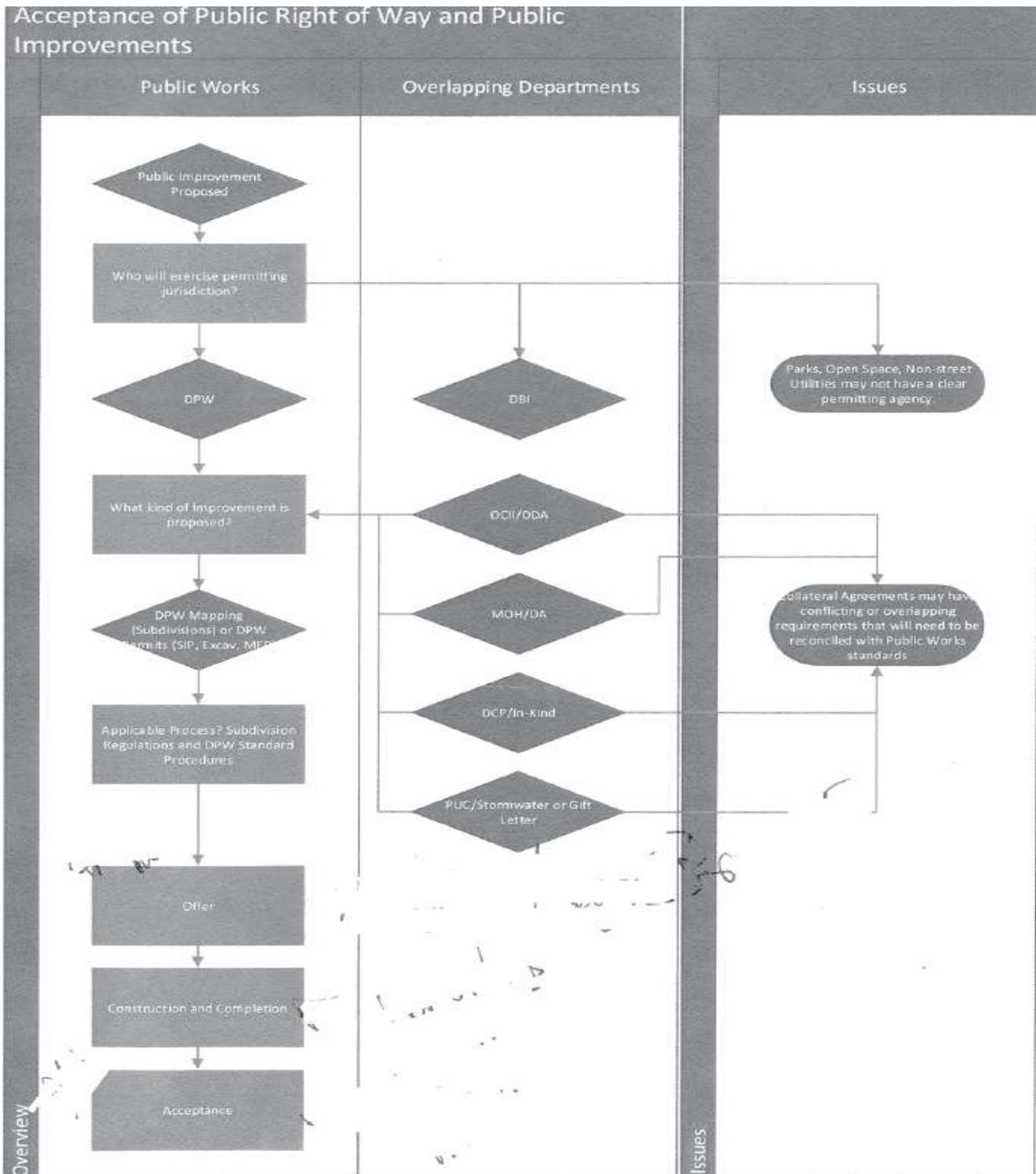
10.9.7 | Development Agreement Frequently Asked Questions

Q. What is an acceptable method for determining acquisition value for infrastructure built and donated by developers?

A. The Developer's cost to build the donated infrastructure is an acceptable method for determining acquisition value, but other approaches—such as one made by the City's Public Works Department—would also be acceptable.

Q. Streets that have been constructed by a developer and donated to a government comprise both the infrastructure and a right-of-way easement on the land upon which the infrastructure sits. The infrastructure should be reported at its acquisition value, which is determined as of the date of donation. Should a separate asset be reported for the right-of-way easement associated with the donated infrastructure? If so, how should the value of that asset be measured?

A. Yes. A separate asset for the right-of-way easement should be reported at acquisition value in accordance with paragraph 79 of *Statement 72*. The acquisition value of an asset is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction. In the case of right-of-way easements for roads, however, generally the only willing buyer is the government. Therefore, the outlay the government would have incurred to acquire the easement in an exchange transaction can be used to determine its acquisition value. In most cases, a right-of-way easement for a road is, in substance, equivalent to ownership of the land because the grantor of the easement retains virtually no right of use. Accordingly, the acquisition value of the associated land could be used to approximate the outlay that would have been incurred by the government had it acquired the donated right-of-way easement through an exchange transaction and, therefore, could be used as a basis to determine the acquisition value of the right-of-way easement. There also may be other reasonable methodologies for appraising the acquisition value of a donated right-of-way easement. However, forgoing the determination of the acquisition value of a donated right-of-way easement and instead arbitrarily assigning the easement a nominal value would be inappropriate.

Q. What process should City departments follow to determine which authoritative literature or government accounting standard applies to a particular development agreement??

A. Each development agreement contains dozens and, in some cases, hundreds of requirements for the City and developers. Therefore, application of the appropriate accounting and financial reporting standard(s) to be used requires analysis of the substance of each requirement, rather than attention only to its label. The following decision flow chart provides an analysis of development agreements involving exchange vs. non-exchange transactions, and the applicable accounting treatment.

FIGURE 10-13. DECISION FLOW CHART—EXCHANGE VS. NONEXCHANGE TRANSACTIONS

Development Agreement

(Evaluate the transaction to determine whether it is a nonexchange or exchange type)

GASB 33
(Nonexchange Transactions)

GASB 60
(Service Concession Agreements (SCAs) aka Exchange Transactions)

Is it Voluntary with Eligibility Requirements or Purpose Restriction?

YES

NO

Apply GASB 33 Guidance by recognizing capital asset and revenue when the asset is completed.

Consider whether there is any exchange involved. If it does, refer to GASB 60.

If it was a government mandated contribution (such as requiring developer to contribute the asset at the completion), then donated asset should be reported at **acquisition value** (GASB 72)

SCAs may be used to facilitate construction and financing of new infrastructure and other public assets and transfer the risks associated with their construction and maintenance to a private entity. Risks associated with the building, financing, and operation of the infrastructure or other public assets are often shared between the government and the private-sector entity.

SCA is technically defined as:

An arrangement between a government (transferor) and an operator in which ALL of the following criteria are met:

1. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration.
2. The operator collects and is compensated by fees from third parties.
3. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.
4. The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.
5. SCAs include, but are not limited to:

- Arrangements in which the developer will design and build a facility and will obtain the right to collect fees from third parties (for example, construction of a municipal complex for the right to lease a portion of the facility to third parties).
- Arrangements in which the developer will provide significant consideration in exchange for the right to access an existing facility (for example, a parking garage) and collect fees from third parties for its usage.
- Arrangements in which the developer will design and build a facility for the government (for example, a new tollway), finance the construction costs, provide the associated services, collect the associated fees, and convey the facility to the government at the end of the arrangement.

If the facility associated with an SCA is a new facility purchased or constructed by the developer, or an existing facility that has been improved by the operator, the government should report (a) the new facility or the improvement as a capital asset at **acquisition value** (GASB 72) when it is placed in operation, (b) any contractual obligations as liabilities, and (c) a corresponding deferred inflow of resources equal to the difference between (a) and (b).

Example 1: Developer Contribution Voluntary

A Developer (provider) completes construction of an industrial park and turns over the water, sewer, and power lines to the city utility (recipient), in accordance with an agreement made the previous year. Under the agreement, the city utility is not required to assume responsibility for the power lines until the industrial park is completed; the developer is responsible until completion.

This example illustrates the characteristics of voluntary non-exchange transaction under *GASB 33*. (The developer is not required to enter into the agreement.) There is one eligibility requirement: completion of the industrial park. The City utility should recognize capital assets and revenues for the water, sewer, and power lines when the industrial park is completed.

Example 2: Developer Contributes Infrastructure

The City (recipient) gives land valued at $10 million to a developer (provider) to construct an industrial park. In return, the developer assumes the cost of installing the roads, power lines, water and sewer lines, and other infrastructure on the site. When the industrial park is completed, the developer is to give the infrastructure (excluding the land), which has a total cost of approximately $9.5 million, to the City.

This is an exchange-like transaction (land for constructed infrastructure, of approximately equal values) and should be accounted for as an exchange transaction—assets and revenues should be recognized when the exchange occurs. *GASB 33* does not apply.

Example 3: Service Concession Arrangement to Design, Build, and Operate a New Tunnel

A State, through its State Department of Transportation (SDOT), the transferor, enters into an arrangement with the Local Tunnel Authority (LTA), a governmental operator, in which the LTA has agreed to design, build, and then operate a tunnel for 40 years. During the term of the arrangement, the LTA is entitled to collect and retain tolls generated by the tunnel. The arrangement meets all criteria in paragraph 4 of *GASB 60* to qualify as a service concession arrangement. The cost to the LTA to construct the tunnel is $4 billion. The fair value of the tunnel when it is placed into operation is $5 billion. The fair value represents the present value of the net cash flows expected to be collected through the operation of the tunnel. The SDOT has a contractual obligation to insure the tunnel each year over the course of the arrangement beginning when the tunnel is placed into operation. The present value of this insurance obligation is estimated to be $500,000. The LTA is not a component unit of the State's financial reporting entity.

Accounting at the commencement of the arrangement and completion of construction:

- The State would recognize a $5 billion asset for the fair value of the tunnel, a $500,000 liability for the transferor's contractual obligation to insure the tunnel, and a $4,999,500,000 deferred inflow of resources (the difference between the $5 billion asset and the $500,000 liability).
- The LTA would recognize an intangible asset in the amount of $4 billion, the cost to design and build the tunnel.

11 | DEBT*

11.1 | Debt Policy

This section provides the Debt Policy of the City and County of San Francisco, issued by the Controller's Office of Public Finance on June 2013.

Acronyms

- BANs – Bond Anticipation Notes
- CAFR – Comprehensive Annual Financial Report
- CGOBOC – Citizens' General Obligation Bond Oversight Committee
- COPs – Certificates of Participation
- CPC – Capital Planning Committee / Program
- FA – Financial Advisor(s)
- GO – General Obligation Bond
- IAs – Investment Agreements
- IFD – Infrastructure Financing District
- MSRB – Municipal Securities Rulemaking Board
- OPF – Office of Public Finance, Office of the Controller
- NRSRO – Nationally Recognized Statistical Rating Organization
- RFP – Request for Proposal / Qualifications
- SIFMA – Securities Industry and Financial Markets Association
- TIC – True Interest Cost

11.1.1 | Scope and Application

This Debt Policy ("Policy") establishes policies and procedures for financings under the jurisdiction of the Controller's Office of Public Finance ("OPF") and the Finance Corporation of the City and County of San Francisco ("Finance Corporation"), and pertains to obligations payable from the General Fund of the City and County of San Francisco ("City"). The purpose of the Policy is to identify debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate debt structures and to demonstrate a commitment to best practices in municipal debt management planning and execution.

This Policy is intended to guide the OPF in the issuance and management of bonds and other obligations. The Policy does not apply to other departments or enterprises of the City, including the Airport

Commission, the Mayor's Office of Housing, the Municipal Transportation Authority, the Port Commission, or the Public Utilities Commission.

> **This Policy shall govern the issuance and management of all bonds and other forms of indebtedness of the City, together with any credit, liquidity or other security instruments and agreements that may be executed in connection with the issuance of bonds and other forms of indebtedness ("Bonds"). The Board of Supervisors may, in its sole discretion, approve Bonds that deviate from this policy, upon the recommendation of the Director of Public Finance. The failure of the City to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Bonds or other forms of indebtedness that is otherwise issued in accordance with law.**

This Policy and any subsequent amendments shall be filed with OPF, and shall be accessible from the City's website. Copies of the Policy have been distributed to the City Treasurer, the City Controller, the Mayor's Budget Director, Clerk of the Board of Supervisors, the Chair of the Budget and Finance Committee of the Board of Supervisors and the Budget and Legislative Analyst to the Board of Supervisors.

11.1.2 | Mission of the Office of Public Finance

To structure and manage on behalf of the City debt financing of capital projects, capital improvements and capital equipment that produce social and economic benefit to the City and its residents at the lowest costs of capital while mitigating market and credit risk with appropriate internal controls.

Debt Management Objectives

- Maintain cost-effective access to capital markets through prudent debt management policies and practices.
- Maintain moderate debt and debt service levels with effective long-term planning and coordination with City departments.
- Meet significant capital acquisitions or improvements through debt financing and, if cost effective, alternate financing mechanisms such as public/private partnerships.
- Structure long term financings to minimize transaction specific risk and total debt portfolio risk to the City.
- Maintain the highest practical credit ratings to ensure efficient access to capital markets.
- Maintain good investor relationships through the timely dissemination of material financial information.

- Maintain user friendly and publicly accessible electronic portal for the timely dissemination of material information concerning the financial condition of the City.

11.1.3 | Disclosure Practices Working Group

In order to carry out certain policy objectives relating to financial disclosure, OPF shall ensure that written disclosure policies and procedures are adopted and implemented. Such policies and procedures shall be carried out by a Disclosure Practices Working Group, consisting of the Controller, the Director of Public Finance, the Controller's Director of Budget, the Treasurer, and one or more Deputy City Attorney specializing in municipal finance transactions. The City's Disclosure Policies and Procedures are attached hereto as Appendix A.

[NEED TO OBTAIN THE DISCLOSURE POLICIES & PROCEDURES AND INSERT HERE]

11.1.4 | Types and Purposes of Debt

11.1.4.1 | LONG TERM DEBT

Long-term debt with a term to maturity of five years or more is issued to finance the acquisition and/or construction of long-lived capital improvements. Long-term debt financing shall not be used to fund operating costs or operating deficits of the City. The principal types of municipal debt instruments employed by the City to finance long-term capital projects are general obligation ("GO") bonds, lease revenue bonds, certificates of participation ("COPs") and capital leases. Such instruments may be refunded by the issuance of refunding obligations for economic savings and/or restructuring considerations.

- **General Obligation Bonds**
  GO Bonds will be used to finance the acquisition, improvement, and/or construction of real property. Such facilities include but are not limited to, libraries, hospitals, parks, public safety facilities, cultural, and educational facilities.
- **Lease Revenue Bonds**
  Lease revenue bonds will be used to finance the acquisition, improvement, and/or construction of real property; acquisition of capital equipment; and other capital projects that either (1) have an identified budgetary stream for repayment (*e.g.*, specified fees, tax receipts, *etc.*); (2) generate project revenue but rely on a broader pledge of General Fund revenues to reduce borrowing costs (e.g., parking garages); or (3) finance the acquisition and installation of equipment for the City's general governmental purposes.
- **Certificates of Participation**
  COPs will be used for acquisition or improvement of existing facilities and/or construction of new facilities that result in immediate or future savings in payments currently made or to be made by

the City's General Fund. For example, COPs may be used to provide funds to execute a lease purchase option for a facility whereby future savings accrue to the General Fund during the period for which the COPs and the lease would be outstanding. COPs also are appropriate for projects which will be matched with grant and other additional moneys, reduce operating costs to the City, address critical and urgent seismic and other public safety hazards for which no other sources are practically available, or provide for the delivery of services mandated by law.

- **Capital Leases**
  Capital equipment and personal property of a City department may be eligible for capital lease financing. Eligible equipment must have per unit cost of at least $100,000 unless it is an integral part of a system (such as a computer network) then the aggregate of the various components must be at least $100,000. The useful life of the item will be in excess of three years and at least 120% of the financing and refinancing term.

- **Refunding Obligations**
  Refunding Bonds will be issued typically to achieve debt service savings for the City, although other non-economic factors may support the issuance of such obligations. Pursuant to *section 43.8.4(b)* of the City's *Administrative Code,* the Board of Supervisors will establish by resolution the minimum savings to be generated by the issuance of such refunding.

  Absent any significant non-economic factors, it is the policy of the City that a refunding should produce minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost ("TIC")[4] as the discount rate.

- **Special Limited Obligations**
  Special limited obligations are issued by the City, or by a joint powers authority on behalf of the City, to make proceeds available to finance the acquisition, construction and/or improvement of eligible facilities. The obligations represent special limited obligations of the City.
  - Mello-Roos special tax and special assessment districts ("Districts") provide methods to assist in the financing of public infrastructure and community facilities. The creation of the Districts may facilitate improvements to tangible or real property providing substantial general public benefits.
  - Infrastructure financing districts ("IFD") are formed for the purpose of financing public improvements to any real or other tangible property of communitywide significance.

  OPF will comply with goals and policies established by the Board of Supervisors concerning the issuance of special limited obligations.

---

[4] A measure of the interest cost of an issue that accounts for the time value of money. The TIC is the annual discount rate (yield) which, when used to discount all debt service payments to the date of issuance, results in the aggregate present value of such debt service payments being equal to the original purchase price of the issue.

11.1.4.2 | SHORT TERM DEBT

Short-term debt with a term to maturity of less than five years is issued to either 1) provide funds to finance operating cash flow deficits within a single fiscal year or 2) to provide financing for the acquisition and/or construction of long-lived capital projects to be refunded by long-term debt financing described above.

- **Tax and Revenue Anticipation Notes**
  Tax and Revenue Anticipation Notes ("TRANs") may be used to fund operating cash flow deficits in a fiscal year. TRANs proceeds may be used and expended for any purpose, including current operating expenses, capital expenditure, repayment of indebtedness and investment and reinvestment. TRAN proceeds will be invested in accordance with federal tax law to minimize net interest costs.

- **Commercial Paper**
  The City established its tax-exempt and taxable lease revenue commercial paper certificates of participation program ("Commercial Paper Program") for the purpose of providing funds to finance the acquisition, construction, and rehabilitation of capital improvements and the financing of vehicles and equipment. The Commercial Paper Program will be utilized and commercial paper notes will be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board of Supervisors and Mayor.

  The Director of Public Finance shall provide a written report to the Board of Supervisors twelve months following the initial issuance of commercial paper notes and annually thereafter through the final maturity of the last commercial paper note outstanding describing the notes issued since commencement of the Commercial Paper Program and since the date of the last report; summarizing the current status of projects financed with commercial paper; and identifying any certificates of participation and other long term obligation refunding commercial paper notes.

- **Bond Anticipation Notes**
  Pursuant to *Chapter 43, Article XI* of the City's *Administrative Code*, the City may issue short-term indebtedness ("BANs") in anticipation of the issuance of general obligation bonds which have been approved by the voters for the purposes for which the general obligation bonds were approved by the voters. The BANs will have a final maturity within a period not to exceed five years of its issuance date, may be sold at a discount not to exceed 5%, and any renewal or refunding of BANs will be payable solely from the proceeds of the sale of general obligation bonds. In addition, OPF may consider the issuance of other forms of bond anticipation notes, to the extent the Director of Public Finance determines such issuance is economic and permitted by law.

11.1.4.3 | CONDUIT FINANCINGS

Conduit financings are issued by the City to make proceeds available to a non-City conduit borrower in furtherance of a public purpose. Financing proceeds may be loaned to the conduit borrower pursuant to a loan agreement between the City and the conduit borrower. The conduit borrower is responsible for the repayment obligations and the conduit obligations represent non-recourse obligations of the City.

- **Affordable Housing Nonprofits**
  The Mayor's Office of Housing, on behalf of the City, will serve as a conduit issuer and administrator for affordable housing nonprofits given the City's significant interest in maintaining affordable housing in the City, and given that the Mayor's Office of Housing has the requisite resources and oversight ability to manage and administer the conduit financings.
- **Other Private Parties Conduit Financings**
  The City, through OPF, will not generally serve as a conduit issuer for private parties given the lack of resources, lack of authority to oversee such transactions, and availability to private parties of State and other conduit issuers.

11.1.4.4 | OTHER OBLIGATIONS

There may be special circumstances when other forms of financing are appropriately utilized by the City. OPF will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, pension obligation bonds, Teeter (Property Tax) financings, long-term concession agreements, non-enterprise revenue bonds, grant anticipation notes and judgment or settlement obligation bonds.

11.1.5 | Debt Approval Procedures

11.1.5.1 | APPROVAL BY CAPITAL PLANNING COMMITTEE

Pursuant to the City's *Administrative Code, Section 3.20 et. seq.*, all long-term financing for proposed capital improvements shall be reviewed and approved by the City's Capital Planning Committee ("CPC") prior to being presented to the Board for approval. For purposes of this paragraph, the term "long-term financing" means any financing that creates a repayment obligation beyond one fiscal year.

The CPC consists of the City Administrator as chair, the President of the Board, the Mayor's Finance Director, the Controller, the City Planning Director, the Director of Public Works, the Airport Director, the Executive Director of the Municipal Transportation Agency, the General Manager of the Public Utilities System, the General Manager of the Recreation and Parks Department, and the Executive Director of the Port of San Francisco. Proposed long-term financings are subject to the following:

- **Board of Supervisors**
  The Board of Supervisors shall not place on the ballot or authorize the issuance of any long-term

financing until the CPC completes its review of the proposed project and project financing and submits its recommendation to the Board of Supervisors.

- **Form of Proposal**
  Each proposal shall be in form and substance satisfactory to the CPC, and shall be accompanied by descriptive financial, architectural, and/or engineering data, and all other pertinent material in sufficiently complete detail to permit the CPC to review all aspects of the proposal.

- **Capital Expenditure Plan**
  The CPC shall submit a written report to the Mayor and the Board of Supervisors analyzing the feasibility, cost, and priority of each proposal relative to the City's capital expenditure plan.

11.1.5.2 | APPROVAL BY THE BOARD OF SUPERVISORS

All long-term financing transactions shall be approved by resolution or ordinance of the Board of Supervisors and approved by the Mayor. Bonds with prior approval for issuance by the voters will not be issued until the plan of finance has been reviewed by CPC, and approved by the Board of Supervisors.

- **General Obligation Bonds**
  Pursuant to the State Constitution, the California Government Code and the City's Administrative Code, the Board of Supervisors shall hold a minimum of two public hearings prior to placing a GO bond measure on the ballot. In accordance with the State constitution, GO bonds must be approved by two-thirds (2/3) vote of the City electorate voting on the measure. Prior to any issuance of any new money, refunding general obligation bonds, or general obligation BANs, the Board of Supervisors shall approve by majority vote, a resolution authorizing such issuance.

- **Lease Revenue Bonds**
  The Board of Supervisors shall hold a minimum of one public hearing to place the lease revenue bond measure on the ballot. In accordance with the City Charter, lease revenue bonds must be approved by majority vote. Subsequent to successful passage and prior to any issuance of new money, refunding lease revenue bonds, or commercial paper notes refinanced with lease revenue bonds, the Board of Supervisors shall approve by majority vote, a resolution authorizing such issuance.

- **Certificates of Participation**
  In accordance with *Article IX* of the *City Charter*, COPs may consist of lease financing agreements between the City and a for- profit lessor. All issuances of COPs shall be authorized by resolution or ordinance of the Board of Supervisors by majority vote and then, if necessary, validated by the Superior Court of San Francisco as described in "Validation" below. COPs are not required to be approved by the electorate.

- **Capital Leases**
  Pursuant to *Section 9.118* of the *City Charter*, all capital leases financing capital equipment with a term exceeding 10 years and requiring anticipated expenditures by the City exceeding $10,000,000 shall be authorized by resolution or ordinance of the Board of Supervisors by majority vote.

- **Refunding Obligations**
  Pursuant to *Section 9.109* of the *Charter*, the Board of Supervisors is authorized to provide for the issuance of Bonds for the purpose of refunding any GO bond, lease revenue bond or COPs. No voter approval is required for the authorization, issuance and sale of refunding obligations which result in net present value savings to the City.

- **Special Limited Obligations**
  All issuances of special limited obligations shall be authorized by resolution of the Board of Supervisors by majority vote and then, if necessary, validated by the Superior Court of San Francisco as described in "Validation" below. Mello-Roos special tax and special assessment debt require two-thirds approval by the electorate comprising the District.

11.1.5.3 | VALIDATION

From time to time proposed financing structures may require a validation action by the Superior Court of San Francisco.

- A validation action is a procedure under California law (*Civil Code 860 et seq.*) which allows an issuer to have the legality of a bond financing approved, including any issue regarding constitutionality of the bond issue, and accelerates any statute of limitations. Notice of the lawsuit is given by publication in the newspaper and by posting public notices. If no interested person comes forward and challenges the financing, a default judgment is given, binding all parties who may desire to challenge the financing. Once the court issues a judgment, and the 30-day appeal period expires, the financing cannot later be challenged in court.

- It is the policy of the City that no offering statement related to any validated financing will be circulated prior to the conclusion of the 30-day appeal period.

11.1.6 | Bond Oversight

11.1.6.1 | GENERAL OBLIGATION BONDS

- **Citizens' General Obligation Bond Oversight Committee**
  Pursuant to the City's Administrative Code Chapter 5, Article IV and this Policy, the Citizens' General Obligation Bond Oversight Committee ("CGOBOC") shall convene to provide oversight ensuring that general obligation bond proceeds are expended in accordance with the applicable ballot measure and / or authorizing legislation. CGOBOC shall ensure that such proceeds are not used for any administrative salaries or other operating expenses.

- **Bond Accountability Reports**
  Pursuant to *Administrative Code Chapter 2 Article VIII (Section 2.70 et seq.)*, each department requesting sale of a series of voter- approved GO bonds shall file a *Bond Accountability Report* 60 days prior to the approval by the Board of Supervisors of the sale of the bonds. The Report shall detail original and current budget expenditure information for each project line item

identified in any previous report. The Bond Accountability Report shall be filed with the Clerk of the Board of Supervisors, City Controller, City Treasurer, Director of the Office of Public Finance, Budget and Legislative Analyst of the Board of Supervisors with a copy to the Chair of the Citizens' General Obligation Bond Oversight Committee. The obligation to file such report is the responsibility of the requesting department.

11.1.7 | Debt Limitations

The Director of Public Finance shall determine whether proposed debt transactions comply with the debt limitations prescribed by the Policy. Proposed debt transactions that meet the limitations of the Policy will be subject to approval by resolution or ordinance of the Board of Supervisors and by the Mayor as prescribed by State law, the *City Charter* and the City *Administrative Code*.

In the event the Director of Public Finance and the Controller determine any proposed debt transaction exceeds the limits imposed by this Policy, the Board of Supervisors may approve such transaction by a two-thirds (2/3) majority vote, subject to the *City Charter* and the City *Administrative Code*.

11.1.7.1 | GENERAL OBLIGATION BONDS

Pursuant to *Section 9.106* of the *City Charter*, outstanding general obligation bonded indebtedness cannot exceed three percent (3%) of the assessed valuation of taxable property within the boundaries of the City.

- **Forward Debt Capacity**
  OPF shall maintain a 10-year forward debt capacity schedule which incorporates assumptions of growth in assessed valuation and reasonable estimates of new debt issuance and retirement. Such schedule shall be available to any interested parties in connection with the review of any GO bond measure or issuance of new GO bonds.
- **Priority Capital Projects**
  A minimum of 0.3% in debt capacity shall be reserved for capital projects deemed by the City's Mayor or Board of Supervisors to be of the highest priority or urgency.

11.1.7.2 | CERTIFICATES OF PARTICIPATION AND OTHER LONG TERM OBLIGATIONS

It is the policy of the City to identify specific revenue sources within the General Fund (*e.g.*, transient occupancy taxes, tobacco settlement receipts, *etc.*) as internal repayment sources for COPs, and to ensure that prudent repayment schedules are placed on the General Fund.

It is the policy of the City that it maintains the percentage of the General Fund spent on General Fund secured debt service at or below 3.25 percent of General Fund discretionary revenues. Stated differently, COPs and other lease financing debt will only be used as funding sources for capital projects when existing debt are retired and/or the City's aggregate General Fund discretionary revenues grow.

11.1.7.3 | CAPITAL EQUIPMENT

It is the policy of the City that the outstanding aggregate principal amount of lease revenue bonds financing capital equipment may not exceed $20.0 million, such amount increasing by five percent each fiscal year starting fiscal year 1991. OPF will monitor lease revenue bonds outstanding financing capital equipment to ensure sufficient borrowing capacity.

11.1.8 | Methods of Sale

11.1.8.1 | COMPETITIVE SALE

Except as provided below, it is the policy of the City that all new money and refunding Bonds will be issued by competitive sale in accordance with the City's competitive bid policies and State law (*Government Code Section 53506 et seq.*).

The City may take bids in person or by electronic means.

- **Marketing**
  Bond sales will be advertised as broadly as possible, including advertising in an industry newspaper. The financial advisors for each transaction shall undertake to market the bonds to prospective bidders and investors as relevant and in accordance with law.
- **Amendments**
  Terms of the bonds shall be amendable as late as possible and at least until 1:00 p.m. Pacific Time the day prior to the day bids are to be received.
- **Cancellation**
  Bond sales will be cancelable at any time prior to the time bids are to be received.
- **Award**
  The Bonds shall be awarded to the bidder whose conforming bid represents the lowest true interest cost to the City ("TIC"). The City may then restructure the bonds in accordance with the Official Notice of Sale.
  - the City shall reserve the unfettered right to reject all bids or waive bid irregularities.
  - the Treasurer or his/her designee shall make the award of general obligation bonds.
  - an officer of the Finance Corporation of the City and County of San Francisco shall award lease revenue bonds issued by the Finance Corporation.
  - the Controller or his/her designee shall make the award of certificates of participation.

11.1.8.2 | NEGOTIATED SALE

OPF may determine to issue new money and refunding Bonds on a negotiated basis if:

- There is significant deterioration in the City's overall credit rating or outlook,

- There are credit issues specific to a transaction that are outside of the City's customary credit profile including (a) market issues such as threat of war, market disruptions, proposed changes in taxation or sector risks, or (b) transactions involving public/private partnerships, or
- The transaction is for variable rate debt, or commercial paper or other non- traditional debt structure.

Further, all variable rate bonds, which may include variable rate demand notes, commercial paper, *etc.*, would be expected to be issued by negotiated sale. The City shall retain a minimum of two (2) broker/dealers or remarketing agents for each issuance of variable rate indebtedness exceeding $20 million. The broker/dealers or remarketing agents shall be retained for a period co-terminus with the final maturity of any variable rate bonds provided that the City may replace a broker/dealer or remarketing agent with notice at any time for any reason in its sole discretion.

11.1.8.3 | PRIVATE PLACEMENT

All City obligations that lack an active and liquid secondary market and / or obligations with complex and / or unusual credit characteristics would be expected to be issued through a private placement pursuant to a bond purchase contract and placed with an accredited investor as defined in *Rule 501(a)* of *Regulation D*, subject to the Director of Public Finance finding that such a sale method would will result in a lower overall cost than would be achieved by selling bonds at a public sale.

11.1.9 | Debt Structuring Practices

11.1.9.1 | STANDARD TERMS

The following terms shall be applied to the City's transactions as appropriate. Individual terms may change as dictated by the marketplace of the unique qualities of the transaction.

TABLE 11-1. STANDARD TERMS FOR GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS	
Term	20-30 years – useful life of asset
Maximum Interest Rate	Not to exceed 12%
Maximum Premium	Case by case determination
Maximum Discount	Not less than par
Payment Dates - Fixed	June 15 (principal redemption and interest) and December 15 (interest only); the first payment may be extended by up to 18 months to ensure that a payment is not placed on the tax roll until

GENERAL OBLIGATION BONDS	
	AFTER the bonds are issued
Coupons	Fixed or variable
Call Provisions	All debt will be callable at the earliest possible optional call date consistent with optimal pricing and provide for not more than 30 days call notice
Structure of Debt	Level debt service
Project Fund	Gross funded
Debt Service Reserve	None
Capitalized Interest	None
Reimbursement Resolution	As required
Good Faith Deposit	Lesser of 125% of cost of issuance or 1% of par amount
Budgeting Debt Service	Debt service shall be included in the tax levy

TABLE 11-2. STANDARD TERMS FOR LEASE REVENUE BONDS/CERTIFICATES OF PARTICIPATION

LEASE REVENUE BONDS / CERTIFICATES OF PARTICIPATION	
Term	25 years is standard, but up to 35 years depending on cash flow assumptions, construction timeline and remaining useful life of the asset being financed
Maximum Interest Rate	Not to exceed 12%
Maximum Premium	Case by case as recommended by FA
Maximum Discount	Case by case as recommended by FA
Payment Dates - Fixed	April 1 and October 1; equipment lease revenue bonds pay principal in both April and October
Coupons	Fixed rate or variable
Call Provisions	Shortest possible optional call date consistent with optimal pricing; no more than 30 days notice

LEASE REVENUE BONDS / CERTIFICATES OF PARTICIPATION	
Structure of Debt	Level debt service - unless otherwise dictated by underlying remaining useful lives
Debt Service Reserve	Lesser of 10% principal amount, 125% average annual debt service, 100% maximum annual debt service or surety bond; prior to the issuance of any Bonds, the Director of Public Finance may recommend to the Board of Supervisors a lower debt service reserve requirement provided it is economic to do so
Capitalized Interest	Sized through substantial completion plus a minimum of six (6) months unless other assets are available; liquidated damages of construction contract must include amount of daily debt service
Net Funding	The project and capitalized interest funds may be net funded if investments are secured upon issuance of bonds
Reimbursement Resolution	Adopted by relevant commission or the Board of Supervisors in absence of a commission
Good Faith Deposit	Lesser of 125% of cost of issuance or 1% of par amount
Budgeting Debt Service	Budget shall be for gross debt service

The City may elect to issue any bonds as variable rate bonds, which bonds may bear interest at daily, weekly, monthly, semi-annual or commercial paper segment rates.

TABLE 11-3. STANDARD TERMS FOR VARIABLE RATE BONDS

VARIABLE RATE BONDS	
Purpose	Reduce net borrowing costs; match of assets and liabilities
Maximum Portfolio Allocation	No more than 20% of the City's outstanding debt portfolio shall be in unhedged, variable rate short-term paper
Term	Consistent with policies for underlying debt types
Maximum Interest Rate	12%
Monitoring	OPF shall monitor all variable rate bonds on a monthly basis and shall determine, from time to time, whether to change modes, alter hedging strategies and/or replace a broker- dealer or

VARIABLE RATE BONDS	
	remarketing agent
Budgeting	OPF will recommend annually budgeted debt service on any variable rate bonds at 1.5 times the rolling 3- year average of the SIFMA index, or another relevant index of comparable time frame, as well as ongoing fees associated with variable rate bonds
Remarketing Provisions	Remarketing agent agreements shall contain a provision requiring the remarketing agent(s), in the event of a failed remarketing, to purchase the City's bonds, at prevailing interest rates, for up to 30 days; the purpose of such provision is to allow the City ample time to convert illiquid bonds to an alternative, marketable mode before incurring liquidity rates, if market conditions allow.
Call/Conversion Provisions	On any date without penalty; no more than ten (10) days notice
Liquidity	A liquidity facility shall be obtained, either externally or internally, for all short-term indebtedness containing a put feature. Liquidity providers shall maintain the highest short-term ratings and long-term ratings at least equivalent to the City's ratings
Disclosure	The City shall covenant to provide continuing disclosure in accordance with its customary practices for any short-term debt with a final, stated maturity exceeding three (3) years
Mode	All bonds issued as variable rate bonds shall be issued as "multi-modal" bonds

11.1.10 | Derivatives Policy

Properly used, interest rate swaps, and related financial instruments such as swap options, can be beneficial interest rate management tools that can assist the City as part of its overall debt and investment management program. Interest rate swaps are appropriate for use when they are designed to achieve specific financial objective(s) consistent with the City's overall financial policy and strategy. However, these products also carry with them certain risks not faced in standard debt instruments which are often difficult to quantify. If there is a compelling risk management reason to utilize derivative products, OPF will review a proposed transaction and, where appropriate, provide analysis and recommend approval by the Board of Supervisors. Prior to making such recommendation, OPF will submit

to the Board for discussion a Derivatives Policy designed to ensure that adequate internal controls are in place to manage such instruments.

11.1.11 | Permitted Investments

All investments of bond proceeds shall adhere to the City's Investment Policy approved periodically by the County Treasury Oversight Committee. With the exception of investment agreements, investments shall not allow security types or credit standards less than those of the Treasurer's Investment Policy. Investment agreements shall be selected as provided below.

TABLE 11-4. PERMITTED INVESTMENTS: INVESTMENT AGREEMENTS

INVESTMENT AGREEMENTS	
Purpose	a) maximize interest earnings thereby reducing net borrowing cost b) match of assets and liabilities, and/or c) hedging
Counterparty	Minimum rating of "AA" from at least one major nationally recognized statistical rating organization ("NRSRO", Fitch Ratings, Moody's Investors Service, and Standard and Poor's);
Mandatory Termination	Limited to credit-related events and non-payment
Cure Provisions	Timelines on City's obligations to cure must provide for appropriate legislative action
City's Priority of Payment	Termination Payments – subordinate to related debt payments
Procurement/Award	Award based on best bid as defined in bid form after limited negotiation of terms
Term	Not in excess of the term of the bonds

11.1.12 | External Consultants

Bond, Tax and Disclosure Counsel

The City Attorney's Office shall select bond, tax and /or disclosure counsel ("Bond Counsel") for each transaction. The City Attorney's Office shall periodically discuss the performance of Bond Counsel with OPF in terms of quality and timeliness of legal services.

Financial Advisors

OPF may determine to utilize the services of independent financial advisor(s) and feasibility consultant(s) ("FA") on debt financing when prudent. OPF shall utilize a request for qualifications and/or request for proposals ("RFP") selected pool of such financial advisors to mitigate time constraints and reduce overhead costs of the City in procuring such services. Services shall be documented by contract and compensation shall be capped. All financial advisors shall be registered with the Municipal Securities Rulemaking Board ("MSRB"). No financial advisor shall serve as an underwriter on a transaction.

Rebate Consultant

Rebate consultant shall be selected by RFP for all tax- exempt long-term obligations for a set term with 1-year extensions. Rebate analyses will be performed annually at fiscal year end by the rebate consultant and on every fifth anniversary of the bond issue until proceeds are fully expended.

11.1.13 | Counterparty and Fiduciary Relationships

Auction Agents

Auction agents are selected for each relevant transaction by RFP issued by OPF or its agent and subject to negotiation of terms.

Broker-Dealers and Remarketing Agents

For all variable rate bonds, OPF shall select by RFP broker-dealers or remarketing agents for each transaction and monitor performance on a monthly basis. The City may replace a remarketing agent or broker-dealer with notice at any time.

Investment Agreement Counterparties

Investment agreement counterparties are selected by RFP in accordance with relevant bond documents and the City's Investment Policies.

- In general, uncollateralized Investment Agreements shall be executed with counterparties rated at least "AAA" with collateral required upon downgrade below "AAA."
- Repurchase Agreements or Forward Delivery Agreements shall be executed with counterparties rated at least "AA" (by at least one of the major NRSRO) with downgrade provisions requiring assignment or collateral should the rating fall below "A-" by or "A3" by Standard & Poor's and Moody's Investor Services respectively.

Credit and Liquidity Facility Providers

- **Bond Insurance**
  All or any portion of an issue of Bonds may be secured by bond insurance provided by municipal

bond insurers ("Bond Insurers") if it is economically advantageous to do so, or if it is otherwise deemed necessary or desirable in connection with a particular issue of Bonds. The relative cost or benefit of bond insurance may be determined by comparing the amount of the bond insurance premium to the present value of the estimated interest savings to be derived as a result of the insurance. The Director of Public Finance shall take into consideration the ability and / or likelihood of the Bond Insurer maintaining its ratings over the term of the bond insurance.

- **Credit and Liquidity Facilities**
  The issuance of certain types of Bonds requires a letter of credit or line of credit ("Credit Facility") from a qualified financial institution to provide liquidity and / or credit support. The types of Bonds where a Credit Facility may be necessary include commercial paper, variable rate bonds with a tender option, and Bonds that could not receive an investment grade credit rating in the absence of such Credit Facility.

  The Director of Public Finance shall take into consideration, in advance of the issuance of the applicable Bonds, the likely remedial strategies in the event of a material decline in the Credit Facility provider's credit quality.

  The criteria for selection of a Credit Facility provider shall include the following:

  - Long-term ratings from at least two NRSRO equal to or better than those of the City
  - Short-term ratings from at least two NRSRO of at least P-1 / A-1+/ or equivalent
  - Experience providing such facilities to state and local government issuers
  - Fees, including without limitation initial and ongoing costs of the Credit Facility; draw, transfer, and related fees; counsel fees; termination fees and any trading differential
  - Willingness and ability to agree to the terms and conditions required by the City.

- **Selection**
  Credit and liquidity facility providers will be selected by RFP issued by OPF or its agent and subject to negotiation of terms.

- **Replacement**
  In the event that a credit or liquidity facility provider experiences financial or other distress, such as a material credit rating downgrade below the thresholds detailed in Section XIII., the Director of Public Finance, to the extent necessary or desirable, shall seek to replace the related provider subject to any required approvals by the Board of Supervisors. The Director of Public Finance shall take into consideration:
  - The impact on the City's own credit rating
  - The remaining value of the existing Credit Facility
  - The financial impact of any replacement
  - Any other material financial or other consideration

- **Trustees**

  Selected for each issue by RFP. The Trustee shall have a combined capital and surplus of at least $50,000,000 and be subject to supervision or examination by federal or state authority.

- **Underwriters**

  OPF may determine to retain underwriters for negotiated and private placement bond transactions. OPF will utilize an RFP-selected pool of such underwriters advisors to mitigate time constraints and reduce overhead costs of the City in procuring such services. Services shall be documented by contract and compensation shall be capped. Underwriters may be required to execute confidentiality agreements with the City prior to the commencement of work.

11.1.14 | Post Issuance Debt Administration and Covenant Compliance

Secondary Market Disclosure

OPF shall comply with all federal securities disclosure laws and strive to maintain good investor relations through the timely dissemination of pertinent and material financial information.

Annual Report

The City will covenant to provide annual disclosure in accordance with SEC Rule 15c2-12. The City will also covenant to provide its annual disclosure report (the "Annual Report") no later than 270 days following the end of the fiscal year, but the City will strive to issue the Annual Report as soon as practical following the issuance of the City's annual Comprehensive Annual Financial Report ("CAFR"). The Annual Report, in addition to being posted in accordance with law, will also be posted at the Main Library and be on file with the Clerk of the Board of Supervisors. The Annual Report shall include CUSIPs, trustee and City contacts, and applicable project status as required, for all transactions subject to annual reporting.

Material Event Notices

The City will disseminate timely event notices in accordance with the provisions of SEC Rule 15c2-12. Prior to the dissemination of any event notice, OPF may convene a meeting of DPWG to discuss the materiality of any event and the process for equal, timely and appropriate disclosure to the marketplace.

Voluntary Event Disclosure

The City shall submit its 3-month Budget Report, 6-month Budget Report, 9-month Budget Report, 3-year Budget projections ("Joint Report"), 5-year Financial Plan, Annual Proposed Budget, Annual Appropriation Ordinances, and CAFR to the MSRB as soon as practical.

Insurance Certifications

The City (through its Risk Manager) shall provide annual insurance certification to the Trustee and Bond Insurer on lease revenue bonds and COP financings as long as the bonds are outstanding.

Annual Budgetary Certifications

The City shall covenant to provide annual budgetary certifications to interested parties, if any, no less than 60 days following the adoption of the City's budget. Pursuant to the City Charter, the Board must adopt the annual budget by each July 31st and the Mayor must sign it 10 days thereafter.

Ratings

OPF will secure underlying ratings on all newly issued obligations from the three major nationally recognized statistical rating organizations, provided it is economic to do so.

Annual Meeting

OPF shall offer to meet with each rating agency at least annually.

Citywide Ratings Notification

OPF shall promptly provide notice of any changes in City ratings or outlook to the Mayor, the Mayor's Finance (or Budget) Director and Press Secretary, City Controller, City Treasurer, Chief Investment Officer, President of the Board of Supervisors, Chair of the Finance Committee of the Board of Supervisors, Budget Analyst to the Board of Supervisors and the DPWG.

Training

City officials or employees shall attend disclosure training sessions as provided in the City's Disclosure Controls and Procedures attached hereto as Appendix A.

Relationship with Other City Entities

The Director of Public Finance shall maintain communications with the City's related issuers of long-term obligations, including through periodic meetings, conference calls and status reports, and may consult with such issuers regarding the proposed issuance of Bonds, the use of derivatives, credit and rating strategies, and other related matters.

Review of Policy

OPF shall conduct an annual review and evaluation of the Policy. As appropriate, OPF shall amend the Policy to be consistent with changes in the federal and state securities laws, pronouncements of the Securities and Exchange Commission and such other matters as the Director of Public Finance deems necessary or desirable.

11.1.15 | Post Issuance Arbitrage Rebate Tax Compliance

The Office of Public Finance, through the Office of the Controller, will bear primary responsibility for all ongoing tax compliance matters relating to the obligations (the "Bonds") issued by the City and subject to

the terms of this Debt Policy. The person(s) who hold the following title(s) shall be responsible for monitoring ongoing tax compliance matters relating to the Bonds, including compliance with the arbitrage rebate requirements of *Section 148* of the ==Administrative== Code, as set forth in these Procedures, which are intended to satisfy *Section 7.2.3.4.4* of the *Internal Revenue Manual: Director of Public Finance* of *the City and County of San Francisco.*

11.1.15.1 | EXTERNAL ADVISORS / DOCUMENTATION

The Director of Public Finance, to the extent necessary, will consult with bond counsel and other legal counsel and advisors following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. Such consultation will include, without limitation, questions about future contracts with respect to the use of Bond- financed or refinanced assets.

The Director of Public Finance, will from time to time engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds as required under the Code.

The Director of Public Finance shall prepare (or cause to be prepared) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Rebate Service Provider if it so requests.

11.1.15.2 | ARBITRAGE REBATE AND YIELD

In connection with Bonds subject to this Debt Policy, the Director of Public Finance shall be responsible for:

- engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other account holder to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider
- monitoring efforts of the Rebate Service Provider
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6- month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds
- retaining copies of all arbitrage reports and account statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the Issuer.

11.1.15.3 | USE OF BOND PROCEEDS AND BOND-FINANCED OR REFINANCED ASSETS

The Director of Public Finance, together with the Controller's Office and applicable City departments, shall be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (*e.g.*, facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in any tax agreement relating to the Bonds

- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under "Record Keeping Requirements"

- consulting with bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds

- maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under "Record Keeping Requirements"

- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds

- to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

11.1.15.4 | RECORD KEEPING

The Director of Public Finance, through the Controller's Office or other applicable City department, shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of Bonds, including any elections made by the City in connection therewith

- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds

- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced asset

- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

11.2 | Reserves

11.3 | General Obligation Fund Reporting

12 | GRANTS & GIFTS*

This section describes the policies and procedures for the accounting of grants and gifts received by the City.

Outside resources that supplement the City's revenues from local taxes, bond sales, investments, and fees may be received in the form of grants, subventions, gifts and donations. It is important to accurately define the resources received as each type may require different recording treatment in the financial system.

Regulations Affecting Grants & Gifts

The following sections of the *San Francisco Administrative Code* regulate the administration of grants and gifts:

- Sec. 10.170. Grant – Application Procedure (as amended 9/24/97 by Ordinance no. 391-97)
- Sec. 10.170-1. Grant Funds – Acceptance And Expenditure (as amended 5/29/12 by Ordinance no. 97-12)
- Sec. 10.170-2. Accounting for Grants; Duties of Controller, Officers, Boards Or Commissions
- Sec. 10.170-2.5. Limitations upon Expenditure of Grant Funds
- Sec. 10.170-3. Acceptance of Provisions of Section 13522 of Penal Code [Provides assurances regarding peace officer recruitment and training standards required to qualify for State funds]
- Sec. 10.100-305. San Francisco Gift Funds (Acceptance of Gifts to City & County not to Exceed $10,000)

In addition, the *Annual Appropriation Ordinance* (Budget Ordinance) provides direction on the appropriation of grants.

12.1 | Grants

Grants

Grants are typically awarded through an application process by a government department, non-profit, or private entity to fund specific projects or programs. They normally have specific restrictions on spending of the grant money and require some level of compliance and reporting. The restrictions and requirements are spelled out in a grant agreement or grant contract, signed by both the grant recipient (grantee) and the granting agency (grantor). Grantors often have the right to take back the grant resources if the specific requirements of the grant are not met. In order to receive a grant, some form of proposal or application is usually required. Often, a grant budget is included in the application and the grantee is required to adhere to this budget when approved by grantor. Grants also normally have a

specific term to limit spending in a definite time period and the grant will expire at a certain date unless an extension is authorized by the grantor.

Subventions

Subventions are federal and state entitlement programs that allocate money to the City based on assistance claims, census data, or other measures. Subventions are normally allocated to supplement City funding for particular programs each fiscal year.

12.1.1 | Grant Application

The following language from the *San Francisco Administrative Code, Section 10.170 – Grant Application*, specifies the procedure to be followed when applying for grants.

Sec. 10.170 – GRANT APPLICATION PROCEDURE.

   (a)   Applications for federal, State, or other grants involving any project or program shall be filed on behalf of a department upon the approval by the Department Head.

   (b)   For annual or otherwise recurring grants of $5,000,000 or more, the Department Head shall submit a resolution articulating the grant application to the Board of Supervisors at least 60 days prior to the grant deadline for review and approval. The department shall provide as supporting documents to the resolution all relevant materials, including but not limited to the funding source's grant criteria, the department's most recent draft of its grant application materials, anticipated funding categories that the department will establish in the subsequent Request for Proposals (RFPs) process, and comments from any relevant citizen advisory body. Should the department fail to submit the resolution and/or supporting documents prior to the 60-day deadline, all funds received through the grant application shall be placed on reserve at the Board of Supervisors.

   For applications for annual or otherwise recurring grants of $5,000,000 or more that anticipate the issuance of Requests for Proposals, the Department Head shall submit a resolution articulating anticipated funding categories to the Board of Supervisors at least 60 days prior to the issuance of the RFPs for review and approval. The department shall provide as supporting documents to the resolution all relevant materials, including but not limited to the funding source's grant criteria, the department's most recent draft of its grant application materials, and comments from any relevant citizen advisory body. Should the department fail to submit the resolution and/or supporting documents prior to the 60-day deadline, all funds received through the grant application shall be placed on reserve at the Board of Supervisors.

   The Board of Supervisors shall approve the resolution before the Department Head issues the RFPs. Should the Board of Supervisors neither approve nor disapprove a resolution submitted by a Department Head for review and approval by three business days prior to the issuance date for RFPs, the Department Head may issue the RFPs.

In exercising its powers of review and approval of the aforementioned grant applications, the Board of Supervisors shall take into account whether, and to what degree, its policy priorities, and those expressed by the Mayor's Office and any applicable citizen advisory bodies, have been addressed.

(c)   The provisions of subsection (b) above are not intended to apply to annual or otherwise recurring Department of Homeland Security grants, grants for equipment purchases, or capital grants used only for capital improvements or as authorized by federal or State law.

(Amended by Ord. 93-86, App. 3/21/86; Ord. 204-90, App. 6/8/90; Ord. 401-90, App. 12/20/90; Ord. 187-91, App. 5/23/91; Ord. 301-91, App. 8/6/91; Ord. 931-97, App. 10/17/97; Ord. 265-05, File No. 051414, App. 11/18/2005)

If a recurring grant was budgeted through the Annual Budget and Appropriation Ordinance, then *Administrative Provision Section 11.1* provided authority to apply for the grant without a resolution, even if the grant was over $5,000,000, as follows:

Recurring grant funds which are detailed in departmental budget submissions and approved by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met the requirements of *Administrative Code*, Section 10.170 for the approval to apply for, receive and expend the said funds and shall be construed to be funds received for a specific purpose as set forth in this section.

Some granting agencies may require the City to obtain official Board approval through a resolution for application of their grants, even though their grants do not meet the threshold as required by the Board, or is already included in the annual budget submission. In such cases, an "apply for" resolution with appropriate language needs to be submitted to the Board through the same the channel as the "Accept and Expend" resolution approval process. Please see *Section 12.1.2.3 Accept & Expend Processing Guidelines* for the processing details and consult your department's City Attorney for the appropriate language to include in the resolution.

12.1.2 | Grant Budgeting

12.1.2.1 | AUTHORITY TO ACCEPT & EXPEND

Pursuant to *Administrative Code*, Section 10.170-1, acceptance and expenditure of grants requires approval of the Board of Supervisors; the exception being grants less than $100,000 (including any required City matching funds) that do not create new City positions. If subsequent increases to a grant raise the cumulative amount of the grant to $100,000 or more, or the cumulative increase is over $50,000, Board approval is required.

The table below defines the situations and the required Board documents to approve the acceptance and expenditure of a grant not included in the Budget Ordinance.

TABLE 12-1. DOCUMENTS REQUIRED FOR GRANT ACCEPT & EXPEND PROCESS

GRANTS	GRANT AMOUNT*	BOARD ACCEPT & EXPEND NEEDED	BOARD ACCEPT & EXPEND THROUGH
New Grant	≥ $100,000	Yes	Resolution
	< $100,000	No	N/A
Existing Grant	Increase making the total grant ≥ $100,000	Yes	Resolution
	Increase ≥ $50,000 and total grant ≥ $100,000	Yes	Resolution
	Increase resulting in the total grant < $100,000	No	N/A
	Increase of < $50,000	No	N/A
New or Existing Grant that creates new positions	ANY	Yes	Ordinance

* Amount includes matching City funds, if any

Note that pursuant to *Administrative Code,* Section 10.170(i), the acceptance and expenditure of grants from the San Francisco County Transportation Authority does not require Board approval.

Board approval can be obtained through either of the following two methods:

- Include the grant budget in the Budget Ordinance and grant-funded positions in the Annual Salary Ordinance (ASO).
- Submit a resolution or ordinance (for grants with new positions created) to the Board for approval through the "Accept and Expend" process.

12.1.2.2 | BUDGET AND APPROPRIATION ORDINANCE (BUDGET ORDINANCE) & ANNUAL SALARY ORDINANCE (ASO)

A substantial number of the City's grants are recurring—that is, they are granted to the City each year to fund the same programs and related FTE positions, and essentially provide a portion of the Department's operating budget.

To provide a clearer picture for the public and policy makers of the true size of a Department's budget and staff, recurring grants should be included in the annual budget process pursuant to *Administrative*

Code, Section 10.170-1e. Please refer *to Section 2.2 Budgeting* and the Controller's Budget Analysis Division's annual budget instructions for details of the annual budgeting process.

Estimate Grant Budget

According to *Administrative Code*, Section 10.170e, "the Department budget submission shall also include a budget detail, explanations, and substantiations of the grant funding." If departments do not know their exact grant award amount at the time they prepare their annual budgets, they should include their best reasonable estimate with supporting calculations. Departments should notify the Controller's Accounting and System Division, Accounting Operations Unit as soon as they learn of any changes in grant award levels from the amounts estimated in the Budget Ordinance. The Administrative Provisions of the Budget and Appropriation Ordinance Section 11.1 allows the Controller to adjust grant budgets if award levels change, without requiring Board action: "Individual grants may be adjusted by the Controller to reflect actual awards made if granting agencies increase or decrease the grant award amounts estimated in budget submissions."

With Controller approval, the Department could revise the grant budget in FAMIS to match the final grant award after the original budget has been set up through the budget system by initiating journal entries. However, the amount of budget increase is limited to $50,000, per *Administrative Code,* Section 10.170-1. Please see *Section 12.1.2.10 Grant Budget Set-up* for details.

12.1.2.3 | ACCEPT & EXPEND PROCESSING GUIDELINES

The department should submit the complete Accept and Expend resolution or ordinance package with the original resolution/ordinance signed by the Department Head, an electronic copy of the package, and another two (2) hard copies to the Controller's Office to start the grant Accept and Expend process. The package will go through the following review and adoption procedures.

☐ 1. Controller's Office review:
Fund Accountants at the Controller's Office Accounting Operations Unit will first review the Accept and Expend package for its completeness and consistency of the financial and other data in the documents. Upon review of the package, the resolution/ordinance will be approved and signed by the Controller. Please allow two business days for Controller's Office review and signature.

☐ 2. Mayor's Budget Office review:
Upon Controller's signature, the Accept and Expend resolution/ordinance package will be forwarded by the Controller's Office staff to the Mayor's Office of Public Policy and Finance (Mayor's Budget Office) to be reviewed by the Fiscal and Policy Analysts. Each Analyst is assigned a group of specific departments to review, and periodically a new list of assignments is circulated to the Controller's Office. Please allow two business days for Mayor's Fiscal and Policy Analysts to review.

☐ 3. Review by Mayor's Legislative Director:
Upon approval, the Fiscal and Policy Analysts will forward the package to the Mayor's Legislative Director. Please note that for Accept and Expend Resolutions/Ordinances, to be introduced on any given Tuesday, the Legislative Director must receive the redline packet and the electronic file by the Friday prior. Upon review, the resolution/ordinance will be approved and signed by the Mayor's Office.

☐ 4. Upon Signature, Mayor's Office staff will forward the package to the Clerk of Board of Supervisors.

☐ 5. Clerk of Board of Supervisors / Committee review:
The resolution/ordinance package (with all copies) must arrive at the Clerk's Office by Monday noon in order to be introduced on the second following Board agenda, to be referred to a Board committee. If Monday is a holiday the deadline day moves forward to Friday at noon. The agenda will be recommended to the full Board upon the Committee's approval.

☐ 6. Board of Supervisors Adoption:
The Board of Supervisors will have to adopt the resolution or ordinance by majority vote in their weekly Board meeting. Upon adoption, the resolution/ordinance will be forwarded to the Mayor for final signature.

☐ 7. Mayor's Signature:
Mayor has ten (10) calendar days to sign and return the resolution/ordinance to the Clerk of Board for the legal document to take effect. Upon Mayor's signature, the resolution is then numbered, copied and distributed.

Special Timeline Requirements

Under normal circumstances, allow at least four (4) weeks after submittal for Accept and Expend Resolutions to be reviewed by the Board of Supervisors and signed by the Mayor. If you have special timeline requirements, you must state them in the cover letter to the Clerk of Board so that the Clerk's office will be aware of your needs. The following Figure provides a sample cover letter.

FIGURE 12-1. GRANT ORDINANCE COVER MEMO & CHECKLIST

TO: **Angela Calvillo, Clerk of the Board of Supervisors**

FROM:

DATE:

SUBJECT: **Accept and Expend Ordinance for Subject Grant**

GRANT TITLE:

Attached please find the original* and one copy of each of the following:

___ Proposed grant ordinance; original* signed by Department, Mayor, Controller

___ Grant information form, including disability checklist

___ Grant budget

___ Grant application

___ Letter of Intent or grant award letter from funding agency

___ Ethics Form 126 (if applicable)

___ Contracts, Leases/Agreements (if applicable)

___ Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted ordinance:

Name: Phone:

Interoffice Mail Address:

Certified copy required Yes ☐   No ☐

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

Copies of the Adopted Resolution or Ordinance

If you need to have a copy of the adopted legislation to send to a funding agency, you may request a "Certified Copy" which is signed, dated, and has the seal of the City & County affixed; or you may request a copy which will be an official copy without the seal. Unofficial copies can be obtained at the Board of Supervisor's website at: http://www.sfbos.org/index.aspx?page=2285

12.1.2.4 | DOCUMENTS TO INCLUDE IN THE ACCEPT & EXPEND PACKAGE

1. **Cover Letter** addressed to the Clerk of the Board transmitting the proposed resolution and all supporting documents. (Refer to Figure 12-1)

- Make sure to clearly identify the department submitting the package. It is recommended to print the cover letter on department letterhead.
- Mark all the documents attached in the checklist.

2. **Proposed Resolution or Ordinance** authorizing the acceptance and expenditure of grant funds, signed by the following signatories in the order specified:

- Department Head
- Deputy City Attorney (for Ordinances only)
- Department of Human Resources Director or designee (for Ordinances only)
- Controller or Controller's designee (obtaining signature is handled by the Controller's Accounting Operations Unit)
- Mayor's Office of Public Policy and Finance designee

A sample is provided in the Figure below.

FIGURE 12-2. GRANT ORDINANCE TEMPLATE

FILE NO. _____   ORDINANCE NO. _____

1 [Accept and Expend Grant - (Purpose or Program) – (Amount, if available), Plain English
   Description, Typed in Exactly 12 pt Spacing, Arial 12 pt, no More than 125 Characters/Spaces
2 in Brackets [ ], Should Clearly State The Purpose of the Legislation as the Legal Title
   Sometimes Does Not State the Reason]
3

4 **Ordinance (Type Retroactively OR delete) authorizing the Department of (Type your**

5 **department's name) to accept and expend a grant in the amount of $(Type the amount)**

6 **from the (Type the name of the granting agency) for (Type the purpose of the grant),**

7 **and amending the Annual Salary Ordinance to provide for the creation of certain grant-**

8 **funded positions.**

9

10   Be it ordained by the People of the City and County of San Francisco:

11   Section 1. The San Francisco (Code Title) Code is hereby amended by amending OR

12 adding Section (Section #(s)), to read as follows:

13   Sec.

14   Section 2. Authorization to accept and expend grant funds. The Board of Supervisors

15 hereby authorizes the Department of (Type your department's name) to (Type explanatory

16 text to explain the purpose of the grant).

17   Section 3. Grant funded positions: (List the position information and text explaining the

18 changes to the Annual Salary Ordinance. NOTE: You need to consult with the Department of

19 Human Resources for the specifics of this section).

20

21

22

23

24

25

```
1    APPROVED AS TO FORM:              APPROVED AS TO CLASSIFICATION
2                                      DEPARTMENT OF HUMAN RESOURCES
3
4
5    By: _____              By: _____
6        ATTORNEY'S NAME                   DIRECTOR'S NAME
7        Deputy City Attorney              Department of Human Resources
8
9    APPROVED:_____
10              Mayor
11
12   APPROVED:_____
13            Controller, Grant Division
14
15   Recommended:
16
17   _____
18   Department Head
19
20
21
22
23
24
25
```

3. The original resolution or ordinance must be printed on **red-lined paper** available from Reproduction Services and must have the above signatures prior to being submitted to the Clerk.

- Lines in the document must be aligned with the line numbers.
- On the first page, make sure "File No." appears on the upper left corner, and "Resolution No." or "Ordinance No." appears on the upper right corner.
- On each page, the page number should appear at the lower right corner. Name of the Supervisor or Committee or Department should appear at the lower left corner along with "Board of Supervisors".

4. **Grant Information Form (with Disability Checklist)** signed by the Department Head and department's Mayor's Office on Disability authorized reviewer prior to submittal. Authorized reviewers,

called ADA Coordinators, for each department can be found on the Mayor's Office on Disability website at: http://www.sfgov2.org/index.aspx?page=429. A sample *Grant Information Form* and *Disability Checklist* is provided below.

FIGURE 12-3. GRANT INFORMATION FORM & DISABILITY CHECKLIST

File Number: _____
    (Provided by Clerk of Board of Supervisors)

<div align="center">

Grant Ordinance Information Form
(Effective May 2011)

</div>

Purpose: Accompanies proposed Board of Supervisors ordinances authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying ordinance:

1. Grant Title:

2. Department:

3. Contact Person: Telephone:

4. Grant Approval Status (check one):

    [] Approved by funding agency   [] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $

6a. Matching Funds Required: $
 b. Source(s) of matching funds (if applicable):
  .
7a. Grant Source Agency:
 b. Grant Pass-Through Agency (if applicable):

8. Proposed Grant Project Summary:

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

    Start-Date: End-Date:

10. Number of new positions created and funded:

11. Explain the disposition of employees once the grant ends?

12a. Amount budgeted for contractual services:

  b. Will contractual services be put out to bid?

  c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE)
    requirements?

  d. Is this likely to be a one-time or ongoing request for contracting out?

13a. Does the budget include indirect costs?   [] Yes   [] No

  b1. If yes, how much? $

b2. How was the amount calculated?

c. If no, why are indirect costs not included?
    [ ] Not allowed by granting agency   [ ] To maximize use of grant funds on direct services
    [ ] Other (please explain):

  c2. If no indirect costs are included, what would have been the indirect costs?

14. Any other significant grant requirements or comments:

Disability Access Checklist*

15. This Grant is intended for activities at (check all that apply):

[ ] Existing Site(s)   [ ] Existing Structure(s)   [ ] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s)   [ ] Rehabilitated Structure(s)   [ ] New Program(s) or Service(s)
[ ] New Site(s)   [ ] New Structure(s)

16. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

_____
(Name)

_____
(Title)

Date Reviewed: _____   _____
                                         (Signature Required)

Overall Department Head or Designee Approval:

_____
(Name)

_____
(Title)

Date Reviewed: _____   _____
                                         (Signature Required)

5. **Grant Budget** including expenditures by budget category and number of grant-funded positions, their classification and duration, as applicable. This should be the grant budget as specified by the grantor.

6. **Copy of Grant Application** to funding agency (if grant was applied for).

7. **Copy of Award Letter** from funding agency, or letter of intent to award the grant.

Downloadable "Accept & Expend" packages are available on the City's Intranet Document Center at http://mission.sfgov.org/doccenter. Click on the word "Agency" to pull down Board of Supervisors | Grant Package from the "Select an Agency to View" menu.

For samples of resolutions and ordinances, please go to the Board of Supervisors website http://www.sfbos.org/index.aspx?page=2285 for examples of prior passed resolutions and ordinances.

12.1.2.5 | GUIDELINES FOR DRAFTING THE ACCEPT & EXPEND RESOLUTION/ORDINANCE

Obtaining approval to apply for a grant

The *Administrative Code,* Section 10.170 allows departments to apply for grants less than $5,000,000 without obtaining prior Board authorization. But, in some cases, a funding agency may require a Board Resolution to be attached to a grant application. In this situation, departments can obtain Board approval through a resolution to "apply for" the grant. Alternatively, a resolution or ordinance to "apply for, accept, and expend" the grant may be routed for Board approval, depending on whether new positions are being created.

Drafting resolution documents

All resolutions are divided into two major sections of text. The first section contains the "WHEREAS" statements, and the last section contains the "RESOLVED" statements, both of these statements should consist of only one single statement of fact.

- WHEREAS Statements: Need to be accurate, but they are not as strictly prescribed by law as the "RESOLVED" statements. For this reason it is permissible to include as many "WHEREAS" statements as the department thinks necessary to fully describe the purpose and restrictions of the grant to the Board of Supervisors and the public. The templates available in the Board of Supervisors Document Center only mention a minimum number of required "WHEREAS" statements.
- RESOLVED Statements: Only those statements required to make the resolution legally enforceable should be included as "RESOLVED" statements. At a minimum, those would be to authorize the department to Accept and Expend the funds and to waive indirect costs, if applicable.

Departments are advised to contact the City Attorney's Office for specific guidance on how to draft resolution documents.

Indirect cost

When preparing the grant application and budget, indirect costs should be included unless expressly unallowable under the terms of the grant. The resolution should contain language to waive indirect cost inclusion in this case.

1. If indirect costs are ineligible, you can state:

"Whereas, The grant terms prohibit including indirect costs in the grant budget; now, therefore, be it"

"Further Resolved, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget." (This Resolved paragraph must follow the first Resolved paragraph authorizing action or authority for the grant.)

2. If indirect costs are eligible, but are waived to maximize funds for program use, you can state:

"Whereas, The Department proposes to maximize use of available grant funds on program expenditures by not including indirect costs in the grant budget; now, therefore, be it"

"Resolved, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget." (This Resolved paragraph must follow the first Resolved paragraph authorizing action or authority for the grant).

3. If indirect costs are included, you can state:

"Whereas, The grant budget includes provision for indirect costs of $(insert amount) now, therefore, be it" Please note: If you do have indirect costs you do not need a separate resolved statement authorizing them (as you do with the prohibited and waived costs); you would simply continue with your resolution making the next paragraph your first resolved paragraph.

ASO amendment

For an ordinance that creates any new position (*i.e.*, amends the ASO), the department should accurately state the funding source (FAMIS codes) and information of the position added. See the Figure below for the format and information needed. Problems related to establishing the grant-funded position in the payroll system might arise if the funding source submitted when setting up the position is different from the funding source stated in the ordinance. The department needs to contact the Department of Human Resources to clarify the issue when this type of problem arises.

FIGURE 12-4. FORMAT FOR INCLUDING POSITION INFORMATION IN ORDINANCE

Department:			
Program:			
Subfund:			
Index Code:			
Amendment	**Number of Positions**	**Class and Item No.**	**Compensation Schedule**
Add	(% FTE)	(Job class & Description)	($XXXX B$XXXX)
Add	(% FTE)	(Job class & Description)	($XXXX B$XXXX)

For a <u>resolution</u> that does not create any new position (*i.e.*, does not amend the ASO), the following language should be included:

- "Whereas, the grant does not require an ASO amendment;"

Matching Funds and Other Special Conditions

Make sure the resolution or ordinance includes approval for any special grant conditions or uses of program income, including any matching requirements or legal waivers of liability. For matching requirements, the percentage of match or the dollar amount of the matching fund, and any in-kind matching services or expenditures from outside agencies, must be stated in the resolution or ordinance.

Program Income

If a grant program is expected to earn program income—such as from interest on advances, fees paid by participants, or repayments of loans funded by the grant—the resolution should include explicit instructions for how the program income will be expended. The department should also include anticipated program income in the total amount of the Accept and Expend so that spending authority for the program income is obtained without returning to the Board.

An exception is loan repayments and interest earnings in special revenue funds designated for affordable housing. *FY 2015 Budget Ordinance* Section 11.23 allows self-appropriation of loan repayments and interest earnings for affordable housing grants.

12.1.2.6 | GUIDELINES FOR GRANTS NOT REQUIRING BOARD APPROVAL

If a grant does not create new positions and falls below the threshold described in the Accept & Expend Threshold section above, departments must take the following steps to have the grant set up in FAMIS.

1. Submit the required documents to your Fund Accountant through email:

- Signed *Grant Resolution Information Form* (including the Disability Access Checklist)
  The form is available at
  http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=69&S=0&P=ByDept.aspx&T=Board%20of%20Supervisors%20|%20Grant%20Package&K=114
- Grant award letter
- Grant agreement
- Grant budget document from the grantor
- Grant guidelines or web link to the guidelines

2. Submit a grant journal entry in FAMIS using document type "GB" or "GM". (Note that document type "GB" or "GM" is used for initial grant budget set up ONLY. For budget modifications, use document type "GE" or "GR".) The notepad of the grant journal entry must include the following information:

- Name of the funding agency, federal pass-through agency, if applicable
- Grant type (federal, state, federal pass-through, or private, *etc.*)
- Catalog of Federal Domestic Assistance (CFDA) number, if applicable
- Grant award amount and grant period
- Required matching/in-kind amount and where in FAMIS it is budgeted
- Funding source of matching/in-kind amount
- Reporting and audit requirements and due dates.

12.1.2.7 | FINANCIAL SYSTEM GRANT SETUP

The structure of a grant in the City's financial system (FAMIS) is established through the use of grant codes, grant details, and index codes.

- **Grant codes** are intended to facilitate analysis of the grant budget and expenditure, and to track separately the grant's assets and liabilities. This is to ensure that grant reporting can be performed correctly.
- **Index codes** function to direct transactions to a specific funding source and to control posting of transactions in that funding location. Correct set-up of grant index codes ensures grant transactions are posted to the correct funding source and ensures grant expenditure posting is controlled at the correct spending and appropriation level and the appropriate period.

These codes need to be set up before the grant budget can be recorded. Initial setup of the correct grant structure in the financial system is very important in ensuring accurate recording and efficient monitoring of the grant. Incorrect grant code or index code setup may lead to difficulty in providing necessary documentation for audits, as well as increased risk of financial record errors and potential audit finding. After-the-fact restructuring due to incorrect grant setup would require extensive analysis and could be extremely labor-intensive and time-consuming. The following principles apply when establishing the structure of a grant.

12.1.2.8 | NEW GRANT DETAIL FOR EACH GRANT BUDGET/AWARD

As a general rule, a grant should have a two-digit detail after the first six digits of the grant that describes the fiscal year in which the grant will be spent. In special circumstances, departments may use the grant detail 1 for other purposes rather than fiscal year. Grant detail 2 (2 characters), detail 3 (one character) and detail 4 (one character) are optional and may be used in any way the department finds useful for reporting or analysis purposes.

Recurring Grants

For grants that are renewed each year on the City's fiscal year schedule, departments should request a new grant detail code in FAMIS and the budget system each fiscal year. The coding should follow the convention of using the last two digits of the year in which the fiscal year-ends (*i.e.*, use detail "13" to designate fiscal year 2012-2013).

If a department receives operating grant awards on a recurring cycle that differs from the City's fiscal year (*i.e.* the grant period cross two fiscal years), the coding should be the last two digits of the fiscal year that the recurring grant is awarded.

Multi-year Grants

If the grant term is more than one fiscal year (multi-year grant), a new detail should be added for each fiscal year if the grant agreement stipulates a separate budget for each fiscal year. A multi-year grant that has only one grant budget that spans through the entire grant period should be established in one grant detail only. However, departments should be careful to avoid including unspent funds in subsequent Budget Ordinances.

Grants with More than One Funding Source

Grant types are usually not mixed, unless the grants are reported together. For example, if a program is receiving both State and federal grants and the expenditures under each grant are reported separately, make a separate detail for each grant type. If a grant has a federal and state share, and the expenditures are reported together, the two grants may be reported in the same detail. (Note: In this case, the details would show the federal catalog number for the federal grant and only the federal share of the expenditures would be reported in the annual Single Audit).

One-time Grants or Gifts

For unique, one-time grants or gifts, the grant code may be sufficient and no grant detail is needed. However, if a grant code is initially set up with no details (*i.e.* "lower level required" on FAMIS screen 5070 is "N"), grant details cannot be added afterwards.

Miscellaneous Gifts

Gifts for the same purpose may be combined in one grant code. Some gift campaigns can result in numerous small gifts for a single purpose, such as a civic celebration or an historic building restoration process. These gifts may be combined in a single grant code/detail if there is no need to distinguish each one in FAMIS for reporting purposes.

Subventions – Grant Codes Not Required

Grant code or grant details are not required for annual subventions (entitlement payments) that are recorded in the general fund and are entirely expended during the same fiscal year. Expenditure appropriations associated with these subventions are not carried forward from one year to the next; as a consequence, it is not necessary to maintain separate fiscal year grant details.

When a New Index Code is Needed

A new index code may or may not be necessary for each grant. Some departments administer multiple grants with one index code. Others prefer to embed the grant code or grant detail in the index code and to set up a new code for each grant detail. However, department policy on index code set-up should be consistent. In general and as much as possible, departments should use no more than one index code to record all grant expenditure in a given grant detail.

If the department is not using the Labor Distribution System (LDS), the lowest-level grant detail must be embedded in the grant index code in order to charge personnel costs directly to a grant.

Setting up Grants with Projects

Departments should use the grant and project structure together in FAMIS under the following circumstances:

- The grant involves a capital project

  All capital projects must be tracked in the project structure as part of the fixed assets reporting system (FAACS). So, even if a grant is the sole source of funding for the capital project, the expenditures must be recorded as both a grant and a project.

- The grant relates to a project with multiple funding source

The grant funds a project with multiple funding sources and the department wants to use the project structure for combined reporting.

Matching Funds

Many grants require matching funds or in-kind contributions, which could come from the general fund, other grants, nonprofit agencies or individual volunteers. Departments are responsible for tracking and reporting matching funds and contributions to comply with grant agreements and support audits. Departments may work with their Fund Accountants at the Controller's Office Accounting Operations Unit to determine the most efficient way to track matching funds. Possibilities may include using separate index codes, project codes/details, and grant details to record matching funds expenditure.

Grant-Funded Personnel for Another Department

Some grants are awarded to a single department in the City, but support personnel or other service expenditure of departments other than the awarded department. In this case, the department awarded the grant has the responsibility to obtain Accept and Expend authority for the grant, set up the grant, and administer the grant. There are two ways to set up the appropriation for the expenditure for the other beneficiary departments.

Direct Charge

The administering department can set up a separate grant detail for the beneficiary department to separate the grant budget and expenditure of the administering department and the beneficiary department. Use detail 2 since detail 1 is usually used to indicate fiscal year. The beneficiary department can embed its grant detail in its department index code for the grant (*i.e.* JVXXXX_10PD in 05XXXX), which points to the same sub-fund location as the administering department's grant index code, so that grant expenditures charged in this index code are directly charged to the grant. Please refer to the Figure below for an illustration.

FIGURE 12-5. DIRECT-CHARGE BUDGET STRUCTURE FOR GRANT WITH GRANT-FUNDED PERSONNEL FOR ANOTHER DEPARTMENT

	Org	PDR	JUV	Total Grant budget
	I/C	05XXXX	12XXXX	
	Grant Detail	JVXXXX_10PD	JVXXXX_10JV	JVXXXX_10
	S/O	Budget FY10	Budget FY10	
Revenue				
	44939	$ 52,513	$ 104,552	$ 157,065
Expenditure				
	00101	$ 36,722	$ 49,858	$ 86,580
	Fringes	$ 15,791	$ 19,444	$ 35,235
	03800		$ 35,250	$ 35,250
Total expenditure		$ 52,513	$ 104,552	$ 157,065
Revenue - Expenditure		$ (0)	$ 0	$ -

This method of setup is ideal for straight payroll charges where the grant funds a full-time (1.0 FTE) position. Payroll can be charged to the grant without initiation of additional journal entries. However, there is a risk that ineligible expenditures of the beneficiary department can also flow to the grant via the beneficiary department's index code without the administering department's approval. Therefore, this method of setup requires a great amount of control from both the beneficiary department and the administering department to make sure that all expenditures recorded in the grant are eligible and the beneficiary department's index code is used solely for recording expenditure for the grant.

Work Order

The administering department can also set up a work order with the beneficiary department in order to transfer grant funds to the beneficiary departments and to recover their eligible grant expenditures. The beneficiary department needs to appropriate its grant funds from the administering department in its work order sub-fund and use its work order index code to record their expenditures. For details, please see Section 7 Work Orders.

12.1.2.9 | GRANT CODES AND INDEX CODES SETUP

Some departments are authorized to set up grant codes and index codes in FAMIS. Other departments need to submit requests to the Controller's Office Operations Unit. Requests to set up grants should be submitted with complete information in a grant setup form and an index code setup form to the

Controller's Office Operations Unit. Refer to the instructions below and the following sample forms and FAMIS Screens on filling out the forms.

Filling out the Grant Set-up Form

A **grant code** has six digits: the first two characters of the grant code are the two-digit alphabetic department code; the remaining four digits of the grant code can be any alphanumeric combination of significance to the grant.

The **grant title** should accurately describe the nature and purpose of the grant. It is limited to a maximum of 40 characters in FAMIS.

FAMIS contains the following **grant types** to identify the grant's funding sources:

- F: federal Direct
  Funds received directly from a federal agency. Catalog of federal Domestic Assistance (CFDA) number is required if this grant type is chosen.
- T: federal Pass-Through
  federal funds administered by and received from the State or other non-federal entity. Catalog of federal Domestic Assistance (CFDA) number is required if this grant type is chosen.
- S: State
  Funds derived from the State budget. These usually are received directly by a State agency, but in some cases, may be administered by and received from a regional or local agency, such as the Metropolitan Transportation Commission (MTC).
- L: Local
  Funds received from other local public agencies and derived from locally administered taxes, fees or other revenue sources. Examples include Metropolitan Transportation Commission (MTC) and Bay Area Air Quality Management District (BAAQ) grants derived from locally paid gas taxes or vehicle license fees. In some cases, funds administered by a local agency, such as the MTC, may come from taxes collected by the State but redistributed to regional agencies for the purpose of making grants. Generally, if the State provides the funds to the regional agency by a formula based on taxes or fees paid in the region, the funds should be considered "local." If the State apportions money from a statewide pool to regional agencies based on some other criteria, the funds should be considered "State."
- M: Mixed
  Use when a grant code includes more than one funding source type (*e.g.* federal and state). CFDA number is required if one of the funding source is federal.
- P: Private Grants
  Funds received from individuals or private for-profit and non-profit corporations (that are not federal or state pass-through funds) that have time or spending restrictions and reporting requirements.

- G: Gifts

  Funds received from individuals or private for-profit and non-profit corporations that does not have any time or spending restrictions and have no reporting requirements.

The **responsible department** is the 3-digit character code of the department responsible for administering the grant.

The **donor agency** field is a required field for all grant codes. This should indicate the agency that directly contracts with the City for the grant funding. For example, if a federal pass-through grant is awarded by the State, the State agency that awards the grant funds is the donor agency that should be entered here. In addition, please put the grant identifying number provided by the donor agency in the Notepad when the budget for the grant is set up in FAMIS.

Catalog of federal Domestic Assistance (CFDA) numbers are required for all federal direct and pass-through grants and should be accurately recorded in FAMIS. CFDA numbers are important for reporting grants in the City & County's annual Schedule of Expenditures of federal Awards (SEFA) and information gathering for the purpose of the annual Single Audit.

The CFDA number should be obtained from the funding agency and could be searched on-line at http://www.cfda.gov. A CFDA number is a 5-digit number, *e.g.* 14218 for Community Development Block Grants. The first two digits represent the federal department: 14 = Department of Housing & Urban Development (HUD), 93 = Department of Health & Human Services (HHS), *etc.* Some unique federal cooperative agreements may not have catalog numbers, in which case the funding department designates them. If the number is not in FAMIS, please contact the Controller's Office Accounting Operations Unit to set up the code.

"**Plan start date**" and "**Plan end date**" represent the grant period as stated on the grant agreement to show the period of performance in which expenditures are allowed to be incurred.

"**Actual start date**" and "**actual end date**" denote the effective period of the grant code that allows actual processing of grant transactions in FAMIS.

These fields and how they are shown in the FAMIS screen are presented in the Figure below.

FIGURE 12-6. FAMIS SCREEN 5070, GRANT SET-UP SCREEN

```
FAML5070 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        02/18/2010
LINK TO:                              GRANTS                            9:54 AM
                                                                    PAGE 1 OF 4


 GRANT              : DAAUTO        DEPT OF INS AUTO INSURANCE FRAUD
 GRANT DETAIL       : 10            FY 09-10
 TITLE              : FY 09-10
 LOWER LVL REQUIRED : N
      GRANT TYPE      : S           STATE GRANT
      CONTYP /FNDS CTL: GY   Y      DONOR FUNDING FY
      CCSF FILE NMBR  :
      RESP DEPARTMENT : DAT         DISTRICT ATT -RESPONSIBLE DEPT FOR GRANT
      DONOR AGENCY    : CDOI        CALIFORNIA DEPARTMENT OF INSURANCE
      CCSF APPROVAL   :
      FEDERAL CATALOG :
      CLOSING DATE    :
      INT DIST BY GRT :
 PLAN DATES    START : 07/01/2009   END : 06/30/2010   IDC REIMBURSE : N
 ACTUAL DATES  START : 07/01/2009   END : 10/30/2010   GRACE PERIOD  : N
 CREATE DATE : 01/27/2009           STATUS IND  : A
 UPDATE DATE : 01/27/2009           STATUS DATE : 01/27/2009
```

Note: the following fields are not currently populated but are reserved for future use:

- "CCSF File Nmbr"
- "CCSF Approval"
- "IDC Reimburse"

Filling out the Index Code Set-up Form

An **index code** has six to twelve digits. It is recommended to use the 3-character department code as the first three characters of the index code. Some departments may be limited to six characters if the index code is used for labor charges. In that case, the first two characters of the index code are the two-digit alphabetic or numeric department code; the remaining four digits of the index code can be any alphanumeric combination of significance to the grant.

The **index code title** should accurately describe the nature and purpose of the index code or the location it is pointing to. It is limited to a maximum of 40 characters.

The **fund type** refers to the type of funds to which grant transactions should be directed. Below are the general fund types:

- 2S (special-revenue fund) – for general non-enterprise operating grants
- 3C (capital projects fund) – for capital grants

- 5X (enterprise fund, "X" character indicate department) - for enterprise departments' grants, *e.g.* PUC, MTA, Airport, Port, *etc.*
- 7E (Expendable trust funds) – for gifts and bequests

The "**fund**" field refers to the fund to which grant transactions should be directed. Below are examples of funds:

- PPF (Public Protection Fund) – for public protection grants
- CPF (Capital Projects Fund) – for enterprise capital projects grants
- GIF (Gift Fund) – for all expendable gifts

The "**sub-fund**" field is the sub-fund to which grant transactions should be directed. Below are the general sub-funds:

- GNC – for all non-enterprise, non-capital grants that are not associated with continuing projects
- GPC – for all non-enterprise, non-capital grants that are associated with continuing projects
- ARA – for all American Recovery and Reinvestment Act (ARRA) grants
- GIF – for all expendable gifts

Enter in the "**program**" field the code for the program where the grant funds are expended.

The "**Dept activity**" code is optional and is currently not required for grant index codes.

Enter in the "**Organization**" field the department's organization code. Some departments have multiple codes for different divisions. In this case, the code for the division administering or expending the funding of the grant should be used.

The **project code** or **project detail** is optional and could be embedded in the index code so that transactions are directly posted to the project using the index code without inputting the project code in the transaction.

The **grant code** or **grant detail** is optional and could be embedded in the index code so that transactions are directly posted to the grant using the index code without inputting the grant code in the transaction.

User code is needed only when the index code is used for transfer-in and transfer-out transactions.

Sub-object is not currently used.

Allocation control / **allotment control** is the appropriation control in FAMIS that limits the expenditure transaction amount and the allotment amount to the appropriation available in a certain funding location or classification. For available types of allocation/allotment control, please go to FAMIS screen 5300 and drill down at the ALLOTMENT CTL field. To set up grants, the appropriation control should be at least at the grant detail level. Therefore, grant index codes should at least have allocation control "84" (Grant Detail 1), unless the grant has no grant details. The department should choose the allocation

control according to the grant provisions. If the grant provisions stipulate that spending of grant funds should be limited per budget line item, then allocation control at character level "85" should be used. If the grant provisions stipulate that the department has the flexibility to arrange grant budget line items without notification to the grantor, then allocation/allotment control at the grant detail level should be used.

The City does not use **cash control,** but input in this field is required in FAMIS for index code set up. Please use "GG" for grant index codes.

The **start and end dates** of the index code dictate the effective period that an index code can be used. The start and end dates should match the grant code's actual start and end dates if the index code is used to record revenue/expenditure for only one grant or grant detail.

These fields and how they are shown in FAMIS are presented in the Figure below.

FIGURE 12-7. FAMIS SCREEN 5300, INDEX CODE SET UP

```
FAML5300          CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS
LINK TO:                            INDEX CODES


INDEX CODE      : 235105           JAIBG FY 00/01(MYJABG/01CY)
FUND TYPE       : 2S               SPECIAL REVENUE FUNDS
FUND            : PPF              PUBLIC PROTECTION SPECIAL REVENUE FUND
SUBFUND         : GNC              GRANTS, NON-PROJECT, CONTINUING
PROGRAM         : CAQ               CHF-CHILDREN PROGRAMS
DEPT. ACTIVITY  :                  optional
ORGANIZATION    : CHFAA             GENERAL SERVICE SUPPORT
PROJECT         :                  optional, for capital grants only
PROJECT DETAIL  :                  optional
GRANT           : MYJABG           JUV ACCOUNTABILITY BLOCK GRANT
GRANT GR DETAIL : MYJABG 01CY      DEPT CHILDREN,YOUTH & FAMILIES
USER CD         :                  optional
SUB-OBJECT      :                  optional
ALLOTMENT CTL   : 87               SFD/DEPT/GRANT/DETL2
ALLOCATION CTL  : 87               SFD/DEPT/GRANT/DETL2
CASH CTL TYPE   : GG               GRANT
COST DISTR      :    PSC% :        TAX REBATE% :        EXTERN RPT REQ :
START/END DATES : 04/01/2000 / 09/30/2004  FUTURE YEAR INDEX  :
CREATE DATE: 02/23/2000         STATUS IND:
UPDATE DATE: 09/29/2004         STATUS DATE:
```

12.1.2.10 | GRANT BUDGET SET-UP

Grant budget needs to be set up in FAMIS. Grants that are authorized through the Annual Appropriation Ordinance (Budget Ordinance) have grant budgets posted to FAMIS through the budget system with all other operating budgets that are also approved together with the Budget Ordinance. Grants not

included in the Budget Ordinance need to have their budgets manually recorded in FAMIS through journal entries.

Set-up in the Budget System – Budget Ordinance

Departments need to contact the Controller's Office Budget Division for detailed instructions and deadlines for using and inputting the grant budget into the budget system. In general, please note the following:

- **Include a budget for anticipated program income,** if applicable
  If a grant is expected to receive program income—from interest on advances, loan repayments, or other revenue sources—you may include an estimate of that program income in the budget and a plan for spending it. If the program income is uncertain, the Controller's Office or the Board may reserve some or all of the appropriation.
- **Grant-funded positions: Use "G" indicator**
  In the budget system, grant-funded positions are entered with position status indicator "G" and are shown by classification. Position status indicators allow for analysis of the City-wide workforce and facilitate budget balancing.
- **Balance budgets for revenues and expenditures at grant level**
  Grants in the annual budget use the same sub-objects as those approved through "Accept and Expend Resolutions". Revenues and expenditures are recorded, and the grant is balanced at the grant level.
- **Review grant information each budget year**
  Once a grant is included in the annual budget, all budget records, including revenue, expenditure, and position entries, are "rolled over" into the base budget for the following fiscal year. The base budget column becomes available for analysis and comparison with other budget phases. Some grants that are not recurring may appear in the base budget. Departments are responsible for identifying any non-recurring grants and deleting them from their budget submission. If the recurring grant will be budgeted in a new grant detail, departments must enter the appropriate amounts and position records in the new grant detail and zero out old grant details. For grant funds set up in FAMIS as continuing funds—that is, unspent amounts from prior years are continued—departments do not need to re-enter unspent balances in new grant details.

Manual Set-up through Journal Entries

Departments should use the following document types and prefixes to initiate budget entries to set up grant budgets in FAMIS that have not been set up through the budget system. For grants that need to go through the "Accept and Expend" process, the manual set up is done after the Board approval of the resolution or ordinance to Accept and Expend the grant. Refer *to Section 12.1.2.3 Accept & Expend Processing Guidelines* for criteria in determining whether a grant needs Board approval.

- Document Type GB : (Non-rims) (Document Prefix GB)

- Document Type GM : (Rims) (Document Prefix GM)

When submitting a new grant budget entry or grant budget revision in FAMIS, the Notepad must include the following information with supporting documentation:

- Name of the funding agency, federal pass-through agency, if applicable
- Grant Type (federal, State, federal Pass-through, or Private, *etc.*)
- Catalog of federal Domestic Assistance (CFDA) number, if applicable
- Grant identifying number provided by the donor agency, if applicable
- Grant award amount and Grant period
- Board Resolution number or Ordinance number, if applicable
- Required matching/in-kind amount
- Funding source of matching/in-kind amount, if any
- Reporting and audit requirements and due dates

The following documents must be forwarded to the Fund Accountant at Controller's Office Operations Unit to approve the budget set-up entry. After approving the budget setup entry, the Fund Accountant will track the following grant information in a database.

- A copy of the passed resolution or ordinance (if Board approval is required)
- Completed *Grant Information Form* with signed *Disability Checklist* (if Board approval is not required). The form is available at http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=69&S=0&P=ByDept.aspx&T=Board%20of%20Supervisors%20|%20Grant%20Package&K=114
- Grant award letter
- Grant agreement
- Grant budget document from the grantor
- Grant guidelines or web link to the guidelines

All grant budgets must match with the grant awards, and funding sources must balance with uses so that expenditures of the grant activities will be fully supported. Grant budgets will not be approved if they do not balance or match with the grant award.

12.1.2.11 | MUNICIPAL TRANSPORTATION AGENCY'S DELEGATED AUTHORITY FOR ACCEPTING & EXPENDING GRANTS

Section 8A.102 (12) of the *San Francisco Charter* states the Agency "ha(s) exclusive authority to apply for, accept, and expend state, federal, or other public or private grant funds for Agency purposes."

SFMTA has the exclusive authority to accept and expend grant funding. However, prior to appropriation the signed grant award document is to be delivered to the AOSD Division of the Controller's Office.

12.1.3 | Grant Changes

This section sets out the policies and procedures that must be followed when grant-related data in the financial system must be changed.

12.1.3.1 | FINAL GRANT AWARD AMOUNT DIFFERENT FROM ESTIMATED AMOUNT IN BUDGET ORDINANCE BUDGET

As defined by Budget Ordinance Section 11.1, recurring grant funds that are detailed in department budget submissions, and approved by the Mayor and Board of Supervisors in the annual budget, shall be deemed to have met the requirements of *Administrative Code, Section 10.170* and do not need to go through the "Accept and Expend" process.

If departments do not know the exact grant award amount at the time they prepare their Budget Ordinance budgets, they should include their best estimate. If the final grant award has a different amount from the estimate amount in the Budget Ordinance and has no other changes, Board approval is not needed and the Controller has the authority to adjust the grant budget to reflect the final award amount *if the change is less than $50,000*. Departments should submit the granting agency documents to the Controller's Office Operations Unit, and initiate a journal entry (document type: GE or GR) to update the grant budget in FAMIS to match the final award.

12.1.3.2 | GRANT AWARD MODIFICATION BY GRANTOR

The funding agency might increase or decrease grant award levels based on their funding availability, the beneficiary departments' needs, and other considerations. When the department is notified of a grant award modification from the funding agency, it should submit the notification (or approval if applied) through e-mail or fax to the Controller's Office Operations Unit, and initiate a journal entry (document type: GE or GR) to update the grant budget in FAMIS to match the revised award.

15% Rule

A department, agency, or office may reallocate or transfer funds of line item expenditures within an approved grant budget, if such reallocations or transfers are within the total of the approved budget and are allowed by the granting agency. If any line item of a federal or state grant is modified or increased by more than 15%, copies of documentation of such modification or increase that are transmitted to federal or state agencies shall also be transmitted to the Board of Supervisors.

$100,000 Threshold for Accept and Expend

If the modification increased the cumulative grant amount to over $100,000 and the grant had not been previously approved by the Board (either through Budget Ordinance or Accept and Expend), the department needs to obtain Board approval by submitting a resolution through the Accept and Expend process in order to be able to post the grant budget changes.

12.1.3.3 | GRANT BUDGET LINE-ITEM TRANSFER

Budgetary transfer between expenditure line items is usually permissible, as long as it is allowed by the grant agreement. If unsure, obtain written approval (e-mail acceptable) from the funding agency.

No Grantor Approval Needed, No Staffing Increase

If the funding agency allows the budgetary transfer between line items without its approval, and there is no proposed increase in staffing, the department does not have to notify the Board of Supervisors according to *Administrative Code, Section 10.170-1(H)*. However, in order to have the initiated budgetary transfer journal entry approved and posted, the department needs to certify on the entry Notepad that the budgetary transfer is permitted according to the grant provisions.

No Grantor Approval Needed, with Staffing Increase

If a department wants to shift grant funds into salaries in order to hire more staff, and thereby create new positions, the department must obtain prior approval from the Board of Supervisors through an ordinance amending the ASO. The department should work with the Department of Human Resources (HRD) to prepare an amendment to the ASO, including the index code, fund, and position classification(s). For ASO amendments, please contact HRD at 557-4800.

Grantor Approval Needed, Less Than 15%

If the grant provisions require that approval be obtained from the funding agency in order to move budgets around, and the budgetary change involves less than 15% of the budget line item, get written approval (e-mail acceptable) from the funding agency and forward the approval documentation to the Controller's Operations Unit in order for the budgetary transfer journal entry to be approved. No Board action is needed.

Grantor Approval Needed, More Than 15%

If the grant provisions require approval from the funding agency in order to move budgets around, <u>and</u> if the budgetary change involves at least 15% of a budget line item, then the department must submit a copy of that documentation to the Board of Supervisors. See the below Figure for a sample memo to the Board of Supervisors to notify them of the budget revision. The notification can also be submitted through board.of.supervisors@sfgov.org.

FIGURE 12-8. MEMO FORMAT FOR BUDGET REVISION NOTIFICATION TO BOARD

Date:	
To:	Clerk of the Board of Supervisors
CC:	Controller's Office Operations Unit
From:	
Subject:	Grant Budget Revision
	Grant name:

In accordance with Administrative Code Section 10.170-1(H), this memo serves to notify the Board of Supervisors of a (type Federal or State) grant line item budget revision in excess of 15% requiring funding agency approval.

We have attached a copy of budget revision documentation submitted to the funding agency.

Attachment: Budget revision documentation

12.1.3.4 | GRANT PERIOD EXTENSIONS

As the end of the grant period approaches, departments might find that they still have unused grant funds due to project or hiring delays. In this case, a department needs to request the funding agency for an extension of the grant period in order to use up those funds and finish the grant projects. Once the extension is approved, the department should update the grant end date (planned and active) on FAMIS Screen 5070, and the index code expire date on FAMIS Screen 5300, to reflect the extension and allow for transactions to be recorded in the grant during the extended grant period.

Departments that do not have access to update FAMIS Screen 5070 and 5300 should send the approval documentation and grant period extension request to the Controller's Office Operations Unit to update the respective dates in FAMIS.

12.1.4 | Requirements for Federal Awards and Pass-Through Awards

The sections that follow are not an exhaustive list of all requirements in *CFR Title 2 Part 200*. Departments are encouraged to review the full regulation. Please refer to *Section 12.1.4.9 - Web References*.

12.1.4.1 | IMPLEMENTATION OF UNIFORM GUIDANCE

On December 23, 2013, the Office of Management and Budget (OMB) issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule* (UG). The UG consolidated existing federal regulations into one place for grantors and grant recipients.

Non-federal entities needed to implement the new administrative requirements and cost principles for all new federal awards made on or after December 26, 2014, and to additional funding to existing awards (referred to as funding increments) made after that rule. The effective date was specified in *CFR Title 2 § 200.100*.

Federal awards made before December 26, 2014, must use the previous *OMB Guidance for Federal Awards* (OMB Circulars).

Non-federal entities had to document whether they were in compliance with the old or new standard.

TABLE 12-2. GUIDELINES FOR IMPLEMENTATION OF FEDERAL GRANT UNIFORM GUIDANCE

GUIDANCE FOR FEDERAL AWARDS MADE BEFORE DECEMBER 26, 2014	GUIDANCE FOR FEDERAL AWARDS MADE ON OR AFTER DECEMBER 26, 2014 (6 SUBPARTS A THROUGH F AND 12 APPENDICES I THROUGH XII)
A-110 – Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations	Subpart A 200.XX – Acronyms & Definitions
A-21 - Cost Principles for Educational Institutions	Subpart B 200.1XX – General Provisions
A-87 – Cost Principles for State, Local and Indian Tribal Governments	Subpart C 200.2XX – Pre-Federal Award Requirements and Contents of Federal Awards
A-122 – Cost Principles for Non-Profit Organizations	Subpart D 200.3XX – Post Award Requirements
A-133 – Audits of States, Local Governments, and Non-Profit Organizations	Subpart E 200.4XX – Cost Principles
A-89 – Catalog of Federal Domestic Assistance	Subpart F 200.5XX – Audit Requirements
A-102 – Grants and Cooperative Agreements With State and Local Governments	Appendix X – Data Collection Form (SF-SAC) Appendix XI – Compliance Supplement

The Table below lists the dates when various federal agencies adopted the UG.

TABLE 12-3. FEDERAL AGENCY ADOPTION OF UG

AGENCY	FEDERAL REGISTER NOTICE DATE	AGENCY	FEDERAL REGISTER NOTICE DATE
State	6/2/2015	Housing and Urban Development (HUD)	12/7/2015
US Agency for International Development (USAID)	9/17/2015	National Science Foundation (NSF)	11/27/2015
Energy	9/24/2015	Corporation for National and Community Service (CNCS)	11/17/2015
Commerce	7/28/2015	Social Security Administration	11/10/2015
National Aeronautics and Space Administration (NASA)	9/11/2015	Veteran's Affairs (VA)	12/1/2015
Archives	8/25/2015	Education	11/2/2015
Homeland Security (FEMA)	10/2/2015	Department of Transportation	12/17/2015
Institute of Museum and Library Services (IMLS)	9/21/2015	Health and Human Services	1/20/2016
National Endowment for Humanities (NEH)	9/16/2015	Agriculture	2/16/2016
Office of National Drug Control Policy (ONDCP)	9/23/2015		

Note: HUD does not permit certain costs that would otherwise be allowable under the UG.

Major Changes Contained in UG

- "Must" has been defined to mean required. Use of "should" in UG indicates a "best practice" and is <u>not</u> a mandatory requirement. Refer to the *2016 Compliance Supplement* at the following link: https://www.whitehouse.gov/omb/circulars_default
- New provisions covering conflict of interest with parent, affiliate, or subsidiary organizations have been added
- Procurement records must be maintained to sufficiently detail the history of the procurement.

Best Practice for Compliance with UG

- Maintain adequate descriptions of the system including policies, procedures, and purchasing practices that comply with applicable laws, regulations, and contract terms and conditions
- Mitigate against conflicts of interest
- Ensure applicable flow-down clauses and terms and conditions are included in the contracts, as required to execute the requirements award
- Clearly define lines of authority and responsibility within the system
- Ensure procurements are based on authorized requisitions
- Define contractor evaluation criteria and methods for determining source selection
- Perform timely cost/price analysis and technical evaluations to determine cost/price is fair and reasonable
- Maintain documentation that details the complete and accurate history of the purchase transaction to support method, contractor selected/basis of awards, and reasonableness of cost/price
- Implement strong contractor monitoring and management of controls
- Ensure effective and efficient procurement of required quality supplies and services at reasonable cost/price from responsible and reliable sources
- Address adequate competition.

12.1.4.2 | APPLICABLE COMPLIANCE REQUIREMENTS

During an audit, the following resources should be reviewed:

- All relevant awarding documents and contracts (as well as laws or regulations referred to in those documents)
- OMB *Circular A-133 Compliance Supplement (Parts 2, 3, and 4)* (for awards made before December 26, 2014) or UG *CFR Title 2 § 200 Subpart-F* (for awards made on or after December 26, 2014)
- www.CFDA.gov
- Federal pass-through entity (PTE) guidance (*e.g.,* grants management guide, program guides, *etc.*).

Key Areas of Focus for Auditees

When federally funded grants are under review, the following areas trigger heightened review for auditees:

- Compensation – Personal Services
  - Time and distribution records must be maintained for all employees whose salary is paid in whole or in part with federal funds and used to meet a match/cost share requirement
  - Personal services costs cannot be based on budget estimates alone; personal services costs must be <u>actual</u> costs
  - All time worked for the organization and what percentage of that time involves federal work must be fully disclosed
  - Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Refer to *CFR Title 2 § 200.430* for a list of required documentation
- Indirect Costs
  - Federal agencies and pass-through entities will have to accept a non-federal entity's negotiated indirect cost rate…
  - …Unless a statute or regulation allows for an exception
  - Non-federal entities will have a one-time option to extend the indirect cost rate for up to four (4) years
  - For non-federal entities that have never received a negotiated rate, a *de minimis* rate of 10% of Modified Total Direct Costs (MTDC) may be used indefinitely
- Preapproval Items (see *CFR Title 2 § 200.407* for list)

12.1.4.3 | FUNDING INCREMENTS

Per the Council on Financial Assistance Reform's (COFAR) *Frequently Asked Questions* numbers 110-12 and 13:

- UG applies to funding increments to existing awards in cases where the federal agency considers the funding increments to be an opportunity to modify the terms and conditions of the award
- Existing federal awards that do not receive incremental funding with new terms and conditions will continue to be governed by the terms and conditions of the federal award

12.1.4.4 | WRITTEN POLICIES REQUIRED BY UNIFORM GUIDANCE

Starting in fiscal year 2015-16, all departments receiving federal awards must have written policies for the following items:

- Financial Management (*UG Section 200.302*)
- Payment (*UG Section 200.305*)

- Procurement (*UG Sections 200.318 through 200.326*)

- Compensation (*UG Sections 200.430 and 200.431*)

- Relocation costs (*UG Section 200.464*)

- Travel costs (*UG Section 200.474*)

12.1.4.5 | SUBPART D – POST-FEDERAL AWARD REQUIREMENTS (*UG SECTIONS 300-345*)

The following items in UG *Subpart D* are additional requirements and considerations for departments receiving federal awards:

A - Financial Management

- Written procedures for cash management and allowable costs. **If there are no written procedures, there will be an audit finding**

B - Internal Controls

- OMB has stated that "should" is meant to be a "best practice" and not a presumptively mandatory requirement

C - Bonds

D - Payment (Cash Management)

- The time elapsing between transfer of funds from the US Treasury or federal pass-through entity and the disbursements must be minimized
- Payment **must** be in advance when the non-federal entity:
    o Has written procedures to implement the requirements of cash management, and
    o Has a compliant financial management system
- If the above requirements are not met, reimbursement method is used

E - Cost Sharing and Matching

F - Program Income

G - Revision of Budget and Program Plans

H - Property Standards

I - Procurement Standards

- New procurement standards adopt the majority of the language used from OMB *Circular 102*. Therefore, non-federal entities that are currently subject to *Circular A-110* will likely be affected more significantly
- The types of recipients with greatest impact of new procurement guidance are:

- o Higher education institutions
- o Not-for-profit organizations
- Refer to UG *Section 1.5 – Grant Expenditures* for more information

J - Performance and Financial Monitoring and Reporting

K – Sub-recipient Monitoring and Management

L – Record Retention and Access

M – Remedies for Non-compliance

N – Closeout

12.1.4.6 | SUBPART F – AUDIT REQUIRMENTS

This section applies to non-federal entity audits of fiscal years beginning on or after December 26, 2014. Please refer to UG *Section 1.1.8 – Grant External Audits* for more information.

12.1.4.7 | REQUIREMENTS FOR PASS-THROUGH ENTITIES (*UG SECTION 331*)

This section presents the audit requirements for pass-through entities. The following tasks must be completed.

- Provide sub-award Information
- Evaluate sub-recipient risk of non-compliance
- Determine appropriate monitoring
- Review sub-recipient audit reports
  - o Review financial and programmatic reports
  - o Follow-up and ensure that the sub-recipient takes timely and appropriate actions on all deficiencies pertaining to the federal award; this can be done through audits, on-site reviews, and other means
  - o Issue management decisions for audit findings pertaining to the federal award provided to the sub-recipient
- Review results of monitoring
- Consider enforcement action

12.1.4.8 | TIPS FOR ENTITIES IMPLEMENTING THE NEW UG FOR FEDERAL AWARDS

Below is a list of actions that departments subject to the new UG should implement in order to be compliant:

- Ensure an appropriate understating of the effective dates

- Obtain understanding of the new requirements
- Focus on areas of most significance first (*e.g.*, sub-recipient monitoring)
- Develop a plan to become compliant. Identify needed policy and procedure changes; internal controls that might need to be established or modified; action items to implement needed changes; who within the entity is responsible for each action item; and timing of implementation
- Senior management should be involved. The tone at the top is important as it relates to major changes
- Access all available resources. Refer to websites provided in *Section 12.1.4.9 Web References*
- Provide training. Stay up to date on new requirements and new entity-specific policies and procedures.

12.1.4.9 | WEB REFERENCES

UG

- *Uniform Guidance CFR Title 2 Part 200*: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

COFAR Frequently Asked Questions (FAQ)

- COFAR occasionally adds to the FAQs. The most recent version is dated September 2015: https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf
- Also visit https://cfo.gov/cofar/uniform-guidance/

UG Crosswalk

- Cross from Existing Guidance to Final Guidance
  - http://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-from-predominate-source-in-existing-guidance.pdf
- Crosswalk from Final Guidance to Existing Guidance
  - http://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-to-predominate-source-existing-guidance.pdf

CFDA

- The *Catalog of Federal Domestic Assistance* (CFDA): https://www.cfda.gov

12.1.5 | Grant Revenues

Grant revenues must be treated consistently because the City reports these revenues in the annual financial statements and audit reports. Note that program income may be subject to Single Audit. Check with the appropriate federal agency for guidance.

12.1.5.1 | GRANT REVENUE SUB-OBJECTS

The correct grant revenue sub-object should be used when setting up the grant budget. This is crucial in order to identify the source of the grant revenue in the City's financial reports. A complete list of sub-objects can be found in FAMIS Table 5999 (link to Screen 5200, and press F2).

Federal-funded Grants

- 44939 "Federal Direct Grants" - used for federal grants received directly from federal agencies and those without a unique sub-object.
- 44931 "Federal Grants Passed Thru State/Other" - used for grant revenues involving federal funds administered and provided by the state or other non-federal agency.
- 44936 "Federal Direct Contracts" – used for contracts awarded by federal agencies where City is the contractor. Revenues recorded using this sub-object is excluded from the Single Audit.

State Grants

- 48999 "Other State Grants and Subventions" - used for state grants that involve state money (not federal pass-through) without a unique sub-object.

Local Grants

- 49102 "SF Transportation Authority" - used for grants from the San Francisco Transportation Authority.
- 49999 "Other Local/Regional Grants" -used for miscellaneous grants from local or regional public agencies.

Private Grants

- 78201 "Private Grants"

Some programs have specific sub-objects. For example, revenue sub-objects 40124 "Food Stamps E&T-Fed Share" and 43111 "FEMA, Federal Share" are specific to those programs. In addition, revenue sub-objects for ARRA federal direct and pass-through grants have been created. New sub-objects can be created when necessary or useful; contact your Controller's Office Fund Accountant to discuss.

12.1.5.2 | GENERAL PRINCIPLES FOR RECORDING GRANT REVENUE

Departments should bill the granting agency in a timely manner for all eligible grant expenditures.

Revenue sources (*e.g.* federal, state, private, *etc.*) must be reported and recorded consistently.

Revenue must be precisely recognized at any relevant point in time supporting underlying economic transactions (booking receivable, recognizing revenue from advances, *etc.*).

Revenue must be recognized quarterly at a minimum. For grants where claims are submitted every six (6) months, revenue still needs to be recognized every quarter.

12.1.5.3 | RECOGNIZING REVENUES

GASB 33 Impact

The principal issue addressed in *GASB 33* is the timing of recognition of non-exchange transactions, including expenditure driven / reimbursement type grants. *GASB 33* requires that expenditures be made and revenue be available before revenue can be recognized. Available means "the government has collected the revenues in the current period or expects to collect them soon enough after the end of the period to use them to pay liabilities of the current period." The availability period should be consistent with the time frame currently used for revenue recognition, which for the City is 90 days. This means that only revenues received on or before September 30 may be included as income for the prior fiscal year.

Government-mandated non-exchange transactions, such as federal or state programs that are required of State or local governments, will be recognized when all eligibility requirements are met, as specified in *Statement 33*. For example, when a recipient is required to incur allowable costs before reimbursement, the incurring of allowable costs is an eligibility requirement. The *Statement* also distinguishes between two types of stipulations on the use of resources: time requirements and purpose restrictions.

Public agency accounting guidelines require the City to report revenues as soon as they are earned, rather than when they are received. This rule requires separate accounting procedures depending on whether grant funds are disbursed to the City before or after the related expenditures.

Gifts are usually treated as revenue as soon as they are received, unless there is a significant possibility that the City might be required to return the gift.

References: *Accounting and Financial Reporting for Nonexchange Transactions: GASB 33* (PDF) at www.hud.gov/offices/reac/pdf/account11.pdf and http://www.gasb.org/.

Advance Grants

- **Deposit funds as advance (T/C 724, GL 222 or 223)**

  When grant money is received before expenditures are incurred, it is considered an advance. This means that the City has not yet earned the grant revenue. If priorities change so that the money received will not be spent on the intended program, the City may be obligated to return the advance to the funding agency. Therefore, when an advance is received, it should not be recorded as revenue, but as a liability using General Ledger (GL) 223, "grants received in advance" or if a subvention, GL 222, "subventions received in advance", using Transaction Code 724. These GL accounts are liability accounts properly reported as advance liabilities.

- **Recognize revenue as the advance is spent (T/C 526)**

  As the advance is expended on eligible costs, an entry should be initiated to recognize that portion of the advance as revenue, using Transaction Code 526. Review grants and subventions with advances at least quarterly to post revenue in amounts equal to the eligible expenditures incurred.

- **Refund to grantor for grant funds not used (T/C 233)**

  If the department was not able to utilize the grant funds by the end of the grant period, and no extension is approved, the remaining grant funds are liable to be returned to the funding agency. In this case, initiate a one-time document (document type: OT) using T/C 233 to generate a check to the funding agency for the remaining grant funds.

Reimbursement Grants

With reimbursement-based grants, departments need to incur eligible expenditures using the City's money first before requesting reimbursement from the granting agency. While waiting for reimbursement, the City loses the interest income it might have received on the grant funds.

> **Submission of claims—delay costs the City money.**
> **Example: If $10 million in grant funds were unclaimed for a year, and if the City earns 1.5% on short-term investments, the financial loss to the City could amount to $12,500 per month, or $150,000 per year, due to the delay.**

Therefore, departments should bill the granting agency for eligible grant expenditures according to the billing schedule stipulated by the grant agreement. If the grant agreement and the granting agency did not specify a billing schedule, departments should bill at least quarterly unless prohibited by the granting agency to recover grant costs. Departments should establish their system and document procedures to

process and approve billings and draw down grant funds. For large subvention programs, departments should bill the funding agency at least monthly.

Accrue Receivables and Recognize Revenues upon Submission of Claims (T/C 528)

Revenues are earned as eligible expenditures are incurred (with all other eligibility requirements met). As soon as the funding agency is billed for reimbursement, the receivable should be accrued and revenue should be recognized for the amount of expenditure incurred for the period, which should be equal to the amount billed. (Transaction code 528, GL 120 for ordinary grants or GL 122 for subventions).

The Controller's Office recommends that departments accrue receivables in FAMIS each time they bill a funding agency and clear those receivables when they receive the reimbursement payments. This gives a more accurate picture of the City's financial position at any particular time.

An exception to this policy may be made for grants with automatic draw downs, where reimbursements come within a few days of the claim. In those cases, receivables should be set up only to account for any claims outstanding as of the end of the fiscal year (June 30).

Departments must keep track of cash positions on grants and analyze large negative balances. To see the cash position of the grant, refer to FAMIS Screen 6410, GL 101, "Equity in City Treasury-Pool." A negative GL 101 balance indicates that the City has expended and should be able to file a claim or draw down on grant funds to reimburse for grant-related expenditures.

Apply Reimbursements Received to Receivable when Received (T/C 714)

When the money is deposited with the City treasury, use Transaction Code 714 to transfer the funds in the "Equity in City Treasury-Pooled Funds", GL 101, and reduce the balance from the receivable account GL 120 for ordinary grants or GL 122 for subventions.

Funds received by the Treasurer may initially be deposited into GL 248, "Unidentified Receipts." Departments are responsible for clearing unidentified receipts within 15 calendar days. To verify whether unidentified receipts have been fully cleared, view by document number on FAMIS Screen 6050. For more details, drill down to Screen 6051.

Year-end Revenue Accrual Adjustment – with Cash In Only (T/C 678)

Revenue recognition becomes critical at fiscal year-end when the City needs to obtain the accurate financial data to produce its *Comprehensive Annual Financial Reports* (CAFR). If it happens that grant revenue that was supposed to be accrued for the past fiscal year is recognized in the following fiscal year, the department can initiate a journal entry to adjust the recognition of revenue by setting up a receivable at year-end with an automatic reversal of the revenue and receivables in the beginning of the fiscal year (using Transaction Code 678). This process should be used only if the associated reimbursements have already been received and posted as revenue in the new fiscal year.

Record Deferred Inflow of Resources for Receivable not Expected to be Received Within 90 days after Year-end (T/C 671R, GL224)

GASB 63 and *GASB 65* dictate that revenues and other governmental fund financial resources should be recognized in the accounting period in which they become both measureable and available. When the revenue is earned but not available, it should be reported as deferred inflow of resources until such time as the cash is received. The City follows the 90-day rule in deferring revenues (Transaction Code 671R, GL 224). To record deferred inflow of resources, the grant must already have expenditures incurred, claims made, and receivables booked.

In contrast, departments using the accrual basis of accounting should recognize revenues as soon as they are earned regardless of the timing of related cash inflows.

The department should be aware of the basis of accounting to which it adheres.

If Grantor Denies All or Part of Claim, Reduce Receivables (T/C 527) and Abate the Ineligible Expenditures

When a grantor denies all or part of a claim, reduce the grant revenue and receivables by the amount denied using Transaction Code 527. The ineligible expenditures must be moved out of the grant to another department budget. If there is no suitable budget available, discuss with your Fund Accountant.

Refund to Grantor for Reimbursements Deemed Ineligible (T/C 217)

If the department has already received the reimbursement but the related expenditure is deemed ineligible, the expenditure needs to be abated out of the grant and the revenue received needs to be returned to the grantor. Initiate a revenue refund document (document type: RR) using Transaction Code 217 to generate a check to the grantor for the ineligible revenue received.

12.1.5.4 | PROGRAM INCOME

Program income is any revenue derived from grant-funded activities, such as repayments of loans that were originally grant funded, or fees paid by program participants or beneficiaries and interest related to repayment of grant funded loans. These revenues are often obligated to be used in concurrence with the purpose of the grant.

12.1.5.5 | INTEREST DISTRIBUTION

Grants with Positive Cash Balances

Grants that receive advances may have a positive cash balance earning interest. The interest may be allocated back to the grant if the grant requirements specify that they must be used on the grant programs, or returned to the funding agency. Departments should bring any interest allocation issues to the attention of their Fund Accountant.

Grants with Negative Cash Balances

Most grants require the department to expend funds first and then get reimbursed by the granting agency. This results in a negative cash balance in the grant account until the final reimbursement is received. Interest costs are calculated for the negative cash balances in the grant account, but the default procedure is to charge those interest costs to the general fund. Departments are expected to minimize these interest costs by obtaining reimbursement from funding agencies as quickly as possible.

In special cases, interest costs on negative cash balances may be allocated to the grant account. This would usually occur if the cash balance cycles between negative and positive, so that interest costs on negative balance are used to offset interest earned on the positive balances.

12.1.6 | Grant Expenditures

Once a grant award is approved—either through the Accept and Expend process when necessary, or the Annual Appropriation Ordinance—the budget can be set up in FAMIS. The department may then begin to expend the grant funds.

Departments must comply with the following general principles when spending down the grant:

> - **All grant expenditures must be made within the grant's provisions.**
> - **All grant expenditures must be made within the grant period. Time extensions need to be approved by the grantor before eligible grant expenditure can be incurred during the extension periods.**
> - **All grant expenditures must be made within the approved budget categories stated in the award.**
> - **All grant expenditures, including indirect costs, should be charged to the grant on a regular basis, at least quarterly, or within the same quarter that the expenditure has incurred.**

12.1.6.1 | GRANT-FUNDED PERSONNEL EXPENDITURES

This section describes the guidelines for grant personnel expenditures.

- The personnel service provided must be reasonable and must conform to the established policies.
- The personnel expenditure must follow an appointment made in accordance with governmental unit's law and rules, merit system, or other requirements.
- The expenditure must be supported by payroll documentation including:
  - Proper attendance records

- o   Time distribution records
- Standards for time and effort reporting:
  - o   If the personnel expenditure has already been incurred, use actual instead of estimates.
  - o   Full disclosure is required, including list of activities.
  - o   Appropriate verification is required, *i.e.*, timesheets must be signed by employees and supervisors.
  - o   Time & effort reporting must be prepared at the time that work is performed.

Payroll Set-up

Personnel expenditures funded by the grant are budgeted in the *Annual Salary Ordinance* or an *Accept and Expend Ordinance* approved the Board of Supervisors. The department's payroll unit is responsible for processing personnel requisitions with the Department of Human Resources and setting up the payroll for the employee hired. After this is done, the City will charge the employee's payroll cost directly to the grant funding the position through an interface with the eMerge PeopleSoft Labor Distribution System (LDS).

The Grant Manager is responsible for examining the payroll charges to make sure that payroll is set up in the grant correctly and the personnel expenditures charged to the grant are all eligible and within budget. All grant-funded personnel expenditures must be supported by authorized (signed) timesheets for audit purposes.

Abatements

Some grants disallow overtime expenditures or fringes, and some grants only pay for overtime for personnel who backfill the positions of other personnel in training. Salary abatements between grants and other funding sources are therefore necessary in these specific instances, and they should be done in a timely manner (*i.e.*, within the same quarter that the expenditure incurred). When submitting salary abatement journal entries, use document type GE or GR and provide the following in the Notepad:

- Employee name and associated pay period, or
- Reference Labor Distribution System LDS entries

Overspent Payroll Charges

Note that the Labor Distribution System (LDS) overrides index code appropriation controls to ensure employees' pay will not be affected. Therefore, personnel expenditures could be charged to the grant even when the grant budget may be exceeded. In this case, the excess payroll charges will cause grant budget overruns and the Grant Manager must check if the grant budget projections need to be revised and act immediately to do one of the following:

- Reallocate the grant budget to provide more funds for personnel expenditures, if allowed by the grant award or request grantor's approval,

- Request additional grant funds from the funding agency,
- Abate the excess payroll charges to other funding source for which the charges would be eligible, or
- Request a surplus transfer or supplemental appropriation from the Board of Supervisors to cover the excess payroll charges.

12.1.6.2 | FEDERAL AWARD EXPENDITURES

Federal award expenditures are governed by the Office of Management and Budget (OMB).

OMB Cost Eligibility Guidelines for Federal Grants
(OMB A-87: Cost Principles for State, Local and Indian Tribal Governments and CFR Title 2 Part 200 Subpart E – Cost Principles and Subpart F – Audit Requirements)

Cost principles guide the following categories of allowable costs:

- Reasonable costs
- Allocable costs
- Direct and indirect costs
- Special considerations for governments and tribes
- Audit services
- Contributions and donations
- Pre-award costs

To be allowable under federal awards, costs must meet the following general criteria. Costs must be:

- Allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received
- Necessary and reasonable for proper and efficient performance and administration of federal awards
- Allocable to federal awards under the provisions of *Circular A-133 or CFR Title 2 Part 200 Subpart F – Audit Requirements*
- Authorized or not prohibited under state or local laws or regulations
- Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items
- Consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit
- Accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost

- The net of all applicable credits
- Adequately documented.

Moreover:

- Except as otherwise provided for in *Circular A-133 or CFR Title 2 Part 200 Subpart F – Audit Requirements,* costs must be determined in accordance with generally accepted accounting principles.
- Costs must not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
- Indirect costs should be distributed to benefited cost objective on bases that will produce an equitable result in consideration of relative benefits derived. City departments desiring to claim indirect costs under federal awards must prepare an indirect cost allocation plan to support those costs. The cost allocation plan and related supporting documentation should be retained for audit in accordance with the records retention requirements contained in the *OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments* and the *Uniform Guidance.*

Refer to grant agreement and any special funding agency guidelines for specific program requirements on eligible costs.

OMB A-21, A-87, A-122 and CFR Title 2 Part 200 Subpart E prohibit the use of federal grant funds on certain types of expenditures, including those listed below:

- Advertising and public relations
- Alcoholic beverages
- Alumni(ae) activities
- Audit services
- Bad debts
- Campaigning
- Commencement and convocation costs
- Entertainment
- Fines and penalties
- Fundraising
- Goods and services for personal use
- Lobbying
- Organization costs
- Plant and security costs
- Pre-award costs
- Processional service costs

- Selling and marketing costs
- Student activity costs
- Unspecified contingencies

OMB Cost Matching Guidelines for Federal Grants
(*OMB A-110, OMB A-102* and *CFR Title 2 Subtitle A Chapter II Part 200 Subpart D – Post Federal Award Requirements*)

All contributions—including cash and third party in-kind contributions—shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

- Are verifiable from the non-federal entity's records
- Are not included as contributions for any other federally assisted project or program, unless specifically allowed by federal program laws and regulations
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowed under the applicable cost principles
- Are not paid by the federal government under another award, except where authorized by federal statute to be allowable for cost sharing or matching
- Are provided for in the approved budget when required by the federal awarding agency. Conform to other applicable provisions of the *OMB Circular A-102* and *OMB Circular A-110, or CFR Title 2 Part 200 Subpart D – Post Federal Award Requirements,* and the laws, regulations, and provisions of contract or grant agreements applicable to the program

12.1.6.3 | GRANT-RELATED PROCUREMENT PROCEDURES

Departments using federal, state, or local grant funds for procurement may be required to comply with different procurement requirements than the City's procurement rules. Departments must be in full compliance with the grant provisions in the procurement of goods and services using grant funds.

Federal Award Procurement Grace Period

The federal government is providing a grace period of two full fiscal years after the effective date of the *Uniform Guidance for Federal Awards*. For the non-federal entity's first full fiscal year that begins on or after December 26, 2014, the non-federal entity must document whether it is in compliance with the old or new standard, and must meet the documented standard. For example, the second full fiscal year for a non-federal entity with a June 30th year-end would be the year ending June 30, 2017. For future fiscal years, all non-federal entities will be required to comply fully with the uniform guidance (*CFR Title 2 Part 200 FAQ .110-6*, updated September 2015).

The City has elected the grace period of one full fiscal year after the effective date of the *Uniform Guidance for Federal Awards* to implement its compliance. The Federal Award Procurement is effective July 1, 2016.

Uniform Guidance – Major Procurement Requirements

The following federal procurement requirements must be met:

- General procurement standards
  (*CFR Title 2 § 200.318*)
- Competition
  (*CFR Title 2 § 200.319*)
- Methods of procurement
  (*CFR Title 2 § 200.320*)
- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms
  (*CFR Title 2 § 200.321*)
- Contract cost and price
  (*CFR Title 2 § 200.323*)
- Federal awarding agency or pass-through entity review
  (*CFR Title 2 § 200.324*)
- Contract provisions
  (*CFR Title 2 § 200.326*)

General Procurement Standards (*2 CFR Section 200.318*)

Non-federal entities must:

- Use its own documented procurement procedures provided that they conform to applicable federal law (including general procurement standards), state and local laws and regulations
- Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contract or purchase orders
- Maintain written standards of conduct covering conflicts of interest and governing the performance of employee engaged in the procurement process; including (i) selection, (ii) award, (iii) and administration of contracts
- Maintain written standards of conduct:
  - Covering organizational conflicts of interest for relationships with parent, affiliate, or subsidiary organizations that are not a state, local governments, or Indian tribe
  - The standards of conduct must include disciplinary actions for employees, officers, or agents of the non-Federal entity in the event of violation
- Avoid acquisition of unnecessary or duplicative items

- Make efforts to use federal excess and surplus property in lieu of purchasing new equipment and property to reduce project costs
- Make efforts to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions
- Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement
- **Maintain records sufficient to detail the history of procurement**; including, but not limited to:
  o Rationale for the method of procurement
  o Selection of contract type
  o Contractor selection or rejection
  o Basis for the contract price.
- Use time and materials contracts only after the determination was made that no other contract is suitable. If a time and materials contract is used, the awarding entity must:
  o Set a ceiling price
  o Assert a high degree of oversight
- Be responsible, have good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurement.

Competition (*CFR Title 2 § 200.319*)

In order to ensure fair competition in any contracting process, all procurement transactions

- Will be conducted in a manner providing full and open competition subject to but not limited to sole source procedures. Circumstances exempt from competitive bidding that may allow sole source waiver request include:
  o The item is available only from a single source
  o The urgency of the requirement does not permit a delay resulting from competitive solicitation
  o The awarding agency authorizes non-competitive proposals
  o After solicitation of a number of sources, competition is determined inadequate
- Will ensure objective contractor performance and eliminate unfair competitive advantage. Contractors that develop draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements
- Will eliminate restrictive competition situations. The following are examples of restrictive competition situations:
  o Placing unreasonable requirements on firms in order for them to qualify to do business
  o Requiring unnecessary experience and excessive bonding
  o Non-competitive pricing practices between firms or between affiliated companies
  o Non-competitive contracts to consultants that are on retainer contracts
  o Organizational conflicts of interest
  o Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement

- o Any arbitrary action in the procurement process
- Will not impose state or local geographical preferences in the evaluation of bids or proposals, except when applicable federal statutes expressly mandate or encourage geographical preference
- Will ensure written procurement transaction procedures that:
  - o Incorporate a clear and accurate description of the technical requirements for the material, product, or service
  - o Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals
- Will maintain current lists of all pre-qualified persons, firms, or products that are used in acquiring goods and services. Lists must include enough qualified sources to ensure maximum open and free competition

Circumstances exempt from competitive bidding that may allow sole source waiver request include:

- The item is available only from a single source
- The urgency of the requirement does not permit a delay resulting from competitive solicitation
- The awarding agency authorizes non-competitive proposals
- After solicitation of a number of sources, competition is determined inadequate

Methods of Procurement (*2 CFR Section 200.320*)

One of the following five procurement methods must be used (less formal methods are acceptable if the procurement is under the federal "Simplified Acquisition Threshold" of $150,000):

1. Procurement by Micro Purchase
2. Procurement by Small Purchase Procedures
3. Procurement of Sealed bids (formal advertising)
4. Procurement by Competitive Proposal
5. Procurement by Non-competitive Proposal

1. Procurement by Micro Purchase

- Aggregate dollar amount of supplies or services does not exceed $3,000*
- Should distribute micro-purchases evenly among qualified supplies
- May be awarded without soliciting competitive quotes if the price is reasonable
- Non-competitive contracts to consultants that are on retainer contracts

2. Procurement by Small Purchase Procedures

- Procedures are simple and informal for supplies and services (or other property) that do not exceed the Simplified Acquisition Threshold ($150,000)
- If small purchase procedures are used, price or rate quotes must be obtained from an adequate number of qualified sources
- Purchasing cards (P-card) purchases above $3,000* will require documentation of price quotes

3. Procurement of Sealed Bids (Formal Advertising)

- Publicly solicited bids, and a firm fixed price contract is awarded at the lowest price
- Preferred method for procuring construction under specified conditions

4. Procurement by Competitive Proposal

- Conducted with more than one source submitting an offer
- Either fixed price or cost-reimbursement type contract is awarded
- Used when conditions of sealed bids are not appropriate
- Requirements are:
  - Requests for proposals must be publicized and identify all evaluation factors and relative importance
  - Proposals must be solicited from an "adequate" number of qualified sources
  - Written method for conducting technical evaluations of the proposals and selecting recipients is mandatory
  - Contracts must be awarded to the entity whose proposal is most advantageous
  - The selection method, where price is not used as a selection factor, can only be used in procurement of architectural/engineering professional services

5. Procurement by Non-competitive Proposal

- Procurement through the solicitation of a proposal from only one source
- May be used when one or more of the following apply:
  - The item is available from a sole source only
  - Public emergency will not allow a delay resulting from competitive solicitation
  - Non-competitive proposals are authorized in response to a written request from the non-Federal entity
  - The competition is considered inadequate after a soliciting a number of sources

*The micro-purchase threshold may change. Refer to *48 CFR Subpart 2.1 (Definitions)* for the most updated micro-purchase threshold. The government code can be found online at http://www.ecfr.gov/cgi-

bin/retrieveECFR?gp=2&SID=3e68a26a53fc6a7201c61b492bbea732&ty=HTML&h=L&mc=true&n=sp48.1.2.2_11&r=SUBPART.

Contracting with Small and Minority-owned Business (*CFR Title 2 § 200.321*)

- Non-federal entities must take necessary actions to ensure that minority and women-owned businesses, and labor surplus area firms are used when possible
- Affirmative steps include:
  - Including qualified small, minority, and women-owned businesses on solicitation lists
  - Soliciting small, minority, and women-owned businesses whenever they are potential sources
  - Dividing total requirements into smaller tasks to permit maximum participation by small, minority, and women-owned businesses
  - Establishing delivery schedules that encourage the participation from small, minority, and women-owned businesses
  - Using the services and assistance of the Small Business Association and the Minority Business Development Agency of the Department of Commerce
  - Requiring the prime contractor to select a sub-contractor based on the affirmative steps listed above

Contract Cost and Price (*CFR Title 2 § 200.323*)

The non-federal entity must:

- Perform cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (including modifications)
- Negotiate profit separately, as an element of price, for each contract that does not have competition
- Costs and prices are only allowable to the extent that they are incurred based on estimates and included as part of negotiated prices under *CFR Title 2, Part 200, Subpart E – Cost Principles*

Federal Awarding Agency or Pass-through Entity Review (*CFR Title 2 § 200.324*)

- The non-federal entity must make available to the federal agency or pass-through entity:
  - Technical specifications on proposed procurements
  - Pre-procurement review: procurement documents, such as, requests for proposals or invitations for bids or independent cost estimates
- The non-federal entity is exempt from the pre-procurement review if the federal awarding agency or pass-through entity determines that its procurement system compliance with the standards of this Part.

Contract Provisions (CFR Title 2 § 200.326)

Contract provisions must include all applicable provisions in *CFR Title 2, Part 200, Appendix II – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards*.

- **Contracts over the simplified acquisition threshold (currently $150,000)** must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate
- **Contracts in excess of $10,000** must address termination for cause and for convenience by the non-federal entity including the manner by which it will be effected and the basis for settlement
- **Equal Employment Opportunity** applies to all "federally assisted construction contracts"
- **Davis-Bacon Act** applies to all prime construction contracts in excess of $2,000. Non-federal entities shall include in their construction contracts subject to the Act:
  - Requirement that the contractor or sub-contractor comply with the requirements of the Davis Bacon Act
  - Requirement for the contractor or sub-contractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls)
  - Payment should not be made without receiving the certified payrolls
- Given factors such as geographical preference prohibition in certain grant requirements, departments should discuss with the City's Human Rights Commission (HRC) concerning application of its rules
- **Contract Work Hours and Safety Standards Act** applies to all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers. Wages and overtime are computed using a standard 40-hour work week
- **Rights to Inventions Made Under a Contractor** Agreement applies when the federal award meets the definition of "funding agreement" under *CFR Title 37 § 401.2(a)* and the recipient or sub-recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement". "Funding Agreement" refers to any contract, grant, or cooperative agreement entered into between any federal agency, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the federal government. This term also includes any assignment, substitution of parties, or sub-contract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph
- **Clean Air Act and the Federal Water Pollution Control Act** applies to contracts and sub-grants of amounts in excess of $150,000

Debarment and Suspension

To comply with federal requirements:

City departments are prohibited from contracting with suspended or debarred parties. Covered transactions include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria as specified in *CFR Title 2 § 180.220.*

When a City department enters into a contract equal to or exceeding $25,000, it must verify that the prospective contractor is not suspended or debarred before awarding the contract. The department must have documentation to verify that the contractor was not suspended nor debarred before contract execution. This verification may be accomplished by any of the following actions:

- Checking the Excluded Parties List System (EPLS) in the System for Award Management (www.sam.gov)
- Collecting a written certification from the prospective contractor that it is neither suspended nor debarred
- Adding a clause or condition to the covered transaction with that entity (*CFR Title 2, Part 180, Subpart C, 180.300 – OMB Guidelines to Agencies on Government wide Debarments and Suspension (Non Procurement)*)

City requirements in this area are as follows:

- City departments shall establish continuous monitoring procedures to ensure that any parties excluded from federal procurement or non-procurement programs are not awarded assistance in violation of *CFR Title 2, Part 180.* Departments shall check contractors' debarment status periodically to ensure continuous compliance. The Office of Contract Administration (OCA) is not responsible for monitoring the debarment and/or suspension of a contractor after an award has been issued
- City departments shall also establish procedures to provide for effective use and/or dissemination of the list to assure that their grantees and sub-grantees (including contractors) at any tier do not make awards in violation of the non-procurement debarment and suspension common rule
- City departments serving as a performing department with a work order or work authorization funded by federal funds shall verify that an existing contractor for whom a change order is being processed is not suspended or debarred before authorizing the change order. It is recommended that the memorandum of understanding (MOU) between the requesting and performing departments include language about this requirement
- City departments should document their processes for checking debarment and suspension status vendors

Byrd Anti-Lobbying Amendment

Contractors that apply or bid for an award exceeding $100,000 must file the required certifications:

Prohibition of Geographical Preferences

Grantees and sub-grantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except where federal statutes expressly mandate so.

12.1.6.4 | FEDERAL PASS-THROUGH ENTITY (PTE) RESPONSIBILITIES

Responsibilities to General Public

- The Federal Funding Accountability and Transparency Act (FFATA), which was signed on September 26, 2006, requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website: www.USASpending.gov. The FFATA Sub-award Reporting System (FSRS) is the reporting tool federal prime grantees use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet the FFATA reporting requirements
- Prime grantees are required to report each first-tier sub-award or sub-award amendment that results in an obligation of $25,000 or more in federal funds by the end of the month following the month in which the subcontract award or modification occurs

Responsibilities to Sub-recipients

At the time of the award, the pass-through agency must:

- Identify to each sub-recipient the federal award information, (*i.e.*, CFDA title and number, award name and number, award year, if the award is research and development, and name of federal agency)
- Advise sub-recipients of requirements imposed on them
- Monitor sub-recipients' activities
- Ensure that sub-recipients expending $500,000 or more in federal awards during the fiscal year have met the audit requirements of this part for that fiscal year
- Issue a management decision on audit findings within six (6) months after receipt of the sub-recipient's audit report and ensure that the sub-recipient takes appropriate and timely corrective action
- Consider whether sub-recipient audits necessitate adjustment in their own records
- Require the sub-recipient to permit the pass-through entity and auditors to have access to records and financial statements
- Review much more detailed than guidance that is contained in *Uniform Guidance Appendix XI Compliance Supplement*

The following sections describe the tasks a pass-through entity shall perform for the federal awards it makes to sub-recipients.

Requirements for Pass-through Entities (*CFR Title 2 § 200.331*)

- Ensure that every sub-award is clearly identified to the sub-recipient as a sub-award
- Provide certain sub-award information <u>at the time of the sub-award</u> and, if any of these data elements change, include the changes in subsequent sub-award modification(s)
- Evaluate each sub-recipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the sub-award for purposes of determining the appropriate sub-recipient monitoring, based on provided criteria *(CFR Title 2 § 200.331(b))*
- Consider imposing specific sub-award conditions upon a sub-recipient, if appropriate
  o Based on risk or prior history of failure to comply
  o Example conditions that may be added in *CFR Title 2 § 200.207*
- Monitor activities of the sub-recipient
- Depending on risk, utilize other potential PTE monitoring tools
- Consider whether the results of sub-recipient audits, on-site reviews, or other monitoring activity indicates conditions that necessitate adjustments to the PTE's own records
- Consider taking enforcement action against non-compliant sub-recipients as described section *CFR Title 2 § 200.338*

PTE Monitoring of the Sub-recipient

PTE monitoring of the sub-recipient must include:

- Reviewing financial and performance reports required by the PTE
- Following-up and ensuring that the sub-recipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the sub-recipient. Deficiencies may be detected through audits, on-site reviews, and other means
- For audit findings pertaining to the federal award provided to the sub-recipient from the PTE, issuing a management decision as required by *CFR Title 2 § 200.521*
- Depending on risk assessment results, additional monitoring procedures

12.1.6.5 | GRANT SUB-RECIPIENT CONTRACTS & GUIDELINES

While the City often directly administers grant funds received, oftentimes the City may designate sub-recipients to provide the grant services. In these cases, the department identified as the "grantee" in a grant agreement is responsible for the overall administration of the grant. A discussion of "sub-recipient" versus "contractor "determination has been expanded and relocated to administrative requirements in *CFR Title 2 § 200.330.*

Sub-Recipient Monitoring

The City is responsible for the funds provided to sub-recipients and is ultimately liable and at risk for disallowed expenses if sub-recipients are not in compliance with the terms of the grant. Departments

should ensure that all grant sub-recipients comply with the terms of the grants by reviewing sub-recipients' financial statements, performance reports, audit reports and procurement procedures, and monitor sub-recipients periodically through site visits and/or other activities as required by the grantor.

Departments must have all of the following information for each sub-recipient:

- Sub-recipient name and Dun & Bradstreet (DUNS) number
- Federal award identification number (FAIN) and award date
- Sub-award period of performance – start and end date
- Amount of federal funds obligated by the action
- Total amount of federal funds obligated to the sub-recipient
- Total amount of the federal award
- Federal award project description
- Name of the federal awarding agency, pass-through entity, and contact information for awarding official
- Catalog of Federal Domestic Assistance (CFDA) number and name; must identify the dollar amount made available under each CFDA number at time of disbursement
- Whether the award is research and development
- Reporting and other requirements
- An approved federally recognized indirect cost rate negotiated between the sub-recipient and the federal government or, if no such rate exists, either a rate negotiated between the federal pass-through entity (PTE) and the sub-recipient, or a *de minimis* indirect cost rate as defined in *CFR Title 2 § 200.414*
- A requirement that the sub-recipient permit the PTE and auditors to have access to the sub-recipient's records and financial statements, as necessary for the PTE to meet its requirements
- Appropriate terms and conditions concerning the closeout of the sub-award

Departments with grant sub-recipients shall conduct an annual sub-recipient risk assessment to evaluate the following required risk factors, as specified by *CFR Title 2 § 200.331(b)*:

- The sub-recipient's prior experience with the same or similar sub-awards
- The results of previous audits including
  - whether or not the sub-recipient receives a Single Audit
  - the extent to which the same or similar sub-award has been audited as a major program
- New (key) personnel
- New or substantially changed systems
- The extent and results of federal awarding agency monitoring (*e.g.*, grantor audit)

Other, not formally risk factors that departments should evaluate as part of its annual risk assessment of sub-recipients include:

- Financial position/going concern
- Known compliance issues not resulting from audits/monitoring activities
- Sub-recipients' own procedures
- International location
- Third tier sub-award
- Cost sharing

Ongoing monitoring methods that should occur outside of the formal annual risk assessment include:

- Frequent, scheduled phone conversations. This approach allows an informal assessment of how things are proceeding, but may not necessarily reveal whether problems have arisen.
- Face-to-face meetings provide a more extensive forum for discussion.
- Written progress reports are a very reliable technique for staying on top of performance.
  A good progress report should:
    o Indicate the status of the project.
    o Highlight the accomplishments vis-à-vis the goals and objectives.
    o Point out any problems or obstacles.
    o Discuss work planned for the next period.
- Financial status reports and payment requests should be used in conjunction with progress reports to ensure expenditures are occurring at a level commensurate to project progress.
- Review of draft deliverables allows for revising the work product in accordance with the contract specifications before the final version is submitted.
- Site visits. Visiting a sub-recipient's location is the best means of obtaining firsthand information on performance. If possible, site visits should be conducted during each major phase of a project.
- Make use of sub-recipient monitoring system such as Contracts Online (COOL) and Total Grant Solution (TGS).
- Use City *G100 Model Grant Agreement*.

Consequences of identifying a risk associated with a sub-recipient include but are not limited to imposing specific conditions on a contract, requiring training and technical assistance for the sub-recipient, holding on-site reviews, and implementation of additional procedures. Enforcement actions could result if risks are not adequately addressed; these actions include but are not limited to withholding of payment, disallowing costs, and suspending/terminating the sub-award.

G-100 Templates

Departments must ensure that grants are administered in accordance with the grantor's terms and conditions, and applicable City policies and procedures. In addition, "grantee" departments must ensure that all sub-recipients adhere to grantors' term and conditions. Contracts with sub-recipients must contain language in compliance with grantor's regulations. The Controller's Office recommends that departments use the G-100 template to write grant funded contracts. The template is available at

http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=848&S=230&P=ByDept.aspx&T=Office%20of%20Contract%20Administration%20(OCA)%20|%20All%20Documents&K=All701.

Grant vs. Contract (Sub-recipient vs. Contractor/Vendor)

A "grant" or "cooperative agreement" shall be used only when the principal purpose of a transaction is to accomplish a public purpose of support or stimulation authorized by federal statute. "Contracts" shall be used when the principal purpose is acquisition of property or services for the direct benefit or use of the federal government.

Sub-recipient/Contractor Determination

- A non-federal entity may concurrently receive federal awards as a:
    - Recipient
    - Sub-recipient
    - Contractor
- Pass-through Entity (PTE) must make case-by-case determination whether each agreement it makes for the disbursement of federal program funds cast the party receiving the funds in the role of a:
    - Sub-recipient, or
    - Contractor
- Substance of the agreement is more important than the form

TABLE 12-4. DETERMINATION OF SUB-RECIPIENT VS. CONTRACTOR)

SUB-RECIPIENT *CFR Title 2 §200.93*	CONTRACTOR *CFR Title 2 §200.23* (Contractor replaces the term "Vendor" from OMB Circular A-133)
Creates federal assistance relationship	Purpose is to obtain goods and services for the non-federal entity's own use and creates a procurement relationship
Determines who is eligible to receive what federal assistance	Provides the goods and services within normal business operations
Has its performance measured in relation to whether objectives of a federal program were met	Provides similar goods or services to many different purchasers
Has responsibility for programmatic decision making	Normally operates in a competitive environment

SUB-RECIPIENT CFR Title 2 §200.93	CONTRACTOR CFR Title 2 §200.23 (Contractor replaces the term "Vendor" from OMB Circular A-133)
Is responsible for adherence to applicable federal program requirements specified in the federal award	Provides goods or services that are ancillary to the operation of the federal program
In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing stature, as opposed to providing goods or services for the benefit of the PTE	Is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons

12.1.6.6 | GRANT-FUNDED INTERDEPARTMENTAL SERVICES (WORK ORDERS): CO-OPERATION BETWEEN THE REQUESTING AND PERFORMING DEPARTMENT

Departments should identify the funding source when submitting interdepartmental work orders. The department requesting the service ("Requesting Department") must make known the funding source of work order/work authorization to the other City department that will be performing the service ("Performing Department"). If the funding source is from a grant, Requesting Departments must provide the pertinent grant funding requirements to the Performing Departments and make sure the Performing Departments adhere to grant provisions when they expend the grant funds. Performing Departments reserve the right to advise whether they can or cannot comply with the requirements and, if they cannot, the Requesting Department has the right to cancel the work order. No grant funds should flow through to the Performing Department if it does not comply with the grant's requirements. Both the Requesting Department and the Performing Department have the responsibility to make sure the grant funds are spent according to the grant's requirements.

Abatements

If interdepartmental services are deemed eligible expenditures to the grant but are encumbered and paid for in a different funding source (e.g., reproduction and mail charges or central shop work orders), the department could submit a journal entry (GE/GR) to abate these expenditures to the grant. Note that in this case the expenditure is identified as budgeted interdepartmental expenditure at the original funding source, but not in the grant. Therefore, when performing the abatement the department needs to decrease the interdepartmental expenditure (character 081) at the original funding source and increase expenditure in the SERVICE categories in the grant.

12.1.6.7 | INDIRECT COSTS

Administrative Code, Section 10.170-1(F) requires that every grant budget contains provisions for the reimbursement of indirect costs, unless indirect costs are disallowed by the grantor or when departments need to maximize the use of grant funds for program costs. For grants that need to go through the Accept and Expend process (refer to *Section 12.1.2.3 Accept & Expend Processing Guidelines*), the Board has to authorize the waiver of inclusion of indirect costs in the grant budget.

Include indirect costs in all large grant budgets whenever allowable. Grants that prohibit reimbursement of indirect costs may occasionally allow them to be included toward meeting a local matching requirement. Departments should confirm specific indirect cost guidelines with the funding agency.

Definition

Indirect costs are general costs of doing business that are difficult to identify directly to a grant, such as department overhead and City-wide services that support departments. *CFR Title 2 §200.56* defines indirect costs as "those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved."

Indirect Cost vs. Normal Grant Expenditure

Any administrative expenses that can be specifically assigned to a particular grant should be budgeted and claimed directly rather than included in an indirect cost base. For example, if a grant program is large enough to require one full-time accounting staff member, that staff person should be billed directly to the grant. Small grants that use an accountant part-time may not be able to bill directly. Also, if a grant program is large enough to occupy a facility or a portion of a facility exclusively, the grant program's share of the facility charges may be billed as direct charges. If grant activities are just one of many activities in a facility, then facility charges are allocated as part of indirect costs.

Calculation of Indirect Cost

Indirect costs are normally billed as a percentage of salaries or total direct costs charged to a grant. There may be a wide range of appropriate indirect cost rates, depending on the type of activity and base charges they relate to. The County-wide Cost Allocation Plan (COWCAP) allocates certain County-wide support functions to departments (including Human Resources, Board of Supervisors, Retirement System, City Attorney, *etc.*). This can be the basis of a partial indirect cost rate. However, the full indirect cost that might be charged to a grant could also include department overhead for the grant's share of facility, department management, and support costs. This is why each department should calculate its own indirect cost rate to get the maximum advantage when indirect costs can be reimbursed. Check with your department fiscal officers for your department's specific calculation bases and rates. No matter what rate the department uses, all indirect costs must be supported by a written plan that shows how they are calculated.

The Controller's Office Operations Unit is available to assist you with questions about establishing and documenting indirect cost rates. For additional information regarding the *State Handbook of Cost Plan Procedures for California Counties*, visit the website: http://www.sco.ca.gov/Files-ARD/manual_costplanhandbook.pdf.

Indirect Cost Recovery in Operating Fund

Indirect costs are usually first incurred in operating funds and then allocated to grant funds as expenditures to support grant claims. Indirect cost recovery in operating funds should be budgeted and recorded as expenditure abatement instead of revenue, since indirect cost-related revenue has already been reported in grant funds. Specifically, for operating funds, do not budget or record indirect cost recovery in revenue sub-object 44933; instead, budget and record the recovery as expenditure abatement in Character 020 Overhead using sub-object 02019 Department Overhead, for example.

Indirect Costs under UG (*CFR Title 2 §200.414*)

The following are indirect cost requirements pursuant to Uniform Guidance:

- The negotiated rates must be accepted by all federal agencies
- A federal agency may use a rate different from the negotiated rate for a class of federal awards or a single federal award only when required by federal statute or regulation, or when approved by a federal agency head or delegate based on documented justification
- Agencies must notify Office of Management and Budget about any exceptions approved by the agency head
- Any non-federal entity that has <u>never</u> received a negotiated indirect cost rate, except for those non-federal entities described in *CFR Title 2, Part 200, Appendix VII*:
    o May elect to change *de minimis* rate of 10% of Modified Total Direct Costs (MTDC) which may be used indefinitely
    o As directed in *CFR Title 2 §200.403* factors affecting allowability of costs, costs may not be double-charged or inconsistently charged
    o If chosen, this methodology once elected must be used consistently for all federal awards until such time as a non-federal entity chooses to negotiate for a rate, which the non-federal entity may apply to do at any time

Procurement and Indirect Costs

The UG procurement standards do not apply to procurements made in indirect costs areas. The standards apply to procurements for goods and services that are directly charged to a federal award.

12.1.6.8 | WORK WITH PURCHASERS (OCA)

Departments are responsible for reflecting grant conditions and provisions of the governing federal, state, or local grantors, such as the geographical preference prohibition, in the service contracts, grant

agreements with sub-recipients, requisitions, purchase orders, work orders, requests for proposal, *etc.* The City's Office of Contract Administration (OCA or Purchasing) and the City Attorney's Office have specific instructions to departments to make appropriate changes to the model contracts and requests for proposals (RFPs) as necessary.

Departments, when submitting requisitions or contracts to Purchasing, are to identify the funding source; provide the requisition or contract with the appropriate additions and deletions in compliance with federal, state, or local grant fund requirements; and identify the department contact person who could answer any questions that Purchasing may have regarding the grant restrictions and provisions. Departments must also identify the funding source in the FAMIS Notepad and advise that special requirements may apply.

12.1.6.9 | FEDERALLY FUNDED EQUIPMENT

This section provides references to the *Code of Federal Regulations* (CFR) sections that govern federally funded equipment expenditures.

A. **Equipment and Other Capital Expenditures** (*CFR Title 2 §200.439*)
- Capital expenditures for general purpose equipment, buildings, and land are <u>unallowable</u> as direct charges, except with the prior written approval of the federal awarding agency or pass-through entity (*CFR Title 2 §200.439(b)(1)*)
- Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the federal awarding agency, or pass-through entity (*CFR Title 2 §200.439(b)(3)*)
- Cost of equipment disposal. If the non-Federal entity is instructed by the Federal awarding agency to otherwise dispose of or transfer the equipment the costs of such disposal or transfer are allowable (*CFR Title 2 §200.439(b)(6)*)
- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5,000 or more have the prior written approval of the federal awarding agency or pass-through entity (*CFR Title 2 §200.439(b)(2)*)
- Computing devices do not meet the threshold requirements so are considered supplies
  - Tablets
  - Laptops
  - Smart phones
- Lesser of $5,000 or entity capitalization threshold
- Revisit policy if below this amount

B. **Depreciation** (*CFR Title 2 § 200.436*)
- Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The non-federal entity may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided

that they are used, needed in the non-federal entity's activities, and properly allocated to federal awards. Such compensation must be made by computing depreciation (*CFR Title 2 §200.436(a)*)

- Charges for depreciation must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed. Statistical sampling techniques may be used in taking these inventories. In addition, adequate depreciation records showing the amount of depreciation taken each period must also be maintained (*CFR Title 2 §200.436(e)*)

12.1.6.10 | ABATEMENTS

If the procurement expenditure is encumbered and paid for by another funding source and is abated to the grant after-the-fact, the department should submit a journal entry (GE/GR) for the abatement within the same quarter that the expenditure incurred. The abatement should be justified with supporting documents and adequately explained in the Notepad of the journal entry. The department should identify the expenditure the same way in the grant as it was initially recorded (*i.e.*, same sub-object code), unless it is seen as a different category (character) of expenditure in the grant. Consult the Controller's Operations Unit if unsure.

12.1.6.11 | ALLOCATED CHARGES

Some departments (*e.g.*, DPW, MTA) budget and record grant expenditures using allocated charges (sub-object 07999). These departments budget a negative amount of this sub-object in their operating fund as an expenditure recovery item. The Controller's Office Operations Unit recommends that departments secure approval from funders prior to using this methodology for recovering shared costs.

12.1.6.12 | YEAR-END EXPENDITURE ACCRUALS

Expenditure recognition becomes critical at fiscal year-end when the City needs to obtain the accurate financial data to produce its *Comprehensive Annual Financial Report* (CAFR). The department needs to analyze expenditure items at fiscal year-end and determine the correct recognition period for those expenditures.

Grant-funded payments to contractors and sub-recipients should be posted in the same fiscal year as the expenditures were incurred. If a contractor submits a bill in July 2016 for expenditures incurred in June 2016, the payment for the bill should be processed as of Fiscal Month 12 (June) of Fiscal Year 15-16.

If it happens that an expenditure item that should have been recognized in the past fiscal year is paid or recognized in the following fiscal year, the department should initiate an adjusting journal entry in fiscal month 13 to accrue the expenditure as a payable in the past fiscal year. This can be done with Transaction Code 665 or 545. Transaction Code 665 has built-in automatic reversal in month 1 of the following fiscal year so that no other reversal entry is needed. If the expenditure was paid from an

encumbrance, follow with Transaction Code 626. Refer to *Section 17.2 FAMIS Transaction Codes* for more information.

12.1.6.13 | ANALYZING "APPROPRIATION EXCEEDED" ERRORS

When a grant expenditure to be recorded exceeds the grant's appropriation control, (*e.g.*, about to be overspent as a whole or at its budgeted categories), "appropriation exceeded" errors may occur when department staff tries to initiate or post the expenditure to the grant. Do the following to identify the problem area to be fixed:

- Check index code on Screen 5300 to review allotment and allocation controls. This identifies the level at which FAMIS checks for available appropriation within an index code.
- Review Appropriation Inquiry Screen 6250 (link to Appropriation Detail Inquiry Screen 6260). This screen indicates the amount of appropriation exceeded. Determine whether there is any remaining un-allotted or reserved appropriation to fund the expenditures. See Figure 12-9 and Figure 12-10.
- Use Grant Summary Inquiry Screen 6220 to compare expenditure budget to actual, by grant, grant detail and sub-fund. See Figure 12-13 for an example screen. All grant activity should normally take place in a single sub-fund, unless there is a good reason for using more than one. Look for areas where the budget appears to have been exceeded.
- Check Grant Trial Balance Inquiry Screen 6410 for reserved budgets (GL 451). See Figure 12-14 for an example of a grant with a reserved appropriation. In this case, the appropriation was reserved until design work is completed and a budget to complete the project can be established.

FIGURE 12-9. FAMIS SCREEN 6250, APPROPRIATION INQUIRY

```
FAML6250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      04/06/2010
LINK TO:                     APPROPRIATION CONTROL INQUIRY              1:09 PM


                   FISCAL MO/YEAR  : 10 2010 APR  2010
                   INDEX CODE      : 380717
                   SUB-OBJECT      :

                   CHARACTER       :
                   OBJECT CODE     :
                   FUNDING PERIOD  :
                   USER CD         :
                   PROJECT         :
                   PROJECT DETAIL  :
                   GRANT           : SFCOPS
                   GRANT DETAIL    : 09PC
```

FIGURE 12-10. FAMIS SCREEN 6260, APPROPRIATION DETAIL INQUIRY

```
FAML6260 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      04/06/2010
LINK TO:              APPROPRIATION CONTROL DETAIL INQUIRY              1:09 PM


FISCAL PD : 10 2010  CONTROL TYPE : 87 SFD/DEPT/GRANT/DETL2
FDTP 2S           SPECIAL REVENUE FUNDS FUND PPF      PUBLIC PROTECTION SPE
SFND GNC          GRANTS, NON-PROJECT,  DEPT POL      POLICE
GRNT SFCOPS       COPS PROGRAM -AB3229/ GRDT SFCOPS09PC   SFCOPS PROG. YR 13, P




S                              APR  2010          TOTAL            BALANCE
  ORIGINAL AAO                      .00        44,366.00
  REVISIONS TO BUDGET               .00       -15,685.23
  REVISED BUDGET                    .00        28,680.77
  RESERVES                          .00              .00
  UNALLOTTED AMOUNT                 .00              .00
  ALLOTTED AMOUNT                   .00        28,680.77
     EXPENDITURES                   .00         9,643.93          19,036.84
     ENCUMBRANCES                   .00              .00          19,036.84
     PRE-ENCUMBRANCES               .00              .00          19,036.84
```

FIGURE 12-11. FAMIS SCREEN 6410 W/ RESERVED APPROPRIATION

```
FAML6410 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      04/06/2010
LINK TO:                   GRANT TRIAL BALANCE INQUIRY                  1:12 PM

FISCAL MO/YEAR : 10 2010                      CURRENCY CODE :
GRANT          : SFCOPS   COPS PROGRAM -AB3229/AB1913
GRANT DETAIL   : 09PC     SFCOPS PROG. YR 13, POLICE
FUND TYPE      : 2S       SPECIAL REVENUE FUNDS
FUND           : PPF      PUBLIC PROTECTION SPECIAL REVENUE FUND
SUBFUND        : GNC      GRANTS, NON-PROJECT, CONTINUING
PROJECT        :
PROJECT DETAIL :
------------------------------------------------------------------------------
-
S ACCT   DESCRIPTION                          APR  2010            BALANCE
  101    EQUITY IN CITY TREASURY-POOL              0.00          19,036.84
  223    GRANTS RECEIVED IN ADVANCE                0.00         -19,036.84
  379    RESERVE FOR APPROPRIATION (N              0.00         -28,680.77
  381    UNREALIZED ESTIMATED SOURCES              0.00          28,680.77
  401    SOURCES-AAO BUDGET                        0.00          44,366.00
  403    SOURCES-OTHER TRANSFERS & AL              0.00         -15,685.23
  411    ACTUAL SOURCES                            0.00          -9,643.93
  421    USES-AAO BUDGET                           0.00         -44,366.00
  423    USES-OTHER TRANSFERS & ALLOC              0.00          15,685.23
  431    ACTUAL USES                               0.00           9,643.93
  452    APPROPRIATIONS-ALLOTTED                   0.00         -28,680.77
  459    APPROPRIATION CONTROL-CONTRA              0.00          28,680.77
         GRANT DETAIL    TOTAL                     0.00               0.00
```

12.1.7 | Grant Reconciliation

The department should periodically reconcile active grants between claims to the funding agency and
FAMIS financial records to identify errors and issues and to ensure the financial record of the grant is

accurate. When the full grant cycle is complete, the grant should be fully reconciled and promptly closed out.

12.1.7.1 | BASIC PRINCIPLES OF RECONCILIATION

Reconcile Quarterly

Grants should be reconciled at least quarterly by the administering department. Timely and regular reconciliation helps to identify and correct issues in time, before these issues grows bigger and become more problematic and difficult to correct.

Claimed Expenditure = FAMIS Expenditure

Expenditures reported on the claim or financial reports to the funding agency must be equal to the grant expenditure amount shown on FAMIS records. Any variances must be noted, investigated and corrected.

Revenue = Expenditure

For most grants, revenues recognized at a particular time should equal eligible grant expenditures at that point of time. Initiate journal entries to make corrections and adjustments to the grant if necessary.

If revenues exceed expenditures, one of several possibilities may have occurred:

- Excess revenues may belong to a different grant.
- Excess revenues were recognized in advance of expenditures, so should be reclassified as "advances."
- Some grant expenditures were charged to the wrong account and should be reclassified into the grant.
- Some grant expenditures were recognized in a different fiscal year from the one when the service was provided.
- Excess reimbursement was received and should be returned to the funding agency.

If grant expenditures exceed revenues, examine the account to check for the following possibilities:

- Additional revenues need to be claimed and accrued as receivables.
- Excess expenditures charged to the grant in error need to be charged to some other department appropriation. If the department does not have the available budget, it will need to request a supplemental appropriation from the Board.
- For reimbursement-based grants, make sure receivables are established for all outstanding eligible expenditures.

For most gifts, revenues do not need to equal expenditures each fiscal year. Most gifts are recognized as revenue as soon as the funds are received; expenditures are booked as they occur. Thus, if the gift is not fully expended in the year it is received, revenues will exceed expenditures during that year, and

expenditures will exceed revenues in subsequent years. When the gift is fully expended, revenues should equal expenditures and the gift detail should be closed out in FAMIS.

An exception is for conditional gifts where there is a significant likelihood that funds would have to be returned if the gift conditions are not met. In such a case, as discussed above, the gift should be treated just like an advance grant, with revenues recognized each fiscal year equal to the eligible expenditures.

Estimated Revenue = Appropriation

Estimated revenue and appropriation of the grant that makes up the grant budget should be balanced. Budget imbalance might result from errors during recording or revision of the grant budget. The department needs to make sure the corrections are made.

Actual Expenditure <= Grant Budget

Grant expenditure should not exceed the amount of grant funds available. If the grant is overspent, excess expenditures should be abated to another available funding source or the department has to request a supplemental appropriation from the Board of Supervisors.

Identify and Abate Any Ineligible Expenditure

If grant expenditures were charged improperly to a grant or were found ineligible by the funding agency, they must be transferred out of the grant fund. The department must find another funding source to cover those ineligible expenditures or request a supplemental appropriation from the Board of Supervisors.

12.1.7.2 | DOCUMENTING RECONCILIATION IN A SPREADSHEET

Controller's Office recommends that departments use a spreadsheet to document the reconciliation of grants. Departments may use any format for the reconciliation spreadsheet as long as the following is included:

- Each claim made (identified with numbers) and the associated expenditure breakdown (by document numbers),
- Revenue amount accrued and received,
- Comparison between the amount claimed and the expenditure recorded in FAMIS. Variance must be shown and explained.

See the Figure below for a sample reconciliation spreadsheet.

FIGURE 12-12. SAMPLE RECONCILIATION SPREADSHEET

Reconciliation of FY 2011-12 Expenditure Reports and Drawdowns with FAMIS

A. Reports to Grantor of FY 11-12 Expenditures

Date	Report Period	FY 11-12 Exps Reported
10/15/11	July - Sep 2011	$700,000
1/15/12	Oct - Dec 2012	$350,000
4/15/12	Jan - Mar 2012	$1,500,000
7/15/12	Apr - Jun 2012	$800,000
9/15/12	Apr-Jun 2012 Adjustment	$50,000
Total FY 11-12 expenditures reported		**$3,400,000**

Note: if grant involves sub recipients that file their own reports, include summary and reconciliation of their reports here.

B. Revenues Received/Claims to Grantor

Cash Receipts (CRs) can be found by drilling down in FAMIS Screen 6410 under GL101 at the lowest grant detail

			Attributable to:	
Date	Cash Receipt #/Collection	Total	FY 10-11 exps	FY 11-12 exps
7/31/11	CR11XXXXXXXX	$650,000	$650,000	$0
10/31/11	CR11XXXXXXXX	$750,000	$50,000	$700,000
1/31/12	CR11XXXXXXXX	$375,000	$0	$350,000
4/30/12	CR11XXXXXXXX	$1,500,000	$0	$1,500,000
Total		**$3,275,000**	**$700,000**	**$2,550,000**

Claims for reimbursement of FY 11-12 exps after 6/30/12

7/15/12 Receivable/claim billed	$800,000
9/15/12 Receivable/claim billed	$50,000
Total FY 11-12 claims:	**$3,400,000**

C. FAMIS FY 11-12 Expenditures, by Grant Detail

Grant Summary Screen 6220, Year-to-date, Fiscal month 13/12

Grant Detail	YTD FAMIS Exps	Adjustmts	Adjusted FAMIS Exps	Notes
MOXXXX/11	$750,000	($50,000)	$700,000	$50K FY11 exps recorded in FY 12
MOXXXX/12	$2,700,000	$0	$2,700,000	
Total	**$3,450,000**	**($50,000)**	**$3,400,000**	

D. FAMIS FY 11-12 Revenues, by Grant Detail

Grant Summary Screen 6220, Year-to-date, Fiscal month 13/12

Grant Detail	YTD Revs in FAMIS	Adjustmts	Adjusted FAMIS Revs	Notes
MOXXXX/11	$700,000	$0	$700,000	
MOXXXX/12	$2,700,000	$0	$2,700,000	Revs include $850K receivables
Total Revenues	**$3,400,000**	**$0**	**$3,400,000**	

12.1.7.3 | USING FAMIS SCREENS TO ANALYZE GRANTS

- Use Grant Summary Inquiry Screen 6220 to analyze revenues and expenditures.
- Use balance type "A" (all year) to see the complete picture of the budget and spending of the grant. See Figure 12-13.
- Use Grant Trial Balance Inquiry Screen 6410 to see cash position, review general ledger accounts, or drill down to documents. See Figure 12-14.
- Note: Do not use index code Screen 6450 to analyze grants. Relying on the index code information in the Organization Summary Inquiry Screen 6450 to analyze grants may not provide a complete picture.

FIGURE 12-13. FAMIS SCREEN 6220, GRANT SUMMARY INQUIRY

```
FAML6220 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        04/01/2010
LINK TO:                        GRANT SUMMARY INQUIRY                   9:15 AM

BALANCE (Y,M,Q,A) : A       CURR/PRIOR PRD  :        CURRENCY CODE :
FISCAL MO/YEAR    : 09 2010 MAR  2010    GRANT END DATE:  10/30/2010
GRANT             : DAAUTO DEPT OF INS AUTO INSURANCE FRAUD
GRANT DETAIL      : 10     FY 09-10
CHARACTER         : X
OBJECT CODE       :
FUND TYPE         :
FUND              :
SUBFUND           :
-----------------------------------------------------------------------------
-
S CHAR   DESCRIPTION          BUDGET       ACTUAL    PREENC/ENC      BALANCE
  450    INTERGOVERNMENTAL    409,966      181,723                  -228,243
         REVENUE TOTAL        409,966      181,723                  -228,243
  001    SALARIES             299,289      217,761                    81,528
  013    MANDATORY FRINGE B    68,624       51,613                    17,011
  020    OVERHEAD              29,929                                 29,929
  021    NON PERSONNEL SERV    12,124                                 12,124
         EXPENDITURE TOTAL    409,966      269,374                   140,592
         REVENUE LESS EXPEN                -87,651                   -87,651
```

FIGURE 12-14. FAMIS SCREEN 6410, GRANT TRIAL BALANCE INQUIRY

```
FAML6410 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        04/01/2010
LINK TO:                     GRANT TRIAL BALANCE INQUIRY                9:18 AM

FISCAL MO/YEAR  : 09 2010                     CURRENCY CODE :
GRANT           : DAAUTO   DEPT OF INS AUTO INSURANCE FRAUD
GRANT DETAIL    : 10       FY 09-10
FUND TYPE       :
FUND            :
SUBFUND         :
PROJECT         :
PROJECT DETAIL  :
-----------------------------------------------------------------------------
-
S ACCT   DESCRIPTION                      MAR  2010            BALANCE
  101    EQUITY IN CITY TREASURY-POOL    -28,468.42        -187,381.17
  120    GRANTS RECEIVABLE                    0.00          99,729.74
  379    RESERVE FOR APPROPRIATION (N         0.00        -409,966.00
  381    UNREALIZED ESTIMATED SOURCES         0.00         409,966.00
  401    SOURCES-AAO BUDGET                   0.00         456,556.00
  403    SOURCES-OTHER TRANSFERS & AL         0.00         -46,590.00
  411    ACTUAL SOURCES                       0.00        -181,722.74
  421    USES-AAO BUDGET                      0.00        -456,556.00
  423    USES-OTHER TRANSFERS & ALLOC         0.00          46,590.00
  431    ACTUAL USES                     28,468.42         269,374.17
  452    APPROPRIATIONS-ALLOTTED              0.00        -409,966.00
  459    APPROPRIATION CONTROL-CONTRA         0.00         409,966.00
         GRANT DETAIL    TOTAL                0.00               0.00
```

Retrieving Archived Financial Data

To retrieve FAMIS data prior to Fiscal Year 2008, log in to "FAMISC" archive database. (When entering FAMIS, type "NFAMISC" instead of "NFAMIS").

Executive Information System (EIS) Flexible Reports

The Flexible Reports display data in relationship to other data. Various reports can be generated for grant analysis. Contact the Controller's Office EIS Unit through eis@sfgov.org for more information.

12.1.7.4 | CONTROLLER'S OFFICE QUARTERLY GRANT RECONCILIATION PROCEDURE

As a monitoring measure, the Controller's Office Operations Unit downloads the financial balances at the end of each quarter of all grants (recorded in grant codes) awarded to the City and performs preliminary analysis at a high level. The department's Fund Accountant will download the grant balances on a spreadsheet ("reconciliation report") and send the spreadsheet with recommended actions on abnormal grant balances to the department. Departments must return the quarterly reconciliation report sent to them within set deadlines with "solid" responses, including descriptions of actions completed.

How to Use the Reconciliation Report

- Operating accounts and general ledger accounts are combined into the report
- Examine any discrepancy between the Estimated Revenues and Appropriation
- Process Grant Receivable adjustments
- Process Unavailable Revenue adjustments
- Transfer out all ineligible costs to other funding source(s)
- Submit reimbursement claims in a timely manner
- Follow up on outstanding reimbursement claims
- Analyze excess revenues to see if they need to be returned to the grantor
- Clear cash and other general ledger accounts for expired and old grants
- Identify grants for closeout (see Section 12.1.8 Grant Close-out for details)
- Indicate the correct grant end date. Do not use ending year 2999
- Identify "Active" or "Inactive" grants or changes in status.

"Solid" Response Required

For all issues noted in its reconciliation report, the department must submit detailed explanations. In addition, the department must note all of its own actions performed according to the instructions, with document number referenced. Referring to other personnel or other entities for questions asked or notes on actions that will be performed does not constitute a solid response.

Submit on Time

Timely submission of the grant reconciliation spreadsheet ensures both the department and the Controller's Office are updated on the status of the grants. It is also useful for identifying issues and errors in the grants so that they can be corrected in time.

Department Reconciliation Still Required

Completion of the grant reconciliation process with the Controller's Office does not satisfy the department's responsibility to reconcile grants quarterly. The department should still reconcile grants at the detailed level as discussed above and have its own documentation of its reconciliations.

12.1.8 | Grant Close-out

Closing out the grant is the final financial activity of the grant cycle. The purpose of the grant close-out process is to achieve a final accounting of all revenues and expenditures attributable to the grant and to reach a final grant balance. Grant close-out is done semi-annually (usually in the months of December and June) by the Controller's Office Accounting Operations Systems Division. Through the quarterly reconciliation process, the Controller's Office Operations Unit periodically provides a list of inactive and expired grants to each department for status update. Departments are required to analyze and correct the balances on all expired inactive grants prior to closure. In addition, departments should analyze the AAO grant budget quarterly to identify and close by June 30th any and all grants that were not actually awarded.

When Can a Grant Be Closed?

A grant is ready to be closed out when all the following applies:

- Grant is budgeted in the AAO but not awarded
- Grant funds are fully utilized and all reimbursements are received (*i.e.*, the grant cycle is complete)
- Grant program is complete
- For projects funded by multiple grants, a grant can be closed as long as the grant cycle is complete, even when the related project is still active
- The grant is expired (*e.g.*, grant period ended and no extension is made)
- If grant funds are fully utilized and grant cycle is complete before the grant expires, the grant can also be closed
- Final reconciliation is done and all adjustments to the grant are complete.

Basic Principles of Grant Close-out

The following activities should be completed during grant close-out processing:

- At the completion of the grant program, actual revenues should equal actual expenditures, and the actual revenues and expenditures should reconcile with the reports to the funding agency
- Cash balance of the grant should be zero (*i.e.*, all grant funds used up)
- Liquidate all outstanding encumbrances

- Make sure all reimbursements have been received and no receivable balance is outstanding
- Transfer out all ineligible costs
- If costs incurred were disallowed by the granting agency and will not be reimbursed, the department must identify another funding source to charge those expenditures. If no existing budget can cover the expenditures, the department must prepare a supplemental budget request to the Board of Supervisors to cover the amount of the ineligible costs
- Analyze excess revenues to see if they need to be returned to the grantor
- If there is leftover grant budget after the grant program or project has been completed, the department needs to make sure the remaining grant budget is not to be utilized or re-obligated upon grantor's approval. The department may choose to initiate a de-obligation journal entry to de-obligate the grant budget, or let the Controller's closeout program close the grant budget.

12.1.8.1 | PROCEDURE FOR GRANT CLOSE OUT

☐ 1. Controller's Office Operations Unit identifies all grants with plan end dates past the date of the analysis, and reports the list of grants to departments; often this is done together with the quarterly reconciliation process.

☐ 2. Departments review the list of grants and identify the grants that completed and are ready to be closed. All adjustments to the grant need to be made before confirming close out.

☐ 3. With department's confirmation, the Controller's Office Operations Unit compiles the list of grants that are ready to be closed and performs a high-level review again to make sure all cash and other general ledger balances have been cleared.

☐ 4. The Controller's Office Operations Unit inputs the grant codes of the grants that are ready to be closed into the 1090 interface program, which is then run by the Controller's Office Systems Unit to close all budget accounts and fund balances.

1090 Close-out Interface Program

The 1090 interface is a programmed set of journal entries that closes the remaining budgetary balance of a list of accounts (e.g., grants). It also freezes the accounts and their balances so that no more transactions can be recorded into the accounts after the interface. Grant codes needing to be closed are entered into a pre-established entity on FAMIS Screen 1090 in order to be included in the interface program. After the 1090 interface program runs, FAMIS returns the following:

- Budget (estimated revenue and appropriation) for each sub-object line item will match, and actual revenues and expenditures for that sub-object line item will match.
- Unrealized estimated source (GL 381) and Reserve for appropriation (GL 379) will be closed to zero.

- Unreserved Fund Balance Available for Appropriation (GL 399) should match the cash balance (GL 101). Since all cash balances should be cleared at the time the interface is run, there should be no balance of GL 399. If the grant has a cash surplus, GL 399 will match the cash balance (*i.e.*, the remaining money is available for other use). Note GL 399 has a credit normal balance.
- "CLOSING DATE" field on screen 5070 will be populated with the closing date. The status indicator "STATUS IND" will change from "A" (active) to "I" (inactive). See the Figure below.

FIGURE 12-15. FAMIS SCREEN 5070, CLOSED GRANTS WITH CLOSING DATE

```
FAML5070 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      04/02/2010
LINK TO:                            GRANTS                              2:10
PM
                                                                  PAGE 1 OF
4

GRANT               : DASVPP       THREAT MGMT/STALKING VERTICAL PROSECUTIO
GRANT DETAIL        : 09           FY 08-09
TITLE               : FY 08-09
LOWER LVL REQUIRED  : N
    GRANT TYPE      : T            FEDERAL GRANT - STATE PASS-THROUGH
    CONTYP /FNDS CTL: GY   Y       DONOR FUNDING FY
    CCSF FILE NMBR  :
    RESP DEPARTMENT : DAT          DISTRICT ATT -RESPONSIBLE DEPT FOR GRANT
    DONOR AGENCY    : OES          OFFICE OF EMERGENCY SERVICES-STATE
    CCSF APPROVAL   :
    FEDERAL CATALOG : 16588        VIOLENCE AGAINST WOMEN FORMULA GRANTS
    CLOSING DATE    : 06/09CLS     GRANT CLOSED IN FISCAL PERIOD 06/2009
    INT DIST BY GRT :
PLAN DATES    START : 10/01/2008   END : 09/30/2009    IDC REIMBURSE : N
ACTUAL DATES  START : 07/01/2008   END : 01/02/2009    GRACE PERIOD  : N
CREATE DATE : 01/08/2008           STATUS IND  : I
```

Records Retention

Following the close-out of the grant, keep the grant records for at least five (5) years, of which two (2) years are on-site, as per Controller's Office record retention policy.

Federal OMB guidelines require recipients keep records for three (3) years following grant close-out. This means three (3) years after the closeout period (*i.e.*, when a final report is given to the funding agency or the funding agency acknowledges that the grant is closed). For non-federal grants, check the records retention requirements on the grant agreements.

12.1.9 | Grant External Audits

Grants are subject to federal and state program audits. This section provides a high-level overview of these types of audits.

12.1.9.1 | FEDERAL SINGLE AUDIT

Prior to UG

In 1984, Congress passed the Single Audit Act, which has been codified in the Office of Management and Budget's (OMB) *Circular A-133*. The primary intent of the Act was to create a system that avoids multiple audits of organizations by different federal and state agencies. Instead, organizations would receive a "single" audit that could be relied on by many different funders. Each fiscal year, all public and non-profit recipients of federal funds must hire independent auditors to conduct a single audit of all federal awards expended. All single audit reports are sent to a federal clearinghouse where they are available electronically to government agencies and interested members of the public. Federal or state pass-through agencies may follow up on corrective actions that organizations must take as a result of any audit findings. One benefit to grant recipients is that, as a result of the Act, federal agencies may not require separate financial audits unless they are willing to pay for them.

Post UG

On December 23, 2013, the Office of Management and Budget (OMB) issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule* (UG). Federal Audit Clearinghouse (FAC) changes are coming soon (as indicated by Macias Gini and O'Connell in June 2016). Changes to the Single Audit in the wake of UG include, but are not limited to a new *Data Collection Form* and new transparency of single audit reporting packages. Refer to *Section 12.1.4 - Requirements to Federal Awards and Pass-Through Awards* for more information on UG.

The major change regarding the Single Audit since UG is that "must" has been defined to mean "required". Use of "should" in the UG indicates a best practice and is not a mandatory requirement. Refer to the UG's *2016 Compliance Supplement* via https://www.whitehouse.gov/omb/circulars_default.

Non-federal entities must document whether it is in compliance with the old or new standard.

The Controller's Office is responsible for contracting with the external auditors and coordinating the audit process. The Controller's Office Operations Unit gives the auditors a report of all federal expenditures from grants and cooperative agreements incurred in the City's fiscal year, from July 1 to June 30, regardless of the grant schedule. The report sorts the expenditures by federal program, as specified by its 5-digit "CFDA" number from the Catalog of Federal Domestic Assistance. For example, 14.218 is the CFDA # for Community Development Block Grants. The first two digits represent the federal department: 14 = HUD, 93 = HHS, *etc*. Some unique cooperative agreements may not have catalog numbers, in which case the funding department designates them.

The single audit deadline is nine (9) months after the end of the fiscal year (March 31).

12.1.9.2 | BEST PRACTICE: UNDERSTAND WHO FOLLOWS WHAT RULE

The following Table summarizes how auditees and auditors should comply with post-UG Single Audit requirements.

TABLE 12-5. WHO FOLLOWS WHAT RULE FOR A POST-UG SINGLE AUDIT

AUDITEES	AUDITORS
Old Awards = Old Cost Principles and Administrative Requirements (e.g., OMB *Circulars A-87, A-110, A-112, etc.*)	For performing the audit, Subpart F of the Uniform Guidance
New Awards and incremental funding = Subpart D and E of the Uniform Guidance	For purposes of testing compliance, auditors audit against the criteria that the auditee is required to follow (see column to the left).
Also, certain sections of *CFR Title 2 Subpart F* (e.g., *§200.508, .509, .510, .511, .512*)	
Sub-awards (sub-recipients)	

12.1.9.3 | CITY'S RESPONSIBILITY AS THE AUDITEE

The following items are within the City's scope of responsibility as the auditee:

- Identify all federal programs/awards received and expended including, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity
- Maintain internal control over purchasing, reporting, maintenance of financial records, sub-recipient monitoring, and program compliance for all federal programs
- Comply with laws, regulations, and the provisions of contracts or grant agreements
- Prepare appropriate financial statements, including the schedule of expenditures of federal awards
- Ensure that the audits required by this part are properly performed and submitted when due
- Follow up and take corrective action on audit findings
- Determine federal agency differences first since it relates to compliance

12.1.9.4 | DEPARTMENTS' RESPONSIBILITIES DURING THE AUDIT

The following items are within a department's scope of responsibility during a single audit:

- Submit to Controller's Office correct figures of fiscal year grant expenditures and sub-recipient expenditures through the three-column reconciliation reports for each grant, reconciled with figures reported in the financial system
- Provide documentation requested by Controller's Office and the external auditors
- Provide figures for specific notes to the SEFA (*e.g.,* regarding state funding reporting requirements and outstanding loans (Mayor's Office of Housing and Human Services Agency only))
- Sign management representation letter

12.1.9.5 | CONTROLLER'S RESPONSIBILITY DURING THE AUDIT

The following items are within the Controller's scope of responsibility during the Single Audit:

- Draft and maintain Schedule of Expenditures for Federal Awards (SEFA) for all departments (except for Airport and Municipal Transportation Agency, which have their own Single Audit and draft their own SEFA, and coordinate with their own external auditors)
- Review department's reported figures of fiscal year grant expenditures and sub-recipient expenditure through the three-column reconciliation reports
- Coordinate the audit with external auditors, respond to inquiries

12.1.9.6 | SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Auditee must prepare a SEFA that includes the total <u>federal awards expended</u> for the period covered by the auditee's financial statements (*CFR Title 2 §200.502*).

Face of SEFA must now include all federal awards expended including:

1. Non-cash assistance
2. Loan guarantee programs
3. Amounts passed through to sub-recipients for each program
4. Loan programs (beginning balance of outstanding loans plus disbursed during period plus interest subsidy, cash, or administrative cost allowance)

Footnotes to SEFA must include:

1. Year-end loan balances
2. For loan or loan guarantee programs, identify in the notes to the SEFA the balances outstanding at the end of the audit period
3. Significant accounting policies
4. Whether or not entity used 10% *de minimis* cost rate

SEFA Changes (Updated June 2016)

- Understand changes that the UG has made to what is to be contained in the SEFA
- Governmental Audit Quality Center (GAQC) nearing completion of two updated *SEFA Practice Aids*
    - o Auditee
    - o Auditor

Important Notes about SEFA

- SEFA reconciles to accounting and other records used in preparing the financial statements or the financial statements themselves
- Auditor uses SEFA to base the performance of risk assessments and selection of major programs
- Completeness and accuracy of SEFA is critical to avoid missed programs

12.1.9.7 | HOW ARE GRANTS SELECTED FOR AUDIT?

Auditors conduct field-testing of federal programs, based on the following guidelines:

- Auditors select field-test programs that include at least 50% of the City's federal expenditures. If the City can qualify as a "low-risk" auditee, this percentage will drop to 25%
- A "program" here refers to a grant, or a set of grants within a single CFDA number. Additionally, there are programs that are selected and audited as a "cluster" of grants within a subset of related CFDA numbers
- Audit Type A/B threshold for sub-recipients is a minimum of $750,000

12.1.9.8 | MAJOR PROGRAM DETERMINATION AND RISK ASSESSMENT

Step 1: Identify Type A Programs

<u>Prior to UG</u>

Programs with annual expenditures over $3 million are called "Type A" programs. Auditors usually conduct field testing on these programs unless the auditors designate the program "low risk" and have sufficient other programs to meet the 50% total expenditure threshold. At a minimum, programs that exceed $3 million in federal expenditures in a given year must receive a compliance audit at least every three years.

<u>Post UG</u>

Type A programs are those above the dollar threshold, Type B are those below. The minimum threshold is $750,000.

TABLE 12-6. TYPE A PROGRAM SELECTION CRITERIA

IF TOTAL FEDERAL AWARDS EXPENDED IS:	THEN TYPE A PROGRAMS ARE THOSE WITH FEDERAL AWARDS EXPENDED OF THE GREATER OF:
$750K thousand to $25 million	$750,000
$25 million to $100 million	(.03) of total awards expended
$100 million to $1 billion	$3 million
$1 billion to $10 billion	(.003) of total awards expended
$10 billion to $20 billion	$30 million
$20 billion or more	(.0015) of total awards expended

TABLE 12-7. HIGH-RISK TYPE A PROGRAMS BASED ON RISK ASSESSMENT

A-133 DEFAULT CRITERIA	UG DEFAULT CRITERIA
Not audited as a major program in 1 of 2 most recent audit periods	UG default criteria: Not audited as a major program in 1 of 2 most recent audit periods
In most recent period, had any of the following program: • Significant deficiency in internal control • Material weakness in internal control • Material noncompliance finding • Written request by federal awarding agency to audit as major (180 days' notice) • Federal or pass-through entity oversight • Results of audit follow-up • Changes in personnel or systems • Inherent risk	In most recent period, had any of the following program: • Modified opinion • Material weakness in internal control • Known or likely questioned costs that exceed 5% of the total expenditures of the program • Written request by federal awarding agency to audit as major (180 days' notice) • Federal or pass-through entity oversight • Results of audit follow-up • Changes in personnel or systems

Step 2: Identify Low-risk Type A Programs

- Only criteria where professional judgment permitted are:
    - Federal and PTE oversight
    - Results of audit follow-up
    - Changes in personnel systems
- Changes (Updated June 2016):
    - Must have been audited as a major program in at least one of the two most recent audit periods; and
    - In the most recent audit period, the program must not have had a:
        - Modified opinion
        - Material weakness in internal control over compliance
        - Known or likely questioned costs exceeding 5% of total program expenditures

Step 3: Identify High-risk Type B Programs

Prior to UG

Programs with annual expenditures less than $3 million are called "Type B" programs. After evaluating various criteria, auditors may designate certain of these programs "high risk" and test them as well. OMB, in the 2012 supplement, stated that if the program was audited as a major program in either of the prior two years it may qualify as "low risk".

Post UG

Auditors perform risk assessments on Type B program until high-risk Type B programs have been identified, up to at least one-quarter (¼) of the total number of low-risk programs.

TABLE 12-8. TYPE B PROGRAMS BASED ON RISK ASSESSMENTS

A-133	UNIFORM GUIDANCE
Two Type B risk assessment options: - Option 1 – Perform risk assessments on all Type B programs* and select one half of Type B programs identified as high risk up to number of low-risk Type A programs - Option 2 – Perform risk assessments on all Type B programs* until as many high-risk Type B programs have been identified as there are low-risk Type A	Perform risk assessments on Type B programs* until high-risk Type B programs have been identified up to 25% of the number of low-risk Type A programs. *subject to a revised *de minimus* threshold

A-133	UNIFORM GUIDANCE
programs *subject to *de minimus* threshold	
There are no significant changes to the Type B criteria for federal program risk assessments (Updated June 2016).	

Step 4: Determine Major Programs to Audit

- All Type A programs except those identified as low-risk in Step 2 (*i.e.*, high-risk Type A programs)
- All Type B programs identified as high-risk in Step 3
  - Criteria for Type B Risk Assessment Differ from that for Type A Risk Assessment
    - Current and prior audit experience
    - Oversight exercised by federal agencies and PTEs
    - Inherent risk of the federal program
      - Nature and complexity of the program
      - Phase of program in life cycle at federal agency
      - Phase of program in life cycle at the auditee
      - Type B programs with larger federal awards expended would be of higher risk than programs with substantially smaller federal awards expended

Select additional programs if necessary to meet the minimum coverage requirement,

Minimum coverage required is calculated as follows:

TABLE 12-9. AUDIT MINIMUM COVERAGE REQUIREMENT CALCULATIONS

TYPE OF AUDITEE	A-133	UNIFORM GUIDANCE
Not Low-risk	50%	40%
Low-risk	25%	20%

Select additional programs if necessary to meet the percentage of coverage requirement.

An auditee is considered "low risk" if it meets all of the following criteria for the last two years:

- Annual audits in accordance with A-133/UG

- o Single audit reporting package and data collection from submitted (accepted) within required timeframe
- Financial statements prepared in accordance with GAAP or based on accounting prescribed by applicable state law
- Unmodified opinion on financial statement and SEFA
- Auditor did not report substantial doubt about going concern
- No material weaknesses in internal over financial reporting
- No Type A program had:
  - o Material weakness
  - o Modified opinion compliance
  - o Questioned costs > 5% of Federal awards expended

Revised Rules for Considering Large Loan and Loan Guarantees on Type A/B Threshold

- The UG modified the guidance for the inclusion or exclusion of large loan or loan guarantee programs
- For purposes of Type A/B threshold calculation, a federal program (or cluster) is only considered a loan program if value of federal awards expended for loan within the program <u>is 50% or more of the total federal awards expended for the program (or cluster)</u>
- When a loan program exceeds four times the largest non-loan program, it is considered a large loan program
- If a program is considered a large loan program, it is considered a Type A program and excluded in determining Type A threshold

TABLE 12-10. UG AUDIT REQUIREMENTS – KEY SECTIONS WITH CHANGES (CFR TITLE 2 §200.5XX (UPDATED JUNE 2016))

AUDIT THRESHOLD (200.501)	LOW RISK AUDITEE DETERMINATION (200.520)	AUDITEE PREPARES SEFA (200.510)
Major Program determination based on risk (200.518)	Compliance Supplement overall format (Appendix XI)	Testing internal control and compliance (200.514)
Report (200.515)	Submitting to Federal Audit Clearinghouse (FAC) (200.512)	Audit follow-up and corrective action (200.511)

Low-Risk Auditee Status

- Key changes

- To be considered a low-risk auditee, in each of two preceding periods there must have been:
  - Unmodified opinion(s) on financial statements in accordance with GAAP or basis of accounting required by state law
  - No auditor reporting of going concern
- If state law permits but does not require the non-GAAP basis of accounting, auditee cannot be considered low-risk
- If auditee voluntarily prepares financial statements on a non-GAAP basis of accounting, auditee cannot be considered low-risk

12.1.9.9 | IF A DEPARTMENT'S GRANTS ARE SELECTED FOR AUDIT

The following activities occur if a department's grants are selected for audit:

- Auditors conduct field tests to test the City's financial management systems and financial control procedures
- In late fall, auditors return to audit the following:
  - If departments submit required progress reports on time
  - If financial figures in these reports reconcile to FAMIS
  - If back-up documentation for expenditures claimed are adequate (such as signed time sheets and contractor invoices), *etc.*
- UG requires the auditor to plan the audit to obtain "low" control risk (*i.e.*, controls that operate effectively and are reliable). Auditors get "low" control risk by:
  - Document understanding
  - Test control design and implementation
  - Test control effectiveness
- Sampling is often used
- Ineffective controls result in a finding

Auditors test that expenditures are eligible and in compliance with program-specific requirements. Expenditure related questions include:

- Were the grant expenditures actually incurred?
- Did the expenditures benefit the grant?
- Were the expenditures eligible and allowable?
- Were records prepared accurately and timely and were they retained, as required?

Common audit items include:

- Back-up documentation to support expenditures (timesheets, invoices, *etc.*)
- Reports to funding agencies reconcile with FAMIS

- Reports to funding agencies submitted on time
- Competitive process used to select contractors and sub-recipients
- Monitoring sub-grantees (site visits, submission of any required sub-grantee reports)
- Inventory for grant-funded equipment items worth over $5,000 (including vehicles)
- Indirect cost rate information on file

12.1.9.10 | CFR TITLE 2, SUBPART F – AUDIT REQUIREMENTS, §200.514 SCOPE OF AUDIT (SUBRECIPIENT MONITORING: PASS-THROUGH ENTITY REQUIREMENTS)

During an audit the pass-through entity (PTE) is required to:

- Determine if sub-recipient or contractor
- Clearly identify sub-awards to sub-recipients
- Provide certain sub-award information at time of sub-award
- Evaluate each sub-recipients risk of noncompliance
- Consider imposing specific sub-award conditions
- Monitor activities of sub-recipients
- Verify sub-recipient audited
- Consider results of sub-recipient audits
- Consider taking enforcement action for non-compliant sub-recipients

12.1.9.11 | FINDING ELEMENTS (*CFR TITLE 2 §200.516*)

The elements of an audit finding include:
12.1.9.11
- Program Information
- Criteria
12.1.9.11
- Condition Found
- Context
12.1.9.11
- Questioned Costs
- Whether Sampling was Statistically Valid
12.1.9.11
- Repeat Finding from Prior Year
- Cause & Effect
12.1.9.11
- Recommendation
- Views of Responsible Officials

12.1.9.12 | REPORT WORDING CHANGES

The following are changes in audit report wording:
12.1.9.11

12.1.9.11

12.1.9.11

12.1.9.11

- No UG changes needed in the Yellow Book report
- No significant changes to single audit reporting
    - References to "OMB Circular A-133" in report changed to "Uniform Guidance"
    - Management responsibility paragraph now refers to "federal statues, regulations, and the terms and conditions of federal awards"

12.1.9.13 | DATA COLLECTION FORM (DCF)

The following provides an overview of the revised DCF:

- Current DCF used for *Circular A-133* audits (audits before 12/31/15 year-ends)
    - Requirements for finding numbers and text searchable, unlocked, and unencrypted submissions became effective starting in January 2015
- OMB issued *Federal Register* notice in December 2015 to revise DCF for audits performed under UG (audits performed for 12/31/15 year-ends and later)
    - Joint responsibility of auditee and auditor, completed electronically and submitted by auditee
    - Represents a summary of the information contained in the reporting package
    - Includes contact information for auditee and auditor
    - Includes SFEA information, references to findings, and relevant compliance requirements
    - Electronic signatures of both auditee and auditor
        - Auditee authorizes Federal Audit Clearinghouse (FAC) to make reporting package publically available. Visit https://www.whitehouse.gov/sites/default/files/omb/financial/forms/sf-sac.pdf for DFC
        - Auditee certifies that submission does not include any Protected Personally Identifiable Information (PPII)
    - Reporting package and DCF to be available for public inspection on FAC website

12.1.9.14 | SINGLE AUDIT COMPLIANCE SUPPLEMENT

The following items are noteworthy information contained in the *Compliance Supplement*:

- "Must" has been defined to mean "required". Use of "should" in UG indicates a "best practice" and is <u>not</u> a mandatory requirement. Refer to the 2016 *Compliance Supplement* via https://www.whitehouse.gov/omb/circulars_default
- *Compliance Supplement* will be used for audits performed under *Circular A-133* and the Uniform Guidance. The 2016 *Compliance Supplement* removed references to *A-133* audit (*e.g.*, all audits in 2016 supplement are based on UG)
- OMB expects to issue the 2016 *Compliance Supplement* in Summer 2016

- There are two Part 3 sections in 2016. The auditee needs to understand whether awards are subject to the UG or the "old rules"; refer to:
    - Section 3.1 for testing awards subject to "old" OMB Circulars
    - Section 3.2 for testing awards subject to UG administrative and cost principle regulations
- Auditee needs to perform an "inventory" of UG and pre-UG awards at the outset of the audit
- The *Single Audit Compliance Supplement* will instruct auditors to review procurement policies and procedures based on the documented standard

12.1.9.15 | PROGRAM AUDITS

Individual state grant programs might have different independent audit requirements. For example, the Local Transportation Fund's transportation grants require annual audit of the grant financial records. Public protection grants funded by the Department of Insurance require annual audits as well.

The department should notify the Controller's Office Operations Unit of the audit requirements with which they need to comply each year. Each year, the Controller's Office coordinates with external auditors to perform audits on all these miscellaneous grants.

The department should provide the list of any new grants that need to be audited to the Controller's Office Operations Unit as soon as it becomes aware of the requirement. Occasionally grants that previously required program audits cease to require them, and this must also be communicated to the Controller's Office Operations Unit when the department receives notice. Departments are also required to provide the funding source to which each program's audit fees should be charged.

12.1.10 | Federal Emergency Management Agency (FEMA)

FEMA grants must comply with the UG and are subject to Single Audit. The UG will not change:

- Eligibility criteria for disaster assistance
- FEMA's disaster declaration criteria
- FEMA's disaster grant appeals process
- Eligibility criteria for:
    - Homeland Security Grant Program
    - Emergency Management Performance Grants Program
    - Tribal Homeland Security Grant Program
    - Other non-disaster grants
- The statutory purposes and objectives of any FEMA assistance program
- The statutory allowable costs and activities under any FEMA assistance program

FEMA's disaster grant programs will post Interim Guidance on FEMA.gov. See the following link for the Interim Final Rule Published in the *Federal Register*:
http://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf

The UG will not apply retroactively to existing awards, <u>except</u> non-federal entities will follow Audit Requirements in Subpart F for existing awards in some circumstances.

12.1.10.1 | ADMINISTRATIVE REQUIREMENTS – EXAMPLES OF NEW PROVISIONS IN *CFR TITLE 2 PART 200*

Conflict of Interest

Recipients and sub-recipients must disclose, in writing to FEMA or its pass-through entity, any potential conflict of interest in the federal award's lifecycle.

Mandatory Disclosures

Recipients and sub-recipients must disclose, in a timely manner and in writing to FEMA or the pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting the federal award.

Specific Requirements for Pass-Through Entities *(CFR Title 2 § 200.331)*

Pass-through entity is a new term – it is a recipient that provides a sub-award to a sub-recipient to carry out part of a federal program. Pass-through entities are responsible for:

- Identifying specific information in its sub-awards to sub-recipients
- Performing a risk assessment for sub-recipients **prior** to award
- Conducting required monitoring of sub-awards
- Completing sub-award close-out activities per §.343

Risk Review of Applications and Imposition of Specific Conditions

- Pass-through entities that make sub-awards must conduct a risk assessment prior to making awards
- For all sub-awards, pass-through entities must evaluate the applicant's risk of noncompliance with federal statutes, regulations, and the terms of the sub-award before making the award. Factors that the pass-through entity may consider in doing this risk analysis can be found at §.331
- If risk is identified, FEMA or the pass-through entity may add specific conditions to the award

12.2 | Gifts & Donations

12.2.1 | Definitions

Gifts and Donations

Gifts and donations are voluntary and irrevocable transfers of money, property and marketable securities from private individuals, estates, and corporations. Gifts are classified as either restricted or unrestricted.

- Unrestricted gifts are donations received by a department that may be used towards any purpose they see fit.
- Restricted gifts are donations received by department in which the donor restricts the use to a particular purpose.

A gift does not have an expiration date to limit its use and it does not have reporting requirements to the donor. Unlike a grant, where the money would be returned to the grantor if the City does not follow the guidelines set forth in the grant agreement, a gift is not required to be returned to the donor.

Bequest

A bequest is a gift of personal property, such as cash and investment, owned by a decedent at the time of death, which is directed by the provisions of the decedent's will.

The following diagram is provided to assist departments in determining the nature of the external funding as a grant or gift.

FIGURE 12-16. GRANT VS. GIFT DETERMINATION PROCESS
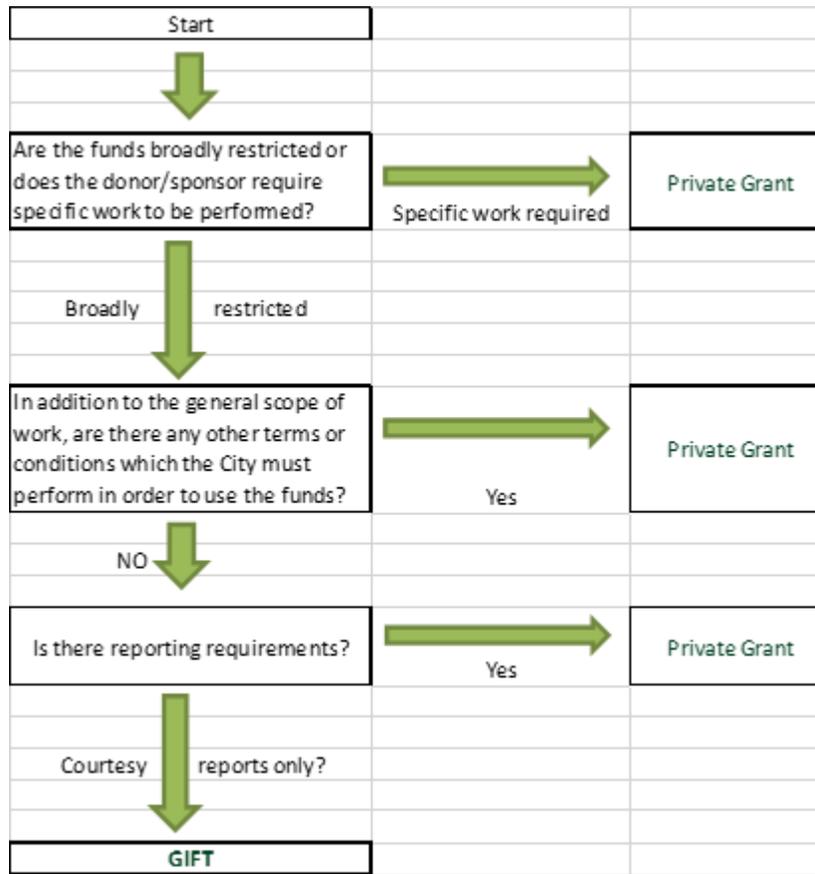
12.2.2 | Authority to Accept Gifts & Donations

Pursuant to *Administrative Code*, Section 10.100-305, departments may accept gifts valued not greater than $10,000 "for the benefit of the designated department…and for such purposes within its prescribed legal jurisdiction as may be specified by the donors." Any gift with value greater than $10,000 requires Board approval through resolution before the department may accept such gift. Please refer to Section 12.1.2.3 for the detailed accept and expend process. For appropriate language to use in the resolution for bequests or gifts of various types and with different restrictions and scenarios, please consult the City Attorney.

In some instances, the City has established a fund to accept and expend gifts, without setting limits on the value of the gift. In those cases, the department's acceptance of a gift with a value over $10,000 does not require further Board approval. Example of these funds are:

- Mayor's Fund for the Homeless – *Administrative Code*, Sections 10.100-106

- Recreation and Parks Gift Fund – *Administrative Code*, Sections 10.100-257
- Public Health Gift Fund – *Administrative Code*, Sections 10.100-198
- Public Guardian/ Public Administrator Gift Fund – *Administrative Code*, Sections 10.100-190
- Mayor's Voluntary Arts Contribution Fund – *Administrative Code*, Sections 10.100-138

City Charter, Section 5.100 also authorizes certain art museums and organizations to accept "loans, gifts, bequests or agreements donating works of art or other assets without Board approval."

For budget setup in FAMIS, please refer Section 12.1.2.10 – Grant Budget Set-up. The Notepad of the budget set-up journal entries should state the *Administrative Code*, resolution number, or ordinance number of the legislation that supports the budget authority.

12.2.3 | Acknowledgement of Gifts Received

It is recommended that a department documents and provides each donor with an acknowledgement letter of the gift received to support the value and intent of the gift, as well as to serve as the donor's tax record, if applicable.

The Figure below provides a sample gift acknowledgement letter.

FIGURE 12-17. GIFT OF PROPERTY AND GOODS ACKNOWLEDGEMENT LETTER

<div align="center">

Department Name and/or Special Fund Name
Department Street Address
San Francisco, CA 94xxx
Department Phone Number
Department Fax Number

</div>

Date _____

Donor Name
Donor Address
Donor City, State, Zip

Dear _____,

Thank you for your contribution of _____. If this contribution is property rather than cash, a detailed description should be attached or noted below.

Please keep this written acknowledgement of your gift to the City for your tax records.

Thank you for your support!

Very truly yours,
Department Representative

Description of donated property:

(It is the responsibility of the donor to estimate the fair market value of donated items.)

Because a "gift" may include something like a rebate or discount, please estimate the value of any goods or services you received from the City in connection with your gift and make sure that amount is not included in the estimated value of your gift: _____

_____No goods or services were provided by the City in connection with the gift.

12.2.4 | Gift Reporting Requirements

Whenever a department accepts a gift from a third party, regardless of the fund to which the gift will be deposited, the following reporting requirements apply:

1. The department must promptly report ALL gifts to the Controller, pursuant to *Administrative Code,* Section 10.100-305(a). To report gifts, the department should notify its assigned Controller's Office Fund Accountant.
2. The department must report annually to the Board of Supervisors ALL gifts received that fiscal year within the first two (2) weeks of the following July, according to *Administrative Code,* Section 10.100-305(b). The reported information should include the donor's name, value of the gift, and deposition. The Figure below provides an example.

FIGURE 12-18. MEMO FORMAT FOR ANNUAL REPORT ON GIFTS TO THE BOARD OF SUPERVISORS

Date: July 14, 20XX

To: Clerk of the Board of Supervisors

From:

Subject: Annual Report on Gifts received by Department XXX in Fiscal Year 20XX

In accordance with Administrative Code Section 10.100-305, this report serves to notify the Board of Supervisors on all gifts received by our department during the past fiscal year:

Date received	Donor name	Donor's financial interest involving City, if any	Nature of Gift	Number of items (if applicable)	Value (estimate if non-cash)	Disposition (Intended Use)

12.2.5 | Cash Gifts

Cash gifts and bequests may be recorded in the financial system under revenue sub-object 78101 "Gifts and Bequests". Cash gifts might be received in a lump sum, an installment, or a pledge. Revenue recording for these situations is as follows:

- If a cash gift is received in a lump sum, not restricted, and has not been used for its intended purpose, the department should directly record the gift as revenue. Neither governmental fund departments nor enterprise fund departments need to defer the gift as an advance, since the revenue is considered measurable and available and not obliged to be refunded in any case.
- If a cash gift is to be received in installments or pledged to be received on a future date, a pledge receivable (GL120) should be recorded. For governmental funds, if a pledge receivable is not received within the revenue recognition period chosen by the City, the revenue accrued is to be deferred.

12.2.6 | Donated Capital Assets

The City may receive equipment, vehicles, buildings, improvements, land, or artwork as a donated capital asset.

GASB 33 established the accounting and financial reporting standards for non-exchange transactions involving cash and other financial and capital resources. In a non-exchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. This is different from an exchange transaction, in which each party receives and gives up essentially equal values.

Voluntary non-exchange transactions result from legislative or contractual agreements, other than exchanges, entered into willingly by two or more parties. Examples of voluntary non-exchange transactions include certain grants, certain entitlements, and donations of non-governmental entities, including individuals (private donations).

According to *GASB 33*, recipients of contributed (donated) assets must recognize capital asset contributions as revenues and not as contributed capital. The contributed asset and related revenue are to be recognized when the assets are received. To qualify as a capital asset, the fair market value of the contributed asset must exceed the City's capitalization thresholds. For example, the donation of land to the City will be valued at its fair market value based on a current appraisal. This land will be recognized when the City takes possession of the land.

Donated capital assets and donated works of art/treasures were previously reported at estimated fair value at the time of acquisition, in accordance with *GASB 34*. The use of acquisition value should be applied prospectively to transactions occurring after *GASB 72* is effective; organizations do not have to re-state these types of capital assets to acquisition value upon implementation.

Recording Donated Capital Assets

If the donated capital asset carries a fair market value that meets the City's capitalization threshold at the time of donation—currently $5,000 for equipment and $100,000 for buildings or Construction in Progress (see Section 10.1.3.2 for details)—the following process must be followed in order to record donated capital assets properly:

☐ Obtain a donor letter—the donor letter should:
- Identify the donor (could be a federal or state agency, or another party)
- Identify the explicit terms regarding ownership. For example, does the City own the capital asset or is the donor/grantor providing a right to use or access the capital asset (e.g., an easement)?
- Identify any restriction(s) on the use of the asset and use of any income the asset generates (e.g., rent).
- Identify the fair value of the asset and provide proof of fair market value (e.g., attach an appraisal).

☐ Obtain or define Accept and Expend authority (see Section 12.1.2)

☐ Record the revenue and expenditure or asset
- Credit: sub-object 78202 (in-kind contribution) or 40CAP (federal), 45CAP (state), GL411 (budget basis)
- Governmental funds: Debit: GL431 (budget basis) character 060
- Enterprise funds: Debit: GL17X the capital asset; DR: GL431 (budget basis) CR GL433 (GAAP only).

☐ Update the fixed assets management system (FAACS). See Chapter 10 for details.

For general fund-supported departments, please forward electronic copies of the duly signed acceptance of donated assets with other asset details available to your Fund Accountant and to the CAFR Manager [Carmen LeFranc] at (415) 554-7645. The CAFR team will work with departments to record donated capital assets to governmental funds.

Donated capital assets are subject to the same depreciation and asset management procedures as stipulated in Sections 10.2 and 10.3 of this document.

Disposition of the Donated Asset

Before selling or disposing of a donated asset, the department needs to review the gift documentation (e.g., donor letter/agreement) to ensure there is no restriction on the disposition of the donated asset. The department must make note of any restrictions to be followed on the use of the proceeds if sold.

Proper authorization must to be obtained pursuant to department policy before selling a donated asset.

Documentation is needed to support the value from sale or other type of disposal A net gain or loss needs to be recorded. Refer to Section 10.3 for detailed procedures.

12.2.7 | "In Kind" Donations

In-kind donations are gifts of goods or services that are not capital assets. They are not reported in the City's records and reports unless they are "material" or the underlying source of the donation is a governmental grant or program.

Examples of "in kind" donations include services or staff time, and non-capitalized goods such as furniture, small dollar equipment, materials and supplies. Services may be considered an "in kind" donation when they are performed specifically for the department and paid for by a "Friends of" organization or other non-City entity.

- Departments should maintain a record of "in kind" donations when the value exceeds $50,000 or more (based on available documentation or estimated fair market value) within a given fiscal year from a single source. At a minimum, these records should include a description of the items, donor or organization's name, value, and date. These records must be available to the Controller's Office upon request.
- "In kind" donations must be reported in the City's records when they are "material". In general, this is several million dollars and departments must contact their Controller's Fund Accountant for specific guidance and advice regarding specific situations.
- "In kind" donations must also be reported when the underlying funding source is actually a governmental grant or program. When a donation meets these criteria, departments must maintain records for post audit and other reviews as determined by the Controller's Office.

When the "in kind" donation meets any of the above criteria, departments should contact their Fund Accountant for specific instructions on recording this activity in the financial management system.

The following steps must be completed when receiving an in-kind gift or contribution:

- ☐ Obtain or define Accept and Expend authority (see Section 12.1.2)

- ☐ Credit revenue sub-object 78202 in-kind contribution GL411

- ☐ Debit expenditure character 027 for services and 040 for materials and supplies

- ☐ If the in-kind contribution is a mandatory matching related to a grant under a special revenue fund, the in-kind donation should be booked in the same special revenue fund.

- ☐ If the in-kind contribution is a voluntary matching related to General Fund or Governmental/Operating Fund program, book the gift in the City's Gift Fund (7E-GIF-GIF).

12.2.8 | Donated Investments

Gifts and bequests may be received in the form of investments, such as stocks and bonds. Departments are encouraged to notify their Fund Accountant and Treasurer's Office Investment Unit when they receive such gifts. The following procedures should be followed:

☐ Obtain a donor letter, which should:
- Identify the donor contributing the gift/bequest
- Identify any restriction(s) on the use of the donated investment (both principal and interest)
- Identify the investment and value of investment (principal amount)

☐ Obtain the Accept and Expend authority
- Follow *Administrative Code*, Section 10.100-305 or other special gift fund *Administrative Code* section for Accept and Expend and appropriation authority. If Board approval is needed according to those provisions, follow Section 12.1.2.3 for the Accept and Expend resolution approval process. Consult the City Attorney for appropriate language to use in the resolution.

☐ Receive the investment (ownership transfer)
- The department should notify the Treasurer's Office Investment Unit, which will arrange the transfer of investment ownership with the donor's brokerage firm.

☐ Record the investment
- The department should contact its Fund Accountant on the accounts to book the investment. In general, investment asset should be debited and gift revenue should be credited.

Dividends received

☐ Departments should record dividends monthly when statements are received from the brokerage firm. To support dividends earned, departments need to document the brokerage statements.

Unrealized gain or loss

☐ Departments should record unrealized gains or losses annually at year-end, according to the investment value on the last day of the fiscal year. Please obtain investment value information from the Treasurer's Office Investment Unit to support the recorded value. The accounts to be recorded are as follows:

Debit: GL152 Investment Credit: 30320 Unrealized gain/loss (Non EITC) GL413 GAAP only (Use a transaction code with auto-reverse)

Selling a donated investment

☐ Before selling a donated investment, the department needs to review the gift documentation to ensure there is no restriction on selling the donated investment, and make note of any restriction to be followed on the use of the proceeds if sold.

☐ Proper authorization according to department policy needs to be sought before selling.

☐ Documentation from the brokerage firm or Treasurer's Office Investment Unit is needed to support the value sold or disposed.

☐ The following entries need to be recorded:
- Conversion of investment principal to cash: Debit Gl101 Cash, Credit GL152 Investment
- Record gain or loss: Credit sub-object 30340 Net appreciation in FV of investment (realized gain) and Debit GL101 Cash.

13 | FINANCIAL REPORTING & RECORDS RETENTION*

13.1 | Overview

This section provides guidelines for departments to follow when conducting financial reporting and records retention.

13.2 | Financial Reporting

[IN PROGRESS]

13.3 | Financial Records Retention & Destruction Policy*

This Financial Records Retention and Destruction Policy has been adopted by the Controller's Office pursuant to *Chapter 8* of the *San Francisco Administrative Code* (hereinafter "Administrative Code"), which requires each Department Head to develop a written policy which sets forth a written schedule for the systematic retention and destruction of the department's records. This policy supersedes all previous records retention and destruction policies issued by the Controller's Office. This policy covers all records and documents, regardless of physical form or characteristics, which have been made or received by the Controller's Office in connection with the transaction of public business.

13.3.1 | Records Defined

The Controller's Office shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference, or to comply with contractual or legal requirements or for other purposes as set forth below. For purposes of record retention and destruction, the term "record" is defined as set forth in Section 8.1 of the Administrative Code, and includes any paper, book, photograph, film, sound recording, map, drawing or other document, or any copy thereof, as has been made or received by the department in connection with the transaction of public business and may have been retained by the department as 1) evidence of the department's activities, 2) for the information contained in it, or 3) to protect the legal or financial rights of the City and County of San Francisco (hereinafter "City and County") or of persons directly affected by the activities of the City and County. Documents and other materials that do not constitute "records" under that section, including those described below in Category 4, may be destroyed when no longer needed, unless otherwise specified.

13.3.2 | Classification of Records

The records of the Controller's Office shall be classified for the purposes of retention and destruction as follows:

Category 1: Permanent Retention
Records that are permanent or essential shall be retained and preserved indefinitely.

- Permanent records: Permanent records are records required by law to be permanently retained and which are ineligible for destruction unless they are microfilmed or placed on an optical imaging system and special measures are followed (*Administrative Code*, Section 8.4). Once these measures are followed, the original paper records may be destroyed. Duplicate copies of permanent records may be destroyed whenever they are no longer necessary for the efficient operation of the Controller's Office. An example of a permanent record is the *Comprehensive Annual Financial Report*.

- Essential records: Essential records are records necessary for the continuity of government and the protection of the rights and interests of individuals (*Administrative Code*, Section 8.9). Examples of essential records include advice letters and opinions, policy memoranda, and interpretive materials such as manuals. Other examples of essential records in the Controller's Office include revenue projection and audit report documents.

Category 2: Current Records
Current records are records which for convenience, ready reference or other reasons are retained in the office space and equipment of the Department. Current records shall be retained as follows:

- Where retention period specified by law. Where federal, state, or local law prescribes a definite period of time for retaining certain records, the Controller's Office will retain the records for the period specified by law. Examples of such records include *Statement of Economic Interest (Form 700)* and Emergency/Disaster Cost Recovery documents.

- Where no retention period specified by law. Where the law specifies no specific retention period, the retention periods for records that the Controller's Office is required to retain shall be specified in the attached Financial Records Retention and Destruction Schedule. Records shall be retained for a minimum of two (2) years, although such records may be treated as "storage records" and placed in storage at any time during the applicable retention period. Examples of current records include invoices for purchase of supplies and departmental budget documents.

Category 3: Storage Records
Storage records are records that are retained offsite. Storage records are subject to the same retention requirements as current records.

Category 4: No Retention Required
Documents and other materials that are not "records" as defined by *Administrative Code*, Section 8.1

need not be retained unless retention is otherwise required by local law or by the *Financial Records Retention and Destruction Schedule*. Documents and other materials (including originals and duplicates) that are not otherwise required to be retained, are not necessary to the functioning or continuity of the Controller's Office, and which have no legal significance may be destroyed when no longer needed. Examples include materials and documents generated for the convenience of the person generating them, draft documents (other than some contracts) which have been superseded by subsequent versions or rendered moot by the Controller's Office action, and duplicate copies of records that are no longer needed. Specific examples include telephone message slips, miscellaneous correspondence not requiring follow-up or departmental action, notepads, emails that do not contain information required to be retained under this policy, and chronological files.

[INSERT FIG. OF THE RECORDS RETENTION SCHEDULE]

13.3.3 | Records Not Addressed in the Financial Records Retention Schedule

Records and other documents or materials that are not expressly addressed by the attached schedule may be destroyed at any time provided that they have been retained for the periods prescribed for substantially similar records.

13.3.4 | Pending Claims & Litigation

The retention periods set forth herein and in the attached schedule shall not apply to materials that are otherwise eligible for destruction, but which may be relevant to a pending claim or litigation against the City and County of San Francisco ("the City"). Once the City becomes aware of the existence of a claim or litigation against the City, the City Attorney's Office shall notify all affected City departments and the respective departments shall retain all documents and other materials related to the claim or litigation until such time as the claim or litigation has been resolved.

13.3.5 | Records Relating to Financial Matters

Records pertaining to financial matters shall be destroyed only after approval by the Controller (*Administrative Code*, Section 8.3). The Controller's Office reviews and approves each Department's Record Retention and Destruction Schedule. Departments may destroy documents consistent with the Financial Records Retention and Destruction Schedule. You must obtain the Controller's Office approval for documents pertaining to financial matters that do not fall within the Financial Records Retention and Destruction Schedule.

13.3.6 | Records Relating to Payroll Records

The Retirement Board must approve the destruction of all records pertaining to payroll checks, time cards and related documents (*Administrative Code*, Section 8.3). The Retirement Board reviews and approves each Department's Record Retention and Destruction Schedule. These records are not to be destroyed without prior approval of the Retirement Board.

13.3.7 | Records that Contain Legal Significance

The City Attorney's Office must approve the destruction of all records that contain legal significance (*Administrative Code*, Section 8.3). The City Attorney's Office reviews and approves each Department's Record Retention and Destruction Schedule. Departments may destroy documents consistent with the Record Retention and Destruction Schedule. You must obtain the City Attorney's Office approval for documents that contain legal significance and do not fall within the Record Retention and Destruction Schedule.

13.3.8 | Records Relating to Emergency/Disaster & Cost Recovery

Records relating to Emergencies/Disasters and Cost Recovery for the Federal Emergency Management Agency and California Emergency Management Agency programs and activities are governed by *44 CFR §13.42*.

44 CFR §13.42 requires the Controller's Office to retain any and all records relating to cost recovery documentation incurred during an emergency or disaster for three (3) years after the State has closed the claim by the City. California Code of Regulations requires the Controller's Office to retain all financial and program records related to cost or expenditures eligible for state financial assistance for three years (*19 CCR § 2980(e)*). The Controller's Office shall retain all records relating to emergency/disaster recovery costs for three (3) years from the date the Project Worksheet file is officially closed by receipt of a closure letter from the State of California. However, if State or Federal government requires a longer retention period, the Controller's Office will issue specific rules for file retention on any given disaster.

13.3.9 | Materials of Historic Significance

Historical records are records which are no longer of use to the Controller's Office, but because of their age or research value may be of historical interest or significance. Historical records may not be destroyed except in accordance with the procedures set forth in *Administrative Code*, Section 8.7.

13.3.10 | Electronic Mail (E-Mail) Policy

The Controller's Office provides an e-mail system to its employees as a convenient and efficient medium of communication. E-mail is intended and designed to be a tool of communication but the e-mail system is not a medium for storage of information or for any of the Department's records.

The Controller's Office staff must determine with regard to each e-mail whether the Department's Financial Records Retention and Destruction Schedule ("Schedule") requires the retention of a particular record. If the Schedule requires retention of the e-mail, staff must retain it in accordance with the schedule and delete it from the e-mail system. If the Schedule does not require retention of the e-mail, then the staff must delete it as soon as it is no longer necessary for the discharge of official duties.

As a general rule, departments need not search their back-up electronic files in response to a public records request. Back-up tapes serve the limited purpose of providing a means of recovery in cases of disaster, departmental system failure, or unauthorized deletion. They are not available for departmental use except in these limited situations. Electronic records such as e-mails that an employee has properly deleted under the department's records retention and destruction policy but that remain on back-up tapes are analogous to paper records that the department has lawfully discarded but may be found in a City owned dumpster. Neither the Public Records Act nor the Sunshine Ordinance requires the City to search the trash for such records, whether paper or electronic.

13.3.11 | Records Storage

The use of storage areas listed below is limited to the Controller's Office and under no circumstances may include personal belongings of any sort.

Location

The Controller's Office will contract with a vendor for storage of those records other than Current Records, which are retained in the Controller's Office.

Financial Records Retention and Destruction Schedule

All Controller's Office records that are to be retained must be listed on this schedule by the responsible Controller division. This schedule will provide the basis for destruction and storage of records.

Organizing Records Storage

All records within the same box destined for storage shall have the same destruction date. The destruction date should stem from the end of the fiscal year in which the document was created unless specified differently.

14 | EMERGENCY PROCEDURES*

14.1 | Overview

14.1.1 | Definitions of Emergency

14.1.1.1 | "CHAPTER 6 DEPARTMENT" DECLARED EMERGENCY

Chapter 6 of the *San Francisco Administrative* Code governs Public Works or Improvement contracting policies and procedures. The City departments covered under this Chapter are known as "Chapter 6 Departments" and include:

- San Francisco Public Works
- Municipal Transportation Agency
- Airport
- Port
- Public Utilities Commission
- Recreation and Park Commission

The Department Heads of the above departments may declare an emergency to perform repair or other emergency work in the best interests of the City. Refer to *Section 6.60* of the *Administrative Code* (see below) for the authority for "Chapter 6 Departments" to declare emergencies and the definition of an emergency in the context of Chapter 6.

San Francisco Administrative Code, Section 6.60 – Emergency Repairs, Work and Contracts

(a) **Declaration of Emergency.** The Board of Supervisors may declare an emergency and may direct any Department Head to perform any repair or other emergency work in any manner the Board determines to be in the best interests of the City.

(b) **Other Determinations of Emergency.** In an actual emergency as defined or described below, the Department Head responsible for addressing the emergency may declare an emergency with immediate notice to the Board of Supervisors, the Mayor, the Controller, and the board or commission having jurisdiction over the area affected by the emergency, if any. The Department Head responsible for addressing the emergency may execute the repair, reconditioning or other work or Contract necessitated by the emergency in the most expeditious manner, in accordance with the procedures set forth below.

(c) **Emergency Defined.** For purposes of this Chapter, an "actual emergency" means a sudden, unforeseeable and unexpected occurrence involving a clear and imminent danger, demanding immediate

action to prevent or mitigate loss of or damage to, life, health property or essential public services. An "actual emergency" shall also mean the discovery of any condition involving a clear and imminent danger to public health or safety, demanding immediate action. Examples of an actual emergency may include, but are not limited to, the following:

(1)   Weather conditions, fire, flood, earthquake or other unforeseen occurrences of unusual character; or

(2)   The breakdown or imminent breakdown of any plant, equipment, structure, street or Public Work necessitating immediate emergency repair or reconditioning to safeguard the lives or property of the citizens; or the property of the City; or to maintain the public health or welfare; and

(A)   Including the installation, repair, construction and alteration of crossings and switch work and special work in connection therewith at street and other railway crossings and at street intersections when the same is to be done by or for the Municipal Transportation Agency; or

(B)   Including the installation, repair, construction and alteration of the fire alarm, police communication and traffic signal systems, when the same is to be performed by or for the Department of Technology or the Municipal Transportation Agency; or

(C)   Including the work of making connections, installing gate valves, installing or transferring services and performing such other work therewith to existing water pipes when the same is to be done by or for the Public Utilities Commission and when such work will leave one or more fire hydrants or water consumers without water; or

(3)   Unforeseen occurrences of unusual character resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City without required hospital or medical services.

(d)   Approvals Required for Determination of Emergency. If the estimated cost of the emergency work is less than or equal to $250,000 the Department Head may proceed with the work without additional approvals. If the estimated cost of the emergency work exceeds $250,000, the Department Head prior to authorizing the commencement of the work, must first secure the approval in writing of the Mayor or the Mayor's designee or the president of the board or commission concerned as appropriate to the department. For all cases where the cost of the emergency work exceeds $250,000, the Department Head shall also obtain the approval of the Board of Supervisors…

14.1.1.2 |CITY DECLARED EMERGENCY (LOCAL EMERGENCY PROCLAMATION)

The excerpts of relevant legislation below define a City declared emergency.

San Francisco Charter Article III, Sec 3.100 (14) Powers and Responsibilities of the Mayor in a Public Emergency

In the case of an emergency threatening the lives, property or welfare of the City and County or its citizens, the Mayor may direct the personnel and resources of any department, command the aid of other persons, and do whatever else the Mayor may deem necessary to meet the emergency…

In meeting an emergency, the Mayor shall act only with the concurrence of the Board of Supervisors, or a majority of its members immediately available if the emergency causes any member of the Board to be absent. The Mayor shall seek the Board's concurrence as soon as is reasonably possible in both the declaration of an emergency and in the action taken to meet the emergency. Normal notice, posting and agenda requirements of the Board of Supervisors shall not be applicable to the Board's actions pursuant to these provisions…

San Francisco Administrative Code, Section 7.1(b) Emergency Defined and Construed

"Emergency" Defined and Construed. As used in this Chapter, an emergency shall exist when proclaimed by the Mayor. It shall include, but is not limited to, the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City and County caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, or earthquake, including conditions resulting from war or imminent threat of war or any actual or threatened enemy attack or sabotage, and upon which occurrences the responsibility devolves upon the regularly constituted authorities for the maintenance of public peace and order and to preserve life and property, but other than conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of this City and County, requiring the combined forces of other political subdivisions to combat.

California Government Code (Govt. Code) section 8558 (c)

Definition of Local Emergency: "[T]he duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat…"

14.1.1.3 | CALIFORNIA STATE DECLARED EMERGENCY

Cal OES Director's Concurrence

As authorized by California Disaster Assistance Act (CDAA), upon request from local government, California Governor's Office of Emergency Services (Cal OES) Director may, at his or her discretion, provide financial assistance to repair and restore damaged public facilities and infrastructure.

Governor's Proclamation of State of Emergency

Upon request from local government, the Governor may authorize the Cal OES Director to provide financial relief under the California Disaster Assistance Act for emergency actions, restoration of public facilities and infrastructure, and hazard mitigation. This is also a prerequisite for requesting federal declaration of a major disaster or emergency.

14.1.1.4 | FEDERAL DECLARED EMERGENCY

Presidential Declaration of an Emergency

Upon request from the Governor, the President may authorize response activities of the federal, state and local government; he or she may authorize federal agencies to provide "essential" assistance including debris removal, temporary housing, and the distribution of medicine, food, and other consumable supplies.

Presidential Declaration of a Major Disaster

Upon request from the Governor, the President may authorize response and recovery activities of the federal, state, and local government and disaster relief organizations; he or she may authorize implementation of some or all federal recovery programs including public assistance, individual assistance, and hazard mitigation.

14.1.1.5 | LOCAL, STATE & FEDERAL DISASTER DECLARATIONS SUMMARY

Below is a summary of different levels of emergency declaration and their significance in cost recovery from the state and the federal governments.

TABLE 14-1. LOCAL, STATE & FEDERAL DISASTER DECLARATIONS SUMMARY

LEVEL OF DECLARATION	WHO "DECLARES"	SIGNIFICANCE IN COST RECOVERY
City Department Declaration	"Chapter 6" Department Head	None
Local Emergency Proclamation	Mayor	None, but generally required for any of the below forms of assistance

LEVEL OF DECLARATION	WHO "DECLARES"	SIGNIFICANCE IN COST RECOVERY
Director's Concurrence	Director of Cal OES	Allows State Public Assistance under CDAA (but to a more limited extent than a Governor's Proclamation)
Governor's Proclamation	Governor – generally preceded by recommendation of Cal OES	Allows State Public Assistance under CDAA. A Governor's Proclamation and request to the President is required to enable any Federal disaster financial assistance.
Presidential Declaration of an Emergency	President – generally preceded by recommendation of Federal Emergency Management Agency (FEMA)	Enables FEMA Public Assistance, but to a more limited extent than a Major Disaster.
Presidential Declaration of a Major Disaster	President – generally preceded by recommendation of FEMA	Enables FEMA Public Assistance, to the full extent the President chooses to authorize.

14.2 | Emergency Purchasing & Payment

Emergency purchasing and contracting are regulated and guided by:

1. *San Francisco Administrative Code, Section 21.15* for Emergency Procurement Procedures

2. *San Francisco Administrative Code*, Section 6.60 for Emergency Repairs, Work and Contracts

3. OCA *Guide to Ordering Goods and Services, Chapter 700: Emergency Purchasing Procedures*. The document is available on the City's Intranet Document Center under Office of Contract Administration (OCA) http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=222&P=Search.aspx&S=0&K=chapter%20700

14.2.1 | Emergency Vendor Number Set Up

During an emergency, if a department must purchase from a vendor other than an existing City vendor, forward the vendor name, address, and FEIN (Tax ID) information to the Controller's Office AOSD Fund Accountant. The Fund Accountant will work with FAMIS Vendor File Support to temporarily add the new vendor to the FAMIS Purchasing module (ADPICS). The department will need to ask the vendor to

complete an IRS *W-9* form and a *P-25 Business Tax Declaration* form, and then provide them to the Fund Accountant within 72 hours. The forms are available online at http://sfgov.org/oca/qualify-do-business.

For instructions on vendor setup under non-emergency situations, refer to *Section 3.4 - Becoming a City Vendor*.

14.2.2 | Emergency Procurement Card (P-Card)

Procurement cards, or P-Cards, are City credit cards that serve as another payment method under the City's purchasing policies and procedures. Disaster P-Cards may be used for allowable expenses during emergencies and are currently utilized by several City departments under a pilot program. For detailed information, refer to *Section 5 - Procurement Card (P-Card)*.

14.2.3 | Emergency Vendor Check Writing

In an emergency, the Controller's Office will activate the Continuity of Operations Planning (COOP) procedures, which entail the assessment of staff availability and resource levels. The scale of the disaster will be evaluated and the necessary emergency vendor check procedures will be implemented.

Definitions

- SunGard – SunGard provides a check printing solution called Secure32 to a few departments in the City and County of San Francisco, including Retirement Department, Human Services Agency, and the Controller's Office Payroll and Accounting Operations & Systems Divisions. During emergency situations, SunGard also provides disaster check printing through a service called PayNetExchange to the same departments.
- Bank of America Positive Pay – Bank of America provides this cash management service to deter check fraud. The City periodically sends a file of all checks it issues and the bank uses positive pay to match the checks issued with those presented for payment. Checks not matching are reported to the City for a decision to pay/not pay.

Overview

Emergency vendor check procedures will depend on the availability and functionality of various systems. In general, during a natural disaster or other emergency, the Controller's Office has three options to issue vendor checks:

1. Offsite vendor check printing by SunGard, a third-party vendor
   - Under normal operations, checks are printed by ReproMail. When ReproMail fails, vendor checks can be printed by SunGard when FAMIS is still available and external network connectivity is intact.

2. Onsite vendor check printing using a stand-alone laptop with a MICR-enabled printer
   - Vendor checks can be printed using the onsite laptop when FAMIS is not available and external network connectivity is severed.

3. Onsite vendor check – handwritten
   - Vendor checks can be manually handwritten when FAMIS is not available, external network connectivity is severed, and further extraordinary circumstances make the other two options unavailable.

14.2.3.1 | OFFSITE VENDOR CHECK PRINTING

Vendor checks can be printed by SunGard when FAMIS is still available and external network connectivity is intact. In this case, all payment and vendor information is retained in FAMIS. Upon submission of a payment request via FAMIS, SunGard will process the checks and route to the Disbursement Unit for final disbursement.

14.2.3.2 | ONSITE VENDOR CHECK PRINTING

Vendor checks can be printed using the onsite laptop when FAMIS is not available and external network connectivity is severed. An overview of the onsite emergency vendor process is shown below:

FIGURE 14-1. OVERVIEW OF ONSITE VENDOR CHECK LAPTOP WORKFLOW
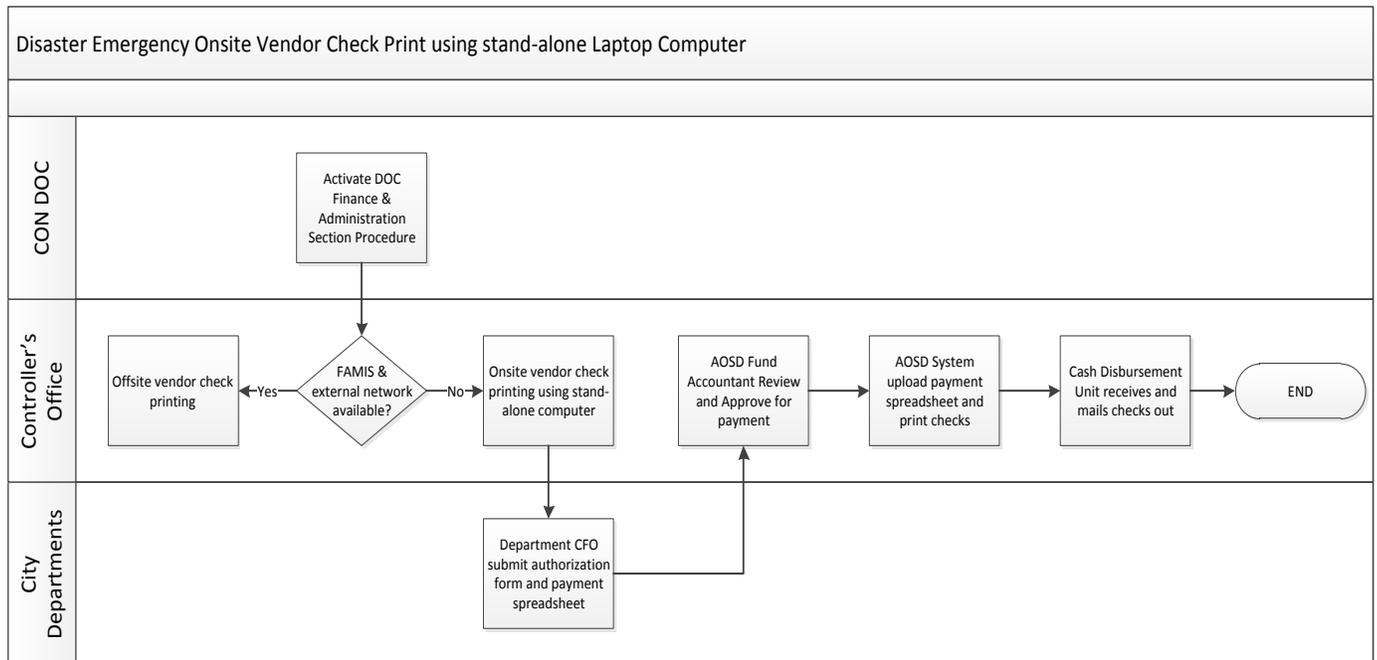
1. To initiate a check request, departments will first fill out a *Disaster Vendor Check Request* form (Figure 14-2)

FIGURE 14-2. DISASTER VENDOR CHECK REQUEST FORM

The disaster form must be approved by the Department Head, Chief Financial Officer, or other pre-authorized official. Signatures will be verified against the Authorized Signature Card file maintained by the Controller's Office. Once completed, departments will forward the *Disaster Vendor Check Request* to their designated Fund Accountant for processing.

2. Upon receipt, Fund Accountants will be responsible for reviewing the forms and verifying various elements, including sufficient funding and compliance with disaster accounting code structure (see *Section 14.3.1 - Cost Tracking*), if applicable. Fund Accountants will proceed to populate a separate *Emergency Vendor Check* spreadsheet with the information from the check request form. This spreadsheet serves as an interface to the check-writing software on the local laptop. Once

approved, the fund accountant will submit the *Emergency Vendor Check* spreadsheet to the Controller's Office AOSD Systems Manager to get the physical check printed.

3. Once printed, the Fund Accountant will forward the check to the Disbursement Unit, which mails the check to the vendor and compares payment against the *Emergency Vendor Check* spreadsheet. Should postal service become unavailable, check pickup at the Disbursement Unit will be arranged. If necessary, the Controller's Office will make changes/exceptions to the Bank of America positive pay file before releasing to the bank.

14.2.3.3 | ONSITE VENDOR CHECK – HANDWRITTEN

Handwritten vendor checks can be produced when neither offsite printing nor onsite laptop printing is available. Physical checks are kept in the safe with the Disbursement Unit. The key to the closet housing the safe is kept by the Disbursement Unit to ensure restricted access. If the Controller is unavailable to physically sign the checks, an electronic signature stamper is kept in the Accounting Operations Director's office. Access to the machine is only available to authorized Fund Accountants. The activation key to operate the stamper is only available to authorized employees within the Disbursement Unit to ensure segregation of duty.

1. Departments must still fill out a *Disaster Vendor Check Request* form (Figure 14-2). The disaster form must be approved by the Department Head, Chief Financial Officer, or other pre-authorized manager. Signatures will be verified against the *Authorized Signature Card* file maintained by the Controller's Office. Once filled out, the department will forward the form to its designated Fund Accountant for processing.

2. Fund Accountants will review the request form, verify the signature against the *Authorized Signature Card* file, and verify various elements, including sufficient funding and compliance with disaster accounting code structure (see *Section 14.3.1 - Cost Tracking*), if applicable. Once approved, the Fund Accountant will obtain a physical check from the Disbursement Unit. The fund accountant will write the check and submit it to the Controller for signature. If the Controller is not available for a physical signature, the Fund Accountant must contact the Disbursement Unit for the key to operate the electronic signature stamper.

3. Fund Accountants will be responsible for maintaining a check log to track requested checks. Required information includes date, check number, amount, and payee (vendor name).

4. Once signed, the check will be forwarded by the Fund Accountant to the Disbursement Unit, which will mail the check to the vendor and compare payment to the accountant's check log. Should postal service become unavailable, check pickup at the Disbursement Unit will be arranged. If necessary, the Controller's Office will make changes/exceptions to the Bank of America positive pay file before releasing to the bank.

If any of checks produced from the above procedures cannot be deposited by the vendor, it is likely the check was omitted from the Bank of America Positive Pay file. In this case, the department should contact the Controller's Office Disbursement Unit to resolve the problem.

14.3 | Finance & Administration

14.3.1 | Cost Tracking

In the event of a major emergency, the Controller's Office may direct departments to track costs related to response and recovery operations. The primary purpose of tracking costs is to:

- Aid in recovering costs associated with emergency response and recovery, whether through:
    - Insurance claims,
    - Litigation, and/or
    - Federal and state disaster assistance programs; and
- Aid in assessing the rate of depletion of the City's treasury and various operating funds (a. k. a. "Burn Rate")

Departments shall use their own operating funds in the initial stage unless otherwise directed.

14.3.1.1 | INDEX & PROJECT CODES

In the event that City-wide cost tracking is required, the Controller's Office AOSD will work with departments to establish special disaster index codes with embedded project codes. For the departments that have the capability to update the Project Code Table and Index Code Table in FAMIS, note that:

- Fund accountants will create the disaster project code(s) and index code(s) for you. Do not set up your own disaster accounting codes.
- During day-to-day operations, do not use letter "D" to start a project code. Project codes beginning with "D" are reserved for disaster related projects.

Project Code

Disaster project codes always start with "DR". The project code structure would be DRXXXX|AA|BB|CC, where:

- XXXX = four-character code indicating the disaster
- AA = FEMA Category of Public Assistance; see the Table below for the coding selections available.

- BB & CC = per department specifications. These characters can be used to indicate division, location, type of expenditure, *etc.*

TABLE 14-2. PROJECT DETAIL CODING INDICATING FEMA PUBLIC ASSISTANCE CATEGORIES

FEMA CATEGORY OF PUBLIC ASSISTANCE	ACCOUNTING CODE
Emergency Work	
A – Debris Removal	EA
B – Emergency Protective Measures	EB
Permanent Work	
C – Roads & Bridges	PC
D – Water Control Facilities	PD
E – Buildings & Equipment	PE
F – Utilities	PF
G – Parks & Recreational Facilities	P

Index Code

The disaster index code structure is NN|DRXXXX|FY|AA, where:

- NN = two-digit department number
- XXXX = four-character code indicating the disaster; this must be the same as what is coded in the disaster project code
- FY = fiscal year in which the disaster occurred
- AA = per department specifications.

Embedding Project Code in Index Code

At a minimum, the first six digits of the project code must be embedded in each disaster index code for City-wide consolidated cost tracking purposes. If departments need to charge labor (LD entries) directly to a disaster index code, the project code and all the details (all 12-digits) must be embedded in the index code.

The Figure below is a sample disaster index code and project code using El Niño as the example.

FIGURE 14-3. SAMPLE DISASTER INDEX CODE & PROJECT CODE

Index Codes

39|DRNINO|15|01 — Project Code Reference

Department Code

Disaster Code

Fiscal Year

Project Codes

DRNINO|EA|YY|10

Per Department Specifications

Disaster Code
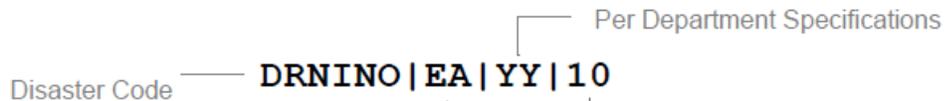
Cost Code:
- 10 = Labor
- 20 = Services
- 40 = Materials
- 80 = Intergovernmental

FEMA Category of Public Assistance	Accounting Code
Emergency Work	
A – Debris Removal	EA
B – Emergency Protective Measures	EB
Permanent Work	
C – Roads & Bridges	PC
D – Water Control Facilities	PD
E – Buildings & Equipment	PE
F – Utilities	PF
G – Parks & Recreational Facilities	PG

14.4 | SF Disaster and Emergency Response and Recovery Fund

The governing provision for the San Francisco Disaster and Emergency Response and Recovery Fund is *Section 10.100-100* of the *Administrative Code*, which states:

(a)   Establishment of Fund. The San Francisco Disaster and Emergency Response and Recovery Fund is established as a response and recovery measure to ensure San Francisco's ability to quickly respond to and recover from disaster and emergency events that impact the City and County of San Francisco, its residents, and its businesses. The San Francisco Disaster and Emergency Response and Recovery Fund is a category eight fund, authorized to receive all donations, grants, gifts, and bequests of money and property which may be offered to the City and County of San Francisco to assist in funding the City's response and recovery efforts during and after a disaster or emergency.

(b)   Use of Fund. Donors may designate the following categories of use for their funds:

(1)   Public Infrastructure Repair and Replacement: to replace, repair, and rebuild public buildings, infrastructure, and other assets owned by the City and County that were damaged or rendered unusable as a result of a disaster or emergency.

(2)   Disaster/Emergency Housing and/or Relief: to provide shelter, food and other assistance to individuals and families in San Francisco who are impacted by a disaster or emergency event that affected San Francisco.

(3)   Disaster/Emergency Animal Care Relief: to provide shelter, food and other assistance to animals and pets in San Francisco that are displaced or otherwise impacted by a disaster or emergency event that affected San Francisco.

(4)   If the donor has not specified an intended category of use for the donation, the money or assets may be used for any of the purposes identified above at the discretion of the City Administrator, in consultation with the Controller and the Department of Emergency Management.

No costs which may be incurred by any City and County department in administering this fund or disbursements from this fund shall be recovered therefrom, except for electronic transactional or processing fees.

(c)   The City Administrator's Office is responsible for determining the allocation of this fund to the appropriate City agency or agencies in consultation with the Controller, the Department of Emergency Management, and the Office of the Mayor, provided that such allocation is consistent with the designated category of use as provided under subsection (b) above.

(d)   By July 15 of each year, the City Administrator's Office and the Controller's Office shall submit an annual report to the Mayor and Board of Supervisors regarding Disaster and Emergency Response and Recovery Fund sources and uses. The Controller's Office shall also include the Disaster and Emergency Response and Recovery Fund's sources and uses in its Quarterly Budget Status Report and the related presentation it makes to the Board of Supervisors.

The following four revenue index codes have been established for gifts and donations to the San Francisco Disaster and Emergency Response and Recovery Fund.

TABLE 14-3. GIFT INDEX CODES

	GRANT CODE	INDEX CODE	SUB-FUND	DEPARTMENT
SF Disaster Fund – Public Infrastructure	ADG4DS-PI	70ADGFPI	7E-GIF-GIF	ADM
SF Disaster Fund – Housing & Relief	ADG4DS-HR	70ADG4HR	7E-GIF-GIF	ADM

	GRANT CODE	INDEX CODE	SUB-FUND	DEPARTMENT
SF Disaster Fund – Animal Care	ADG4DS-AC	70ADG4AC	7E-GIF-GIF	ADM
SF Disaster Fund – Unspecified	ADG4DS-UN	70ADG4UN	7E-GIF-GIF	ADM

15 | BANKING SERVICES

15.1 | Overview

The purpose of this section is to provide guidance to City departments in matters relating to the overall management and processing of receipts throughout the City. This section reflects the *Office of the Treasurer and Tax Collector's (TTX) Departmental Guidelines #2014-1*, issued September 13, 2013, under the Treasurer's authority pursuant to *San Francisco Charter, Section 6.106.*

The Treasurer shall be responsible for the collection of taxes, the receipt of all monies collected by the City and County and their safeguard, deposit and investment in accordance with sound financial practice:., and shall be responsible for collection of delinquent revenue.

Most of the following guidelines require that department notifications pertaining to specific issues be sent to both TTX and the Controller's Office. Wherever that is required, please use the following email addresses:

- TTX.Bankwires@sfgov.org for TTX, and/or
- Cash.Reconciliation@sfgov.org for Controller.

15.2 | Bank Account Opening and Closing

Account Opening

All bank accounts, merchant accounts, or brokerage accounts that will be opened under the name of the City and County of San Francisco must be approved both by TTX and the Controller's Office (CON) and must be opened under the City's main Tax ID. For accounts that do not contain City funds, it is permissible to use the City's Tax ID as long as the account is authorized by both Offices (*e.g.*, bank accounts used for employee morale, social and/or charitable causes, fiduciary accounts, *etc.*)

Account Closing

Departments needing to close a bank account must send a request to TTX together with the bank reconciliation and an instruction on how to record the balance in the account. Upon receipt of such request, TTX will issue a letter to the bank with instructions to close such account and inform CON of such action.

Changes to Authorized Signers on Accounts

Departments have designated staff who are authorized signers on department bank accounts. Any department that has changes in such designated staffing must promptly notify TTX of such change for signature card update.

15.3 | Collections and Deposits

Departments must coordinate with TTX to determine appropriate depository services required by departments such as armored car service, remote deposit service, lockbox service, *etc.*

A department may create its own policy to restrict or eliminate check acceptance in the following cases:

- There is high volume of returned checks for reasons such as Non Sufficient Funds (NSFs), closed account, invalid routing number, *etc.*
- Individual transactions are low dollar amounts
- There is no other means to recover payment after service is provided.

In addition, departments with customers who are "repeat NSF offenders" may instruct those customers to bring cash, cashier's check, or money order, pay in person using a credit or debit card, or send ACH or Wire payments next time they attempt to make payments.

See the below Figure for a sample letter that can be used for returned check notification and collection.

FIGURE 15-1. SAMPLE LETTER FOR NSF NOTIFICATION & COLLECTION

(Department's Letterhead)

(Dear Taxpayer)

NOTICE OF DISHONORED CHECK

You are hereby notified that your check was dishonored by your financial institution due to (specify actual reason for return). As a result, an administrative charge of $50.00 is automatically imposed on your account pursuant to the San Francisco Administrative Code, Section 10.13-1.

Furthermore, BY VIRTUE OF THE CALIFORNIA CIVIL CODE, SECTION 1719, AS A RESULT OF YOUR FAILURE TO PAY THE AMOUNT OF THE DISHONORED CHECK AND ABSENT A GOOD FAITH DISPUTE, YOU MAY BE LIABLE FOR THE AMOUNT OF THE CHECK and ADDITIONAL DAMAGES NOT LESS THAN $100.00 UP TO A MAXIMUM OF $1500.00 PLUS COST.

By this letter, you are advised to pay in person using cash, debit or credit card, guaranteed funds (i.e. money order or cashier's check), or sending electronic funds transfer to replace the check amount plus $50.00, within ten (10) days of the date of this letter.

Please send your remittance to the address below or contact this office as soon as possible.

(Department's Mailing Address)
(Department's Contact info)

Respectfully yours,

(Department Representative)

In all circumstances, funds collected directly by the department or through a third party service provider must be deposited no later than the next business day to a duly authorized City account. Departments needing an exception must get prior authorization from TTX.

Checks and money orders must be drawn on banks domiciled in the United States only and cash must only be in US bills and coins. Departments should not accept payments in foreign currency (checks or cash). Departments needing an exception must get prior authorization from TTX.

15.4 | Stale Dated Checks

Outstanding checks issued by departments, such as those from revolving fund accounts or department specific disbursement accounts, that are past 180 days must be voided by the issuing department. Departments are required to contact their payees for most recent addresses and arrange for issuance of replacement checks within 30 days.

15.5 | Revolving Fund Replenishment

Requests for revolving fund account replenishment should be made payable to the department's revolving fund account and processed through ACH Paymode disbursement. Departments must contact TTX to help them enroll in Paymode service.

15.6 | Fraud Controls

Any bank account that is set up as a Zero Balance Account (ZBA) and is used for disbursement must have Positive Pay service at a minimum. If Positive Pay service is not appropriate, the account cannot be set up as ZBA and must have appropriate fraud controls (*e.g.*, ACH blocks, timely account reconcilement, *etc.*). Procedures describing how the account will be funded must be in place and provided to both the CON and TTX.

15.7 | Accounting & Reconcilement

The Treasurer's Group of Accounts (TGOA) in the financial management system (FAMIS) is monitored by TTX to ensure that all ZBA bank accounts have zero balances at the end of each day and are reconciled at the end of the month. For that process to take place, departments must reconcile their respective bank accounts on a monthly basis. Examples of these accounts are credit card settlement, disbursement, lockbox, depository, and departmental summary accounts. Many departments, especially those depositing to GL 1051 (the City's main depository bank account) will be given their own depository account to make the reconciliation process easier for the GL 1051 account and for the remaining departments using this 1051 account. TTX will be contacting those affected departments. In addition,

many departments will be given a department summary level account into which all ZBAs belonging to the department will roll up at the end of the day.

Departments must submit monthly bank reconciliation reports for each of their bank accounts via e-mail to the Controller's Cash Reconciliation Unit no later than the tenth (10th) day of the following month. Departments must address all reconciling items and correct any errors on a monthly basis. The reconciliation process entails reconciling the bank statement to the balance to the book balance in TGOA.

15.7.1 | Instructions & Recommended Controls for Processing Returned Items

Deposited items returned by the banks for reasons such as NSF, invalid routing number, or closed accounts will go back to the specific account where the items were originally deposited. Departments will be given access to the images of the returned deposited items so they can process those in a timely manner. The following sub-section provides instructions on NSF processing.

1. A staff person designated to process the department's deposits should not be the same person to process returned deposited items. Returned deposited items are items that cannot be charged against the check originator's account for reasons such as NSF, closed account, stop payment, questionable or missing signature, *etc*. In addition, staff making the deposits should no tbe the same person performing bank reconciliations. This is recommended to promote segregation of duties and implement checks and balances in the system.

2. At least two (2) employees from each department should have online access to the bank's returned deposited items report. This is recommended so that another staff has the ability to access the online reports for monitoring and back-up purposes.

3. Departments must process their returned items in a timely manner as established by each department. This is to mitigate various complaints that a customer may have such as missing the payment deadline and incurring a penalty for late payment due to the department's late notification.

4. Departments may keep a subsidiary record of their returned deposited items for use in making decisions whether to take future check payments especially from customers who previously bounced a check.

5. Departments with their own depository bank accounts will be retrieving images and processing their own returned items.

For more details on recording NSF checks, please see *Section 8.3.2 – Non-Sufficient Funds (NSF) Checks*.

15.7.2 | Instructions for Accounting for Banking & Credit Card Fees

In the merchant contract, credit card processing costs and fees show separately from the banking fees. These credit card fees appear in each department's merchant statement and are deducted from the deposits while the banking fees will continue to show in the monthly analysis statement. This change resulted in new ways of accounting for the fees.

1. Beginning in FY 2014, actual bank fees and charges for department-specific bank activity are now charged to each department as an expenditure. Fees could include bank account maintenance fees, fraud prevention service fees, transaction fees, *etc.* TTX receives and pays quarterly bank invoices for these expenses and works with the Controller's Office to charge the individual departments for their specific charges on a quarterly basis.

2. Beginning in FY 2014, all credit card processing fees for the prior month that include discount or interchange fees, per item processing cost, card fines, equipment rentals, *etc.*, are now deducted by the bank from the department's merchant statement at the beginning of each month.

   a. Departments record these charges as expenditures under their appropriate index code as follows:

      T/C 321   RECORD CREDIT CARD FEE CHARGE DIRECTLY THROUGH BANK ACCOUNT

      Sub-object   03595 Credit Card Processing Fee

   b. Departments should record deposits from credit card payments in the full amount of the payment without reflecting the transaction fee and any other charges involved in these transactions.

It is important that departments timely reconcile their bank accounts and notify the bank of discrepancies. The bank will only allow a five (5) business day window from the date of the original transaction to notify them of any discrepancy. If a discrepancy is noted after the five (5) day window, the department will lose the opportunity to recover the correct sale amount. As such, departments should, on a daily basis, reconcile their credit card transactions vs. their merchant activity report and settlement/depository account.

In addition to the above, please also:

1. Use Bank of America as the vendor. Vendor #02827, Suffix 10.

2. Use CR as the Document Type to record the fees.

3. For Treasury Number, use the statement date that the fees were assessed.

4. Record the fees in the same general ledger account as the bank account that was charged the fees.

As a reminder, please record **<u>all</u>** fees associated with credit cards, including equipment rentals, card fines, processing costs, and discount or interchange fees. Also refer to *Section 16 – How To and Screenshots* for illustrations on various types of NSF check processing in the accounting system.

15.8 | Third Party Contracts

Procurement and implementation of third party contracts throughout the City that are related to collection services (*i.e.*, merchant processing, gateway, payment applications, systems with a payment component, online payments, *etc.*) must be approved by TTX to ensure that the services procured comply with banking regulations and Payment Card Industry (PCI) Council requirements.

Departments with third party contracts to process collections and disbursements must:

- Perform annual monitoring of their vendors' compliance with PCI regulations, financial stability requirements, and industry ratings in the service being provided. Departments must coordinate with TTX for guidance on this effort.
- Perform periodic reviews of their third party vendors to ensure compliance with agreed upon procedures surrounding control processes such as segregation of functions between the third party administrator and the contracting department, dual signatory policy on checks, releasing of checks to payees, *etc.*
- Obtain a Service Organization Control (SOC) report from the third party vendor. SOC reports are internal control reports on the services provided by a service organization providing valuable information that users need to assess and address the risks associated with an outsourced service.

Each department relying on third party systems/administrators must develop internal procedures describing its vendor's participation and role in the collection or disbursement process (*i.e.*, review/sign checks before they are released, release positive pay file, approve exceptions, *etc.*). In addition, departments must ask their third party administrators for a flowchart of the collection or payment processes and the mechanism and appropriate controls in place to safeguard City funds. These documents must be provided both to TTX and CON. For collection services, departments must complete the applicable Flow of Funds diagram in order for TTX to determine the parties involved and their accountability in the process. Refer to the Figures below for sample diagrams.

FIGURE 15-2. SAMPLE DIAGRAM FOR THE FLOW OF FUNDS IN AN ONLINE/IVR/PHONE/MOBILE PAYMENT APPLICATION

Attachment 4A

CCSF - Treasurer's Office

Sample Diagram for the Flow of Funds in an Online/IVR/Phone/Mobile Payment Application

Department:_____

Payment Application_____

FIGURE 15-3. SAMPLE DIAGRAM FOR THE FLOW OF FUNDS IN A CARD PRESENT ENVIRONMENT

Attachment 4B

CCSF - Treasurer's Office

Sample Diagram for the Flow of Funds in a Card Present Environment

Department:_____

Payment Application_____

Customer

Merchant (CCSF Department)

Route B

Merchant Location's BofA Terminal

Bank of America (Acquirer/Processor)

Merchant's Bank Account (CCSF Department)

15.9 | Notifications on Incoming Receipts and Payment Requests through Electronic Funds Transfers (EFTs)

For the City to optimize its investment interest earnings potential, all departments are required to notify TTX as far in advance as possible (*i.e.*, as soon as you know) or no less than three (3) business days in advance of:

- Incoming receipts, other than regular operating revenues, that are over $10 million. These receipts can be in the form of federal wire transfers, automated clearing house (ACH) payments, or checks. Send these notifications to: TTX.Investment@sfgov.org and TTX.TWS@sfgov.org
- EFT requests for outgoing payments outside of the Controller's Office ACH Paymode service. These requests must be sent to TTX.Investment@sfgov.org and TTX.Bankwire@sfgov.org. If TTX receives outgoing payments with less than three (3) business days' notice, request is subject to delay.

When a Department is requesting TTX to send a Fedwire or ACH payment to its vendor, Departments must fill out TTX's *EFT Template* and indicate the duly approved FAMIS document. TTX will not process the wire request if the FAMIS document that is stated on the template has not been approved by the Controller.

15.10 | Emergency Banking Procedures*

PENDING

15.11 | Banking Services FAQs

Q. Why did our department's bank GL account number change?

A. The Office of the Treasurer and Tax Collector (TTX) modified the City's GL bank account structure in the financial management system (FAMIS) in March 2014. Although the bank accounts at Bank of America did not change, those bank accounts are now attached to new bank account GL numbers in FAMIS (see Screen 6400 under Fund Type 99, Fund 999 and Sub-fund 999). TTX modified the bank account GL numbering scheme for ease in creating and summarizing EIS bank account reports, and to provide departments with easily recognizable numbers.

All bank account GL numbers now follow the 14DDXN format:

- 14 = bank account
- DD = two-digit department number
- X = type of bank account, e.g., "D" for depository and "C11" for credit card

- N = number of bank account of the account type owned by the department

For example, 144001 is the SFPUC's first depository account. It replaced the prior FAMIS GL 1129, but still reflects the same bank account at Bank of America.

Q. Our department was given a new bank GL account in April 2014, but FAMIS still shows an outstanding balance in our old bank GL account. Which account should we be using?

A. Please use your new bank GL account (starts with "14"). Unfortunately, it was necessary for the Treasurer's Office to post all zero balance account (ZBA) entries (the BTIT entries using TC 519) in FAMIS at one time in March 2014, while departments phased in the usage of their new bank account GLs during the month of April. This caused some discrepancies between the deposits recorded by departments and the bank transfers recorded by the Treasurer's Office in the old and new bank GLs. The Controller's Cash Reconciliation Unit is reviewing all old bank GL accounts to identify discrepancies and will work with departments to record transactions in the correct account. For the review period (March-June 2014), the Controller's Office may ask departments to make adjusting entries for other reconciling items as well. The goal is to reconcile all old bank GL accounts with zero balances and prevent further access to them.

Q. We have always used TC 701 to record our cash receipts. Why are we being told to use TC703 now?

A. Certain bank accounts were previously linked to a bank activity file to aid departments with bank reconciliations. Now that all bank statements and receipt activity are easily accessed by departments through Bank of America's online portal CashPro, these bank activity files are no longer necessary and the City no longer receives them. Since TC 701 was used exclusively for bank accounts with bank activity updates, it is no longer needed and should not be used. The Controller's Office will arrange to prevent access to this transaction code as soon as all old accounts are reconciled.

Please refrain from using TC 701 and use TC 703 instead to record ALL cash receipts.

Q. We did not receive a new depository account. Did this change in bank GL accounts affect our department?

A. Yes, your department was affected whether it was given a new depository account or is still using the old account. All FAMIS bank GL numbers now have new FAMIS GL numbers. Although the old bank account numbers in the bank's system have not changed (for example: XXXXX-80051 is still the same), their corresponding GL numbers have changed. The same depository account XXXXX-80051 that used to have a FAMIS bank GL number of 1051 is now 140802. So, even if your department continues to

deposit receipts into the Treasurer's main account (previously GL 1051), all deposits are now made to the new bank account GL 140802.

All departments were contacted by the Treasurer's Office to attend a department training session in April 2014 where they were given instructions, a list of bank accounts and their respective FAMIS numbers (old and new), and new deposit slips and deposit stamps (after surrendering their old slips and stamps). The new deposit slips have the department's two-digit ID as the first two digits of the deposit slip's reference number for ease in identification and reconciliation. The reference number is important for processing the CR entry into FAMIS. See TTX *Departmental Guidelines #2014-2* for more information.

Q. How can we order deposit slips?

A. Deposit slips (and other supplies) must be ordered through the Treasurer's Office to maintain control of the reference sequential numbering. Your request must include a copy of your last deposit slip to ensure the correct sequence numbering of your order. Please send an email to TTX.Bankwires@sfgov.org to submit your request.

Q. Who should we contact to open a new bank account, or close an existing bank account, or request a new credit card terminal?

A. Supervisors or managers can send an email to TTX.Bankwires@sfgov.org to request a bank account closure or new bank account or credit card terminal set up. There is a template that the requester will need to complete to ensure that everything is set up properly.

15.11.1 | NSF Items

Q. How do we know if we are supposed to record our own NSF Items now?

A. Upon implementation of the new bank GL accounts in April 2014, the Treasurer's Office now requires that all departments with their own unique depository accounts, regardless of whether the depository accounts are new or old, record their own NSF returned items and adjustments in FAMIS effective May 1, 2014. As of that date, NSF items appeared in departments' own unique depository accounts on daily online bank reports (CashPro Online) and departments are able to retrieve the check images on their own.

Exceptions to this rule are departments which continue to deposit to the Treasurer's main account (previously GL 1051, now 140802). The Treasurer will continue to process NSF Items on their behalf.

Q. Where can we obtain security access to record NSF (TC 702) transactions?

A. Since only the Treasurer had prior access to record NSF transactions, your department must now contact the Controller's Office FAMIS Security (FAMIS.system.security@sfgov.org and diane.mai-tran@sfgov.org) to request NS document type access for the individual(s) to whom your department's CFO designates authority. The CFO should also ensure that the designated individual (or individuals) to record TC 702 transactions has access to do so, and if not, request access at that time.

Q. Why don't we see the bank charges for NSF checks on our online bank statement? Shouldn't we also record those fees?

A. Bank charges for NSF checks are not on your bank statements. The fees associated with NSF checks are part of the general bank fees (maintenance fees, fraud prevention service fees, transaction fees, *etc.*) that the Treasurer's Office compiles from the banks' Account Analysis Statements. The Treasurer's Office provides this information to the Controller's Office, which distributes those charges to departments through a journal entry on a periodic basis (semi-annually in FY 14). Prior to FY 14, those bank fees were netted against the department's interest earnings, but now those actual fees are directly charged to departments as expenditures.

Q. Is it at the department's discretion to collect $50 for an NSF check?

A. The $50 fee levied by the City is authorized by *San Francisco Administrative Code, Section 10.13-1*. Departments should collect this amount and are responsible for documenting how they will implement the assessment of this fee. Although the actual NSF bank fee is lower than $50, the additional amount is meant to recover your department's cost of processing the returned check and collection efforts associated with replacing the returned check. This is considered revenue to your department and may be recorded in whichever index code is appropriate for your department when you collect it.

Even if the amount of the written check was for a small amount such as $5, $10, or anything less than $50, the department should still collect the $50 NSF fee from the customer.

Q. How long should our department wait for the customer to send us the replacement check with the $50 NSF fee?

A. It is the department's responsibility to establish its own policy on the waiting period for the replacement check. It can be as short as 5 days or 10 days. What is important is for the department to demand that the customer pay the total amount either by cash, credit or debit card, (replacement) check, money order, or cashier's check. However, due to limited City resources, it may be difficult to determine if the replacement check, money order, or cashier's check is valid.

Departments should include in their policy whether they are willing to accept checks from customers who previously bounced a check.

Q. Our department's bank statement includes NSF Items. How do we record these NSF transactions?

A. Please refer to *Section 8.3.2 – Non-Sufficient Funds (NSF) Checks* and *Section 16 – How-To and Screenshots* for illustrations on various types of NSF check processing in the accounting system.

15.11.2 | Bank Fees & Credit Card Fees

Q. Are we supposed to record bank fees and/or credit card fees and where can we find them?

A. There are different answers to this question.

Bank Fees: No. TTX coordinates with the Controller's Office to periodically charge individual departments for their specific bank fees. Prior to FY 2014, those fees were charged as a reduction to interest income revenue, whereas now, actual bank fees are directly charged to departments as expenditures. TTX receives and pays those bank fees (which include account maintenance fees, fraud prevention service fees, transaction fees including NSF, *etc.*) before it charges departments. If necessary, departments may request a breakdown by bank account from TTX.

All fees associated with each bank account are reported on the monthly analysis statements. Examples of these fees include monthly maintenance account, stop payment fees, per item deposit or withdrawal charge, ACH blocks and filters, paper bank statement, online services and reporting, and many others.

Credit Card (Merchant) Fees: Yes. Beginning in October 2014, Bank of America Merchant Services (BAMS) moved to a different credit card platform. In the new platform, departments with credit card accounts may now access their own merchant statement through BAMS' Clientline portal. This statement lists your credit and debit card transactions and your monthly fees which you now need to record in FAMIS. However, please note on your statement that on the day the monthly fees are assessed, those fees may be netted against any revenue received on that day. You must record the total fees and, separately, the gross revenue for that day - DO NOT NET THESE AMOUNTS.

If there were no revenues received for the day that the fees were assessed, a negative amount will show for that day and that amount will represent the fees for the prior month and/or chargebacks claimed by the customers, if any. In this situation, you will have to record the fees as instructed above and record the chargeback separately by reversing the revenue(s) that was recorded upon the sale.

All fees associated with each merchant account are reported on the monthly merchant account statement. These fees include interchange fees, discount fees, and equipment purchases.

Equipment purchases do not have to be capitalized since costs are minor.

Q. Should we accrue credit card fees at fiscal year-end since June fees are charged in July?

A. No. You do not have to accrue credit card fees as they are not material. As for every month, record credit card fees as an expense in the month that they were charged on your merchant statements. June charges would be recorded in July.

Q. How do we record the credit card fees on our merchant statement?

A. Please refer to *Section 15.7.2 – Instructions for Accounting for Banking & Credit Card Fees* and *Section 16 – How-To and Screenshots* for illustrations on processing credit card fees in the accounting system.

15.11.3 | Chargebacks and Merchant Activity Reconciliation

A chargeback (also known as a reversal) represents the amount of the original transaction that the credit card network debited from your merchant statement based on an item that was successfully disputed by the customer on his or her credit card statement.

Q. Can we charge a fee to our customers for chargebacks just like we do for NSFs?

A. No. A chargeback fee cannot be imposed by a merchant upon a customer or cardholder. Even though the customer loses the claim, the Credit Card network does not allow fees to be imposed upon a customer for disputing a charge that appeared on his or her credit card statement.

Q. If a chargeback or reversal shows up on our merchant statement, do we have to record It accordingly or should we wait for the final decision from BAMS before we record it?

A. If you see a chargeback or reversal in your merchant statement, your department will have to record it accordingly by reducing your revenue.

Even though you, the merchant, are given some time to retrieve the documentation related to the charge, BAMS will debit your merchant account right away upon their receipt of the disputed charge from the credit card network. Lf the claim turns out to be in your favor, a credit will appear in your merchant statement and at that time, you can record the revenue again.

Q. How will we know if we have a chargeback claim?

A. If you are a department which processes credit and debit card transactions, you have been assigned a Merchant Identification Number (MID) that has been set up in BAMS' Clientline portal. You can access your MID and set up notification alerts so that it is not necessary for you to access Clientline on a daily basis if you are monitoring your chargeback items. The notification alert setting will prompt you to look at an incoming chargeback item so that you can process it timely.

Q. How many days do we have before we need to respond to BAMS' retrieval request or submit the required documentation related to the claim?

A. You only have 20 calendar days to provide the required documentation for a disputed charge. It is critical that you stay current on all your chargeback items. If you do not provide the required documentation within this timeframe, you will lose the claim. In very rare cases where you can foresee that you will not be able to submit everything within 20 days, make sure you contact BAMS to ask for a special extension. There is no guarantee that BAMS will provide an extension, but it is important to communicate with them.

Q. How do we respond to BAMS' retrieval request or close a chargeback claim?

A. You can manage your chargeback items and send the required documentation electronically through the Dispute Manager task bar within BAMS' Clientline portal. You can also write your notes about the claim on the Notepad.

If, after your research, you agree that the charge is in error and would like to accept the claim, instead of ignoring it or letting the 20 days expire, you should also access the specific item within the Dispute Manager and accept it. This is important so that the chargeback reports will only highlight the outstanding claims.

Q. We want to reconcile our daily credit and debit card sales to our deposit before we process our CRs in FAMIS. How can we do that?

A. Before recording your department's CRs in FAMIS, you want to ensure that your-CRs will reflect the correct amount of revenues that were collected through debit or credit cards. In doing so, you should access Clientline and look for your MID's total transactions that were processed for the day and compare the totals with your settlement or depository account's Previous Day Report (PDR). This PDR can be retrieved through BofA's CashPro online.

If there are discrepancies in the amounts, look at Clientllne's merchant transaction detail and look for any possible errors in any of the transactions or for chargebacks or fees that were debited from your merchant account. If, after further research, you cannot determine the difference, call BAMS' help desk and ask for assistance.

15.11.4 | Cash Differences (Overages and Shortages)

Q. Do cash differences affect our department?

A. If your department collects revenues, you need to record your cash differences. A cash difference occurs when you count your daily cash collection and it doesn't match your point of sale system.

Q. Is there a new cash difference policy? When was it effective?

A. In 2011, the *San Francisco Administrative Code* changed to shift responsibility for cash differences and overages from the Treasurer to the Controller. The Controller's Office now requires a new sub-object code (78905) to record cash differences and overages. Similar to TTX, the Controller's Office also requires departments to complete cash difference/overage reports to document instances of shortages and overages and will review those reports on a periodic basis.

This policy is effective starting fiscal year 2014. At year-end, the Controller's Office will report to the Board of Supervisors on the total cash difference and overages for departments.

Q. How do we record cash differences?

A. Please refer to *Section 8.3.1 - Cash Difference/Overage* and *Section 16 - How-To and Screenshots* for illustrations on processing cash differences in the accounting system.

Q. Aren't cash differences the same as bank adjustments that TTX tells us to fix?

A. No. A bank adjustment is the difference between the amount reported to the bank and the actual amount received by the bank. A cash difference occurs when you count your daily cash collection and it does not match your point of sale system.

If you are a department that deposits to TTX's main bank account (140802), then TTX advises you when you have a bank adjustment that you need to correct in FAMIS. However, if you have your own depository account (whether new or old), you need to handle your own bank adjustments. You will discover these as you reconcile your bank account and they should be processed at that time.

Q. How do we process bank adjustments (other than NSFs)?

A. See responses below:

Department Deposits to TTX Main Account (140802): TTX will forward the bank adjustment notices related to your department's deposits but it is your department's responsibility to make the appropriate entry in FAMIS as follows:

Department Has Own Depository Account:

a)   You will find your own bank adjustments in CashPro Online. If the cash receipts recorded in FAMIS are more than what the bank shows, use TC 703R to reduce the initial deposit and adjust in the appropriate index code using:

- TC 718R if the original deposit was to increase revenue
- TC 714R if the original deposit was to clear receivable
- TC 716R if the original deposit was to abate expenditure

b)   If the cash receipts recorded in FAMIS are less than what the bank shows, use TC 703 to increase the initial deposit and adjust in the appropriate index code using:

- TC 718 if the original deposit was to increase revenue
- TC 714 if the original deposit was to clear receivable
- TC 716 if the original deposit was to abate expenditure

Also refer to *Section 16 - How-To and Screenshots* for illustrations on processing bank adjustments in the accounting system.

15.11.5 |Reconciliations & Other Transactions

(See TTX's *Departmental Guidelines #2014·1*)

Q. How do we reconcile our new depository account?

A. There is no difference in the way you would reconcile the new bank GL accounts from the old bank accounts. Basically, you reconcile your book (FAMIS) balance to your bank balance (CashPro Online's PDR).

Refer to *Section 8.2.3.6 Reconcile Collections Daily* for the detailed procedures on depositary account reconciliation.

Q. If our bank accounts are zero balance accounts, where does the money go and how? If they are zero balance accounts, why do we need to reconcile them?

A. In FAMIS, you will see a daily bank sweep using TC 519, which moves your deposits out of your account. This transfers the money from your depository (or credit card) account to your summary account (if you have one) and then to the City's main concentration account. If the bank sweep amount matches the deposit amount, then your account will show a zero balance and you have a reconciled account. However, your bank sweep amount may not match the deposit amount because:

- The bank posted credit card fees to your account which were deducted from your sweep amount (and you have not recorded the fees In FAMIS using TC 321).
- The bank returned NSF checks which it deducted from your sweep amount (and you have not recorded the amounts in FAMIS using TC 702).
- The bank posted adjustments (and you have not recorded them in FAMIS using TC 703 or 703R)
- The bank posted a receipt in a different period than you recorded the receipt in FAMIS, *i.e.,*a timing difference (and the Controller recommends that you record the receipt in the same period that the bank records the receipt. This is important for year-end transactions.)

Then, in each of these situations, your deposit transaction will not match the bank sweep (transfer) that is recorded in FAMIS and you will have an outstanding balance in FAMIS. You will need to reconcile (find) the difference and correct it. It is not enough to just identify the difference as a reconciling item-you must record entries in FAMIS to correct all errors unless they are simply timing differences (see the fourth bullet above, but not year-end).

Thus, "zero balance account" refers only to the bank account itself. You must record all bank activity in FAMIS in order to reconcile your FAMIS account. According to the Treasurer's *Departmental Guidelines #2014-1*, departments are required to reconcile their bank accounts on a monthly basis.

Q. Is there a standard reconciliation template we can use to perform our monthly bank account reconciliations?

A. There is no standard template; however, if you would like a template used by the Controller's Office, please send an email to Cash.Reconciliation@sfgov.org with a copy to Kim-Lien Nguyen.

Q. Is there a new process in replenishing our department's revolving fund account?

A. Yes, the process for submitting replenishments for your department's revolving fund account has changed. In the past, replenishment requests were paid by checks generated by the Controller's Office which were made payable to the Department Heads. Now, replenishment requests are paid though ACH transfers to your department's revolving fund account.

To make this happen, the department will need to do the following steps. Note that these steps are only required once for vendor ID setup. If your department has more than one revolving fund account, you wlll have to create a unique vendor ID for each of your revolving fund accounts.

a.   Department will need to contact the Controller's Office at Vendorfile.Support@sfgov.org to ask for a vendor ID for their department.

b.   Once vendor ID is available, department wlll need to contact the Treasurer's Office at TIX.Bankwires@sfgov.org o set up its department as an ACH Paymode vendor.

Once steps (a) and (b) are performed, the department can start processing its replenishment requests through FAMIS as in the past. However, now the new department's vendor ID will be used.

Q. Do stop payments happen instantaneously when requested from the bank? Also, what is the price of a stop payment?

A. When stop payments are placed on checks issued by the City, that control is in effect after a confirmation is received from the bank.

All stop payments for major disbursing accounts are managed and accessed by the Controller's staff. For other accounts such as revolving fund accounts or other minor disbursing accounts, departments must request a stop-payment through Bank of America. In that situation, you will need to contact Bank of America's customer service by sending an email to dedicated_wgovone@bankofamerica.com with a copy to TTX.Bankwires@sfgov.org.

Currently, the City's cost for each stop payment is $10.00.

Q. We have a desktop remote deposit service (RDS). How long should we store the physical checks that were already scanned and submitted to the bank for deposit?

A. Your department should keep and store the physical checks that were already scanned, imaged, and processed in a safe and secured place for at least 14 days. After that time, the checks can be shredded.

Q. How long should we keep our credit or debit card sales receipts?

A. BAMS requires that CCSF merchants keep their credit or debit cards sales receipts for a minimum of thirteen (13) months. During that time, make sure they are stored in a safe and secured place to ensure compliance with PCI requirements.

15.11.6 | Online Banking

Q. We need a new user set up in CashPro or CllentIlne. Where should we request that access?

A. Supervisors or managers can send an email to TTX.Bankwires@sfgov.org to request a new user set up. There is a template that the requester will need to complete to ensure that the access is properly in place.

Q. We need access in CashPro Online for current day report (or other bank account access not currently held).

A. You would need to provide the reason for requesting a current day report (CDR). Some of the CDR transactions are "fluid" (*i.e.*, ACH transactions) and may include transactions that do not settle by the end of the day. If the intent is to use it for reconciliation purposes, PDR (prior day report) balances (with detail reporting) are much more reliable, since they include amounts that have already settled the previous day. Also, bank statements can be generated from Cash Pro at the end of each month.

CDR entitlement is an additional fee per month, per account. If you would like to have this feature activated, please send your request to TTX.Bankwires@sfgov.org and include in your e-mail the accounts that you wish to have CDR access and this will be forwarded to Bank of America for processing.

Q. How can we get access in CashPro Online for our revolving fund account?

A. CashPro Online does not have revolving fund account data because minimal transaction activity does not justify the additional cost of making it available. In addition, maintenance charges apply for each account setup in CashPro. However, if your department has a revolving fund account with many transactions and it is something that you would like to reconcile frequently, you can ask for online reporting by sending your request to TTX.Bankwires@sfgov.org.

Q. What other CashPro reports or information are available?

A. There are standard reports and/or information that are available thru CashPro based on the set up of the users accessing the account and account service entitlements. Examples of these standard information and reports are the PDR, images of deposits, adjustments, images of returned items, and online bank statements. You can also explore CashPro University to see how you can maximize your online reporting access.

Q. Where do we access the NSF information in CashPro Online?

A. Log into CashPro Online and click on the Reporting tab. On the dropdown menu, select "Information Reporting".

Choose "Research Tab".

Select "Images Tab" and "Returns" from the dropdown menu for Type in the search criteria.
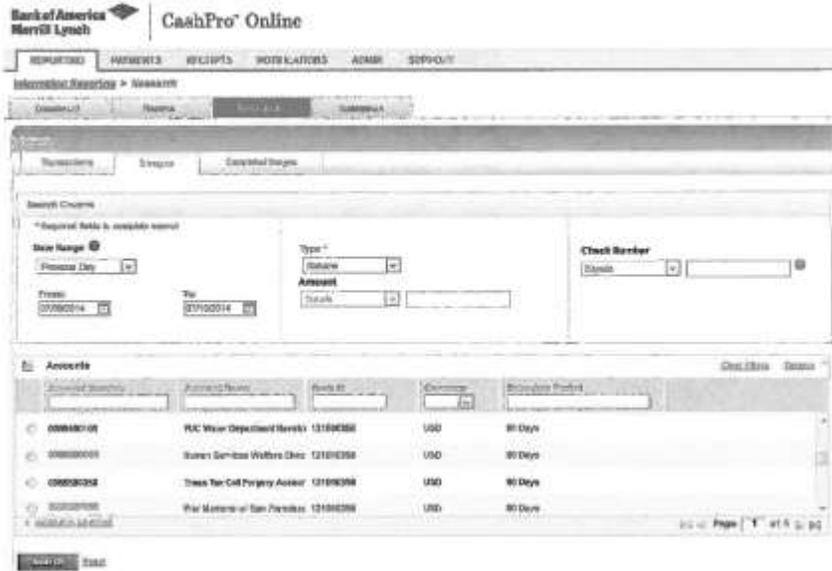
Enter date range, select "Account" and click on "Search" button.

Important "Image Access" changes: Images currently accessed through "Image Access" will be moving to the Research tab in CashPro Information Reporting starting on August 18, 2014. For any technical issues, please check CashPro's online help.

15.11.7 | FIS Applications

Q. What Is FIS? How are those transactions processed within FIS related to BAMS transactions? Are chargebacks and NSFs arising from FIS transactions processed the same way as those processed through Bank of America and/or BAMS?

A. FIS (formerly "Link2gov") is the City's contracted vendor for online and phone payments. There are currently about 20 departments using the services of FIS. The contract with FIS expires in October 2016.

Each department that has an application with FIS should have an assigned Settlement Code (equivalent to MID with BAMS) that is only used within FIS and not BAMS. By using the assigned Settlement Code, each department can access its FIS transactions through FIS' online portal, which is called DataPoint. In DataPoint, departments can retrieve their daily sales transaction reports, e-check returns, and chargeback items. Just like credit card sales and chargebacks through BAMS and NSF items from Bank of America, sales transactions through the FIS applications should be recorded as receipts using a CR document and NSFs and chargeback items should be processed by each department in FAMIS. Refer to NSF and Chargeback sections in these FAQs for instructions on recording these adjustments.

Q. How shall we pay for our department's outstanding FIS invoices? Are they processed the same way as the bank and credit card fees?

Note: This instruction only affects those departments that are on FIS' Agency absorbed pricing model. This means that a department does not impose a convenience fee to their customers for payments made through FIS online or phone applications. If you are on a convenience fee pricing model, you do not have to worry about paying FIS invoices since there is no invoice.

A. The process in paying FIS invoices is different from the process involved in recording Bank of America's bank fees and BAMS' merchant fees. There are no invoices presented to the departments for those BAMS merchant fees and there are no payment documents that are prepared for those payments. (See Bank and Credit Card Fees FAQs for more details.)

Below are the detailed instructions in paying for FIS invoices and the reasoning behind them:

1.   Use FIS' vendor #76414 to pay for FIS invoices.

2.   For each invoice, 2 documents are required:

   a.   For the portion of the invoice that is pertaining to interchange fees (AMEX, Discover, Visa, and MasterCard), process the document in FAMIS Purchasing by using a DV document type, TC 200,and using Sub Object 03595, Credit Card Processing Fees.

   b.   For the portion that is related to FIS' service, process it in FAMIS Purchasing by using the IV/VC process, TC 205 and Sub Object 02722, Financial Services.

It is very important for departments to adhere to the above instructions in paying FIS invoices. The contract amount and the associated purchase order (PO) for FIS only represent the estimated fees that truly belong to FIS. The interchange fees are pass-through fees that are paid to the credit card network and were never estimated to be part of the PO. If you mistakenly use the PO for both interchange fees and FIS fees, your allocated portion of the PO will easily run out and it may be difficult for you to pay for your FIS invoice. To prevent over-usage of the PO and to ensure that the invoices are properly paid using the above instructions, the Treasurer's Office is working on some security controls where its approval will be required to approve all FIS payments.

Below is an example of an FIS invoice. This invoice includes all merchant related processing fees plus FIS' service fees for maintaining the applications. To determine the fees that should be charged using TC 200/SO 03595 vs. TC 205/50 02722:

1.   Add the total amount for each credit card type under the category Interchange Fees (AMEX, Discover, MasterCard, and Visa). Process the payment document in FAMIS Purchasing using TC 200 and SO 03595.

2.   Subtract the total of #1 above from the total invoice price and the remaining should represent FIS service fees. Process the payment document in FAMIS Purchasing using TC 205 and SO 02722.

In this sample of FIS invoice, the total amount to be paid to FIS is $210.71. Of that amount, $185.29 should be charged to SO 03595 and $25.42 should be charged to SO 02722.

FIGURE 15-4. SAMPLE FIS INVOICE

15.11.8 | Helpful Tips

Q. Are there more helpful tips you can offer?

A. See below:

Helpful Tips

NEW USER SETUP – B of A ACCOUNTS

Bank of America Merrill Lynch | CashPro® Online

PROVIDE THE FOLLOWING:

- Employee's Name
- Work Address (incl. ZIP)
- Phone
- Email
- Bank Accounts User need access to OR,
- Existing dept. user's access to copy from

Helpful Tips

B of A CashPro Online Technical Support

Bank of America
Merrill Lynch | CashPro® Online Help   X

Help

Contact Us

For technical support, please refer to the contact information for your region.

For Audit Confirmation or Foreign Account CPA Contacts, see the Bank of America Merrill Lynch Certified Public Accountant Contact Lists.

United States & Canada

Monday - Friday 7:00 AM to 9:00 PM Eastern
Email: cashpro@bankofamerica.com
Phone: (888) 589-3473

Helpful Tips

B of A CashPro Online Help / Training

Helpful Tips
B of A CashPro Online Help / Training

Bank of America
Merrill Lynch

CashPro University

Welcome to CashPro University!
CashPro University is your centralized source for educational resources. You can select from a variety of training tools to best match your individual learning style. Whether you are a new or current user, maximize your CashPro Online experience with CashPro University.

Exploring CashPro Online Video Series
View a series of videos that demonstrate tips and tricks to enhance your CashPro Online experience. Click Exploring CashPro Online Video Series to learn more.

CashPro Online Enhancements
CashPro Online was recently enhanced to include these new features and functions:

* Reporting enhancements include more value with two years of data retention, easier access to service requests, and more options for managing reports.
* Enjoy easier navigation and a simplified experience with the integration of Image Access directly into Information Reporting
* Manage the elements of your check services with the new simplified check management application
* Expanded global capabilities include a variety of enhancements designed for specific regions

To learn more about these and other enhancements, visit the CashPro Online Enhancements website.

Additional Services
CashPro Mobile
China Online EDD Declaration
Electronic Account Management
Issuing and Paying Agent Services
SEPA Mandate Manager
Treasury Withdrawals
Trustline Express

Best Treasury Analytics Provider
CashPro Accelerate
- Know your daily cash position with the click of a button
- Free up time to manage your liquidity

Learn More ▸

Available Training
Register for a training session led by a Client Education consultant. These interactive training sessions will teach you how to use key functions of your CashPro Online services.

Administration Training
Administrators Only: Learn how to set up and entitle users to your company's CashPro Online services. To enroll, contact Client Education at 866 355 9288 or send an inquiry to [email].

Webinars
Learn alongside other users of the same service by joining one of our virtual sessions. For available webinars and details, go to Training Webinars.

Learning Resources
Select the desired Category and Service (Example: Reporting > Information Reporting) from the above menu to access available learning resources. Options may include

User Guides
Comprehensive manuals detailing the features and functionality of your service

Reference Documents
Reference materials containing quick and efficient steps for completing common tasks

Simulation Videos
Interactive simulations demonstrating how to perform a task, and then providing you the opportunity to practice that task in a simulated

Helpful Tips

NEW USER SETUP: BAMS MERCHANT ACCTS.

PROVIDE THE FOLLOWING:

Bank of America
Merchant Services

ClientLine®

- Employee's Name
- Work Address (incl. ZIP)
- Phone
- Email
- Merchant Accounts (MID) requesting access to OR,
- Existing dept. user's access to copy from

Helpful Tips

BAMS ClientLine Help / Training

- Technical Terminal Support and Supplies

1-800-430-7161*

*Provides general customer service support, technical support and ordering of all merchant related supplies (Have Merchant ID Number available)

- Password Reset

1-800-285-3978**

(Monday-Friday from 8AM EST-10PM EST)

**If your password expired due to inactivity (you have not logged into ClientLine within the last 60 days), ClientLine will need to create a new User ID for you.

Send email to TTX.Bankwires@sfgov.org for assistance.

Helpful Tips

FIS Online or Web Transactions Support

For Operational or Product Support, please contact:

* Link2Gov/PayDirect Users

1- 877-513-5465

(Option 2 for POS, Option 3 for Non-POS) or
clientsupport@fisgov.com

* Demetria S Mallett, Client Service Manager, FIS PayDirect Solutions
  * Mobile: 615-364-3827
  * Office: 615-665-6770

Helpful Tips

CREDIT CARD ACCEPTANCE BASICS

Every card transaction involves multiple parties. The following definitions will give you a good understanding of who's who in the transaction process for both Visa and MasterCard transactions.

•**Cardholder:** An authorized card user.

•**Issuer:** A financial institution that issues payment cards and maintains a contract with cardholders for repayment.

•**Merchant:** An authorized acceptor of payment cards for the payment of goods and services.

•**Acquirer:** The acquirer (financial institution or merchant bank) that contracts with the merchant for payment card acceptance and enables card payments from customers.

•**Payment Card Company:** The consumer payment system, whose members are the financial institutions that issue payment cards and/or sign merchants to accept.

Helpful Tips

Transaction life cycle

Helpful Tips

Credit card types – what's the difference?

Credit card

- A credit card is a small plastic card issued to users as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

Unembossed card

- An unembossed card may be a credit card, pre-paid card, or debit card. These cards can be used in a card-present and card-not-present environment. In a face-to-face environment, if the card cannot be swiped, the merchant should ask for another form of payment.

Pre-paid (Gift Card)

- Similar function of a credit card, except that the initial value is set by the person purchasing the card. It can be used anywhere a payment card brand card is used. Most pre-paid cards do not have a PIN number, so the card must be used as credit. Each time it is used, the amount of the purchase is deducted from the card balance. The card does not offer a line of credit. It may be re-loadable.

Signature Debit (check card)

- Similar to a credit card, the Signature Debit card has no line of credit, and funds are deducted directly from a checking account or other DDA. The cardholder receives similar protections as they do with credit cards.

Helpful Tips

Payment processing – two part process

Processing a payment card transaction involves two stages:

Authorization	An electronic request that is sent through various parties to either approve or decline the transaction
Clearing	The movement of data from the acquirer to the Payment Card Company (MasterCard or Visa) and from the Payment Card Company to the Issuer
Settlement	The process used to exchange funds between members for the value of the monetary transactions cleared for that processing day
Interchange	The exchange of transaction data between members

Helpful Tips

Authorization

Role	Action
Cardholder	Presents card to pay for purchase
Merchant	Submits an authorization request transaction for approval
Acquirer	Electronically sends the authorization request to the payment card company
Payment card company	Routes the authorization request to the cardholder's issuer
Issuer	Approves or declines the transaction
Payment card company	Forwards the Issuer response to the acquirer
Acquirer	Forwards response to the merchant
Merchant	Receives authorization response and completes the transaction accordingly

Authorization process allows the card issuer to approve or decline a transaction based on verification that the cardholder's account is in good standing with funds available at the time of the request.

Helpful Tips

Common authorization responses

Response	What does it mean?
Approved	The Card Issuer approved the transaction.
Declined	The Card Issuer does not approve the transaction and the transaction should not be completed. (The merchant should get another form of payment.)
Referral/Call Center	The Card Issuer needs additional information before approving the sale. Contact Bank of America Merchant Services' authorization center for assistance.
Pick up	The Card Issuer wants to recover the card. Do not process the transaction. Follow your internal procedures for card recovery.

Partial authorization

Partial authorizations may be granted by an issuer when the cardholder's account is in good standing; however, the cardholder does not have enough credit/available funds for the full amount of the purchase. When partial authorizations are received, you may only process the transaction for the amount that was partially authorized.

Helpful Tips

Processing the transaction

Helpful Tips

CLIENTLINE REPORTING SAMPLE

• Revenue Transactions, Chargeback, & Fees

AMOUNTS FUNDED BY BATCH

Date Submitted	Batch Number	Submitted Amount	Third Party Transactions	Chargebacks/ Reversals	Adjustments	Fees Charged*	Date Funded	Funded Amount
05/01/14		$2,062.00	0.00	0.00	0.00	0.00		$2,062.00
05/02/14		$1,000.00	0.00	0.00	0.00	-$713.59		$286.41
05/03/14		$1,994.00	0.00	0.00	0.00	0.00		$1,994.00
05/06/14		$1,581.00	0.00	-$80.00	0.00	0.00		$1,401.00
05/07/14		$1,643.00	0.00	0.00	0.00	0.00		$1,643.00
05/08/14		$2,919.00	0.00	0.00	0.00	0.00		$2,919.00
05/09/14		$1,246.00	0.00	0.00	0.00	0.00		$1,246.00
05/10/14		$1,858.00	0.00	0.00	0.00	0.00		$1,858.00
05/13/14		$2,891.00	0.00	0.00	0.00	0.00		$2,891.00
05/14/14		$1,105.00	0.00	0.00	0.00	0.00		$1,105.00
05/15/14		$1,368.00	0.00	0.00	0.00	0.00		$1,368.00
05/16/14		$1,714.00	0.00	0.00	0.00	0.00		$1,714.00
05/17/14		$2,827.00	0.00	0.00	0.00	0.00		$2,827.00
05/20/14		$2,043.00	0.00	0.00	0.00	0.00		$2,043.00
05/21/14		$1,882.00	0.00	0.00	0.00	0.00		$1,882.00
05/22/14		$1,690.00	0.00	0.00	0.00	0.00		$1,690.00
05/23/14		$1,706.00	0.00	0.00	0.00	0.00		$1,706.00
05/24/14		$1,314.00	0.00	0.00	0.00	0.00		$1,314.00
05/28/14		$1,735.00	0.00	0.00	0.00	0.00		$1,735.00
05/29/14		$1,949.00	0.00	0.00	0.00	0.00		$1,949.00
05/30/14		$2,876.00	0.00	0.00	0.00	0.00		$2,876.00
05/31/14		$2,307.00	0.00	0.00	0.00	0.00		$2,307.00
Total		**$41,499.00**	**0.00**	**-$80.00**	**0.00**	**-$713.59**		**$40,735.41**

*Certain fees and charges may relate to a prior period.

Office of the Controller (AOSD) Cash Reconciliation Unit

Cash Reconciliation Email:

Cash.reconciliation@sfgov.org

- Jimmy Huang   415.554.7417
  jimmy.huang@sfgov.org

- Kim-Lien Nguyen   415.554.7504
  kim-lien.nguyen@sfgov.org

- Ed Chun   415.554.4025
  edward.chun@sfgov.org

- Elisa Sullivan (Acctg. Issues)   415.554.7654
  elisa.sullivan@sfgov.org

Manager:

- Carmen LeFranc   415.554.7645
  carmen.lefranc@sfgov.org

16 | HOW-TO & SCREENSHOTS*

16.1 | Purpose of this Section

This section provides instructions and illustrations of various types of purchases and payments entered through FAMIS Purchasing (ADPICS) and FAMIS Accounting.

16.2 | General

16.2.1 | Notepad

All FAMIS accounting entries submitted by users should utilize the Notepad. The Notepad is used to input additional details pertaining to the subject journal entry.

1.   To add a Notepad description, the user must change indicator from "N" to "Y" on the Document Header 4010 Screen. The indicator is marked by an (A) in the sample image below.

FIGURE 16-1. SCREEN 4010 - ADD A NOTEPAD DESCRIPTION

```
FAML4010 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      05/26/2015
LINK TO:                       DOCUMENT HEADER                       9:55 AM
                                                         NOTEPAD : (A)

DOCUMENT CATEGORY      : EXAMPLE DOCUMENT
ENTERED BY             :
DOCUMENT NUMBER        :                        INITIATING DEPT  :
INPUT PERIOD (MM YYYY) : MM YYYY
VENDOR NUMBER / SUFFIX :                        APPROVAL TYPE    :
VENDOR NAME            :
VENDOR ADDRESS         :


STREET                 :
CITY / STATE / ZIP     :                                  COUNTRY:
OT VEN-ADDL NAME       :
BANK NUMBER            :              TREAS NO          :
DUE DATE               :              SINGLE CHECK      :
DOCUMENT AMOUNT        :              CURRENCY CODE     :
NUMBER OF LINES        :              RESPONSIBLE UNIT  :
TRANSACTION CODE HASH  :              TERMS             :
POSTING/EDIT ERRORS    :
```

2.   Press F10-Save to save the indicator as a "Y".

3.   Once marked as a "Y", the user can access the Notepad by pressing F12-Adl Fctns and then F1-Notepad.

FIGURE 16-2. ACCESSING THE NOTEPAD

```
FAML1010 V5.1           CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/01/2015
                                    NOTEPAD                               11:25 AM


ATTACHED TO : DOCUMENT NUMBER :XXXXYY000XXX
PAGE         : 01 OF 01
-----------------------------------------------------------------------------
THIS IS AN EXAMPLE OF THE NOTEPAD
ENTER ADDITIONAL DETAILS ABOUT THE JOURNAL ENTRY




```

4.   Enter the description and details relating to the journal entry. Note that different transactions will likely require different details. Be sure to refer to department and Controller guidelines for additional information regarding specific transactions.

5.   Once entered, press F10-Save to save.

Note: For Non-RIMS documents, the Notepad *cannot* be revised once the user has pressed save. Only additional lines can be added. For RIMS documents, the Notepad may be edited and changed up until the document is submitted for approval.

16.2.2 | Creating/Copying a RIMS Template

RIMS Templates exist for certain FAMIS document types. RIMS allows users to save previous templates for reuse in similar transactions.

1.   In FAMIS Accounting, link to Screen 4000. Enter the document type and press enter. If the document is tied to RIMS, the system will take you to Screen 4610 – Recurring Transactions by Document Type.

FIGURE 16-3. SCREEN 4610 – RECURRING TRANSACTIONS BY DOCUMENT TYPE

```
FAML4610 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/22/2015
LINK TO:               RECURRING TRANSACTIONS BY DOCUMENT TYPE              3:24 PM


DOCUMENT TYPE    : XX       DOCUMENT TYPE
INITIATING DEPT  : DEPT     DEPARTMENT


   RIMS                                              LST UPDATE  REL  NEXT  AUTO
S   CODE  -------- D E S C R I P T I O N ---------    DATE      BY   SUBMIT


  RIMS CODE 1   EXAMPLE 1
  RIMS CODE 2   EXAMPLE 2
  RIMS CODE 3   EXAMPLE 3
  RIMS CODE 4   EXAMPLE 4
```

2.   a.   To create a new RIMS template, press F3-New RIMS. This will link to a blank Screen 4015.

        b.   To copy an existing RIMS template, Press F2-Select on an existing RIMS code. This will link to a prepopulated Screen 4015. Press F12-Additional Functions, then F3-Copy. The system will prompt the user for the title of the new RIMS code. Enter a new title and press F3 to continue. A new RIMS template will be created, keeping the information and details from the previous RIMS.

FIGURE 16-4. SCREEN 4015 – RIMS DOCUMENT HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/22/2015
LINK TO:                         RIMS DOCUMENT HEADER                      4:02 PM
                                                          NOTEPAD :

DOCUMENT TYPE            : DOC TYPE – EXAMPLE
RIMS CODE               :(A)
DOCUMENT PREFIX         :(B)      APPR TYPE :(C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE          RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  :(D)               START/END DATE:
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                        COUNTRY:
BANK NUMBER             :                     TREAS NO        :
DUE DATE                :                     SINGLE CHECK    :
DOCUMENT AMOUNT         :(E)                    RELEASE BY      :
NUMBER OF LINES         :(F)                     CURRENCY CODE    :
TRANS CODE HASH         :(G)                     TERMS            :
POSTING/EDIT ERRORS     :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE              F12-ADL FCTNS
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	XXZZ (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Vendor Number / Suffix	See Section 16.2.3 for additional vendor information
(E) Document Amount	Total Document Amount
(F) Number of Lines	Number of lines in document
(G) Trans Code Hash	Sum of Transaction Codes
(H) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

*Note that the required fields may change according to the document type selected.

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field. For copied RIMS, be sure to edit all existing fields if applicable.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-5. SCREEN 4255 – RIMS DETAIL DOCUMENT & DESCRIPTIONS OF FIELDS

```
FAML4255 V5.1           CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                       8:40 AM


RIMS CODE    : TITLE - RIMS CODE
RIMS SUFFIX  : 01       POST PERIOD :         AMOUNT
--------------------------------------------------------------------------------
TRANS CODE       :(A) DEFAULT TRANSACTION CODE
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                        TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :              SUBSIDIARY :
BANK NUMBER      :              TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	Transaction Code defaulted from the corresponding Document Type. If necessary, change this to match the transaction you are trying to process.
(B) Document Ref	Some transaction codes require a FAMIS document number in this field. Otherwise, use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount

REQUIRED FIELD*	DESCRIPTION OF FIELD
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of expenditure or revenue as applicable
(G) Grant/Project Details	Enter fields if applicable

*Note that the required fields may change according to the document type selected

5.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field. Once all fields have been filled, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to Screen 4015.

6.   To access the Notepad, make sure the Notepad field is marked "Y", press F12-Additional Functions, and then press F1 – Notepad. Please refer to *Section 16.2.1* for additional instructions.

7.   When ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.2.3 | Finding a Vendor

To find an existing Vendor in FAMIS, link to Screen 9600 – Vendor Inquiry. When processing a payment or procurement document, this screen can be reached directly by pressing F2-Select while the cursor is in the Vendor ID field.

FIGURE 16-6. SCREEN 9600 – VENDOR NAME INQUIRY

```
FAML9600 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/22/2015
LINK TO:                         VENDOR NAME INQUIRY                     1:34 PM


VENDOR TYPE :
MAIL CODE   :
S VENDOR NAME             H D C VENDOR      SX T MC CITY                ST CTR
--------------------------------------------------------------------------------
  PLACE CURSOR HERE       S D A   CCOT452174 01 O RM SAN FRANCISCO       CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
     EXAMPLE                D D   CCOT262848 01 O RM SSS                 CA
```

1.   Erase the default vendor type and mail code and press enter. This will 'reset' the screen.

2.   Tab to the first Vendor Name Field.

3.   Type the first part of the vendor name and press Enter. Use F7 and F8 to scroll between pages. Once located, use F10-Header, F11-Detail, and F12-Mail Code to confirm it is the correct vendor

4.   With the cursor next to the selected vendor's name, press F6-Return. If the user accessed Screen 9600 directly from a payment or procurement screen, the system will return to the previous screen and auto-populate the Vendor Number and Suffix fields.

16.2.4 | Finding a Commodity

1.   To find a FAMIS Commodity Code, link to Screen 1100 – Commodity Table Inquiry. When processing a payment or procurement document, this screen can be reached directly by pressing F2-Select while the cursor is in the Commodity ID field.

FIGURE 16-7. SCREEN 1100 – COMMODITY TABLE INQUIRY

```
PCHL1100 V5.1    CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          05/22/2015
LINK TO:                      COMMODITY TABLE INQUIRY                   3:04 PM
                                                       INV     BPO   SPECS
S COMMODITY NAME                      COMMODITY ID     ITEM    ITEM  EXIST
  TYPE COMMODITY NAME HERE            9999-99           N       N      N
  (INVALID CODE,LEGENDS&SYMBOLS ONLY  9999-01-01-0001   N       Y      N
  -> (GO TO/SEARCH BY)                9999-01-01-0001   N       Y      N
  / (SEPARATE ABBREV WORDS, AND/OR)   9999-01-01-0001   N       Y      N
  => (SUBSET OF)                      9999-01-01-0001   N       Y      N
  ...(PRESS F2 FOR FULL DESCRIPTION)  9999-01-01-0001   N       Y      N
  (NOT USED)                          7320-70-90-1015   N       N      N
  (NOT USED)                          7320-70-90-1016   N       N      N
  (NOT USED)                          7320-70-90-1017   N       N      N
  (NOT USED)                          7320-70-90-1018   N       N      N
  (NOT USED)                          9190-36-06-2805   N       N      N
  "ABOLITE LIGHTING"; ELECT MATLS/SUP 9285-95-04-0111   N       N      N
  "ALLIED" ELECT POWER TOOLS, PROF GR 9720-16-40-5060   N       N      N
  "ARMSTRONG" HAND TOOLS, IND/PROF GR 9720-16-20-5010   N       N      N
  "BLACK & DECKER" ELECT POWER TOOLS, 9720-16-40-5020   N       N      N
  "BLACKHAWK" HAND TOOLS, IND/PROF GR 9720-16-20-5170   N       N      N

F1-HELP     F2-VIEW COMM          F4-VIEW DETL F5-SPECS     F6-RETURN
F7-PRIOR PG  F8-NEXT PG   F9-LINK    F10-VIEW WHS F11-VIEW BPO F12-VIEW UTIL
```

2.   Type the first part of the commodity name on top of the first commodity record. Delete any remaining characters from the first commodity record line.

3.   Press Enter.

4.   Find the correct commodity name in the list.

5.   Use the Tab key to move the cursor to the correct commodity.

6.   With the cursor next to the selected vendor's name, press F6-Return. If the user accessed Screen 1100 directly from a payment or procurement screen, the system will return to the previous screen and auto-populate the commodity code.

16.2.5 | Purchasing Document/Match Type/Approval Path Matrix

The following Figure is provided for departments to view purchasing requirements at-a-glance.

FIGURE 16-8. PURCHASING DOCUMENT / MATCH TYPE / APPROVAL MATRIX

Document	ADPICS Screen Number	Purchasing Type	Document Title & Description	Release?	Match Type	Department Approval Path	Purchaser Approval Path	Controller Approval Path
BPO	2342	**BP**	**CITY** Blanket Authorization	N/A	N/A	N/A	Yes	No
DP	2360	PC	City Blanket Purchase Order *Release* – Progress Payment (Lump sum encumbrance)	Y	AA, AB	Yes	No	No
DP	2360	RC	City Blanket Purchase Order *Release* – Single Order	Y	2A, 2B	Yes	No	No
BPO	2342	**DB**	**DEPARTMENTAL** Blanket Authorization	N/A	N/A	Yes	Yes	No
DP	2360	PD	Departmental Blanket Purchase Order *Release* – Progress Payment	Y	AA, AB	Yes	No	No
DP	2360	RD	Departmental Blanket Purchase Order *Release* – Single Order	Y	2A, 2B	Yes	No	No
BPO	2342	**CB** Multiple Yrs.	**CONTRACT** Blanket Authorization (Professional Services)	N/A	N/A	Yes	Yes	No
DP	2360	CT	Contract Purchase Order – *Release* against BPO	Y	AA, AB	Yes	No	Yes
BPO	2342	**NB** Construction	Department Blanket Authorization **NO PURCHASING APPROVAL** Required **	N/A	N/A	Yes	No	No
DP	2360	NR	Purchase Order *Release* Against Non-Purchasing Blanket **	Y	AA, AB	Yes	No	No
DP	2360	NP	Purchase Order – Non-Purchasing ** *non*-release	N	AA, AB	Yes	No	Yes
BPO	2342	**XB**	**PROFESSIONAL SERVICES DELEGATION** Authority Blanket ***	N/A	N/A	Yes	No	No
DP	2360	XR	Professional Services Delegation Authority Release ***	Y	AA, AB	Yes	No	No
DP	2360	XP	Professional Services Delegation Authority Purchase Order ***	N	AA, AB	Yes	No	No
BPO	2342	**YB**	**CODE DELEGATION** Authority Blanket ****	N/A	N/A	Yes	No	No
DP	2360	YR	Code Delegation Authority Release ****	Y	AA, AB	Yes	No	No
DP	2360	YP	Code Delegation Authority Purchase Order ****	N	AA, AB	Yes	No	No
DP	2360	PQ	Departmental Purchase Order – Prop Q; limit = $10,000	N/A	2L, AA	Yes	No	No
PO	2340	PO	Standard Purchaser Order - PURCHASER USE ONLY	N/A	AA, AB 2A, 2B	No	Yes	No
DP	2360	PR	Purchase Order - PURCHASER USE ONLY (Replace 2340 Bid PO)	N/A	AA, AB	Yes	Yes	No
DV	1800	DV	Direct Voucher	N/A	N/A	Yes	No < $1,000 Yes ≥ $1,000	No < $1,000 Yes ≥ $1,000
RQ	2100	RQ	Standard Requisition	N/A	N/A	Yes	Yes	No
RQ	2100	BR	Requisition Release Against BPO	Y	N/A	Yes	Yes	No
RQ	2100	RT	Requisition for IT related purchases	N/A	N/A	Yes	Yes	No

Progress Match Type:	AA - Document Level Matching, 10% or $1,000 tolerance, whichever is less		
	AB - Document Level Matching, no tolerance		
2-way Match Type:	2A - Document Level Matching, 10% or $1,000 tolerance, whichever is less		
	2B - No tolerance		
	2L - Document Level Matching, 10% or $1,000 tolerance, whichever is less		
**Restricted Use:	For use with Construction Contracts, Special Grant Projects, etc., by special agreement from Purchaser		
***Restricted Use:	For use by Departments with special code authority, by special agreement with Purchaser and Controller. ART is the only user to date.		
**** Restricted Use:	For use by Airport,SFGH&LGH(Novation),MUNI-MTA,Court(Agency Fund),Treasure Island(Agency Fund) ONLY - no exceptions		

16.3 | Budgeting and Appropriations

16.3.1 | Surplus Transfers

IN PROGRESS

16.4 | Procurement

16.4.1 | Creating a Blanket Purchase Order

See Section 3.6.3 Blanket Purchase Order for general information regarding Blanket Purchase Orders

1.   Link to Screen 2342 – Blanket Purchase Order Writing to begin creating a Blanket Purchase Order ("BPO").

FIGURE 16-9. SCREEN 2342 – BLANKET PURCHASE ORDER WRITING & DESCRIPTIONS OF FIELDS

```
PCHL2342 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/14/2015
LINK TO:                  BLANKET PURCHASE ORDER WRITING                10:15 AM


BPO/CONTRACT ID :                   ACTION IND    : N   COPY TYPE:   (B/R)
PURCHASING TYPE :(A)                INTERFACE TYPE : BP  PRINT    : N (Y/N)
CONTRACT AMOUNT :                   TERMS IND     :     NOTE PAD : N (Y/N)
REMAINING VALUE :                   CONTRACT ID   :
EFFECTIVE DATE  :(C)                ITB ID        :          AWARD:
EXPIRATION DATE :(D)                F.O.B. POINT  : DEST     STATUS:
INSURANCE CERT  : N                 DISCOUNT TERMS : N30     AUTO TL: N
CHANGE NO       :                   MULTIPLE SCHED : N  *          :
BPO TITLE       :                                      CREATE :
DEPARTMENT      : CON                                  UPDATE :
BUYER           :(B)                                   POST   :
VENDOR/SUFFIX   :(E)           /
ATTN-1:
ATTN-2:
ATTN-3:
STREET:
        CITY:                          ST:   ZIP:           CTRY:
PHONE :                            PURCH AUTHRTY  :(F)
F1-HELP    F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
F7-DEPT SEC  F8-SEL TERMS F9-LINK     F10-SAVE    F11-OTH KEY  F12-PRINT
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Purchasing Type	E.g. BP, DB, PQ, *etc*. See Purchasing Matrix in Section 16.2.5 for additional details
(B) Buyer	Buyer Code assigned to your department. Press F2-Select to lookup
(C) Effective Date	Effective Date of Blanket Purchase Order

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Expiration Date	Expiration Date of Blanket Purchase Order
(E) Vendor/Suffix	See Section 16.2.3 for additional vendor information
(F) Purchasing Authority	E.g. Bid, OMP, PropQ-No Bid, *etc.* Codes maintained by OCA.

2.   Fill out the required fields. Should the user F10-Save after filling a field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 2348 – Blanket Purchase Order Detail Entry.

FIGURE 16-10. SCREEN 2348 – BLANKET PURCHASE ORDER DETAIL ENTRY & DESCRIPTIONS OF FIELDS

```
PCHL2348 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/11/2015
LINK TO:                   BLANKET PURCHASE ORDER DETAIL ENTRY        10:13 AM


BPO ID   : BPXXYY000XXX      LINE NO  : 001    LEVEL CONTROL:
COMMODITY:(A)
PUR U/M  :                   UNIT COST:


BLOCK FUNCTION:        (SPEC ID TO COPY, ISRT, DLET, DUP)
SPECIFICATION INFO                                  BLOCK 001 OF   003
 (B)                                                               <
                                                                   <
                                                                   <
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Commodity	See Section 16.2.4 for additional commodity information
(B) Specification Info	Specifications of unit(s) being purchased

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. Enter as many lines as required by the BPO. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   Tab to the Contract Amount field and enter the contract amount.

6.   Tab to the BPO Title field and enter the title of the blanket purchase order.

7.   Tab to the Discount Terms field and enter the discount value. Press F2-Select in the field to choose from system codes.

8.   Press F7-Dept Sec to go to Screen 2341 – BPO Department Security.

FIGURE 16-11. SCREEN 2341 – BPO DEPARTMENT SECURITY

```
PCHL2341 V5.1    CITY AND COUNTY OF SAN FRANCISCO--NFAMIS           06/11/2015
LINK TO:                      BPO DEPARTMENT SECURITY                 11:01 AM


BPO/CONTRACT ID : BPXXYY0000XXX         BPO AMOUNT :       50,000.00


 SEL    DEPT     DEPARTMENT NAME  BPO ALLOCATION RELEASED AMT   REMAINING AMT
      CON*****                         50,000.00         0.00      50,000.00
```

This screen lets you specify the departments with access to the BPO and the allocation amount for each of those departments. Press F10-Save to save and press Clear/Pause to return to Screen 2342.

If you want to specify who in the department can release from this BPO, tab to the department and press F2-Authorized Users. This brings you to Screen 2343 – Blanket Purchase Order Security.

FIGURE 16-12. SCREEN 2343 – BPO SECURITY

```
PCHL2343 V5.1    CITY AND COUNTY OF SAN FRANCISCO--NFAMIS           06/11/2015
LINK TO:                    BLANKET PURCHASE ORDER SECURITY           11:06 AM

BPO/CONTRACT ID : BPXXYY0000XXX
DEPARTMENT ID   : CON*****                            CALL AUTHORIZATION
 SEL   USER                      USER NAME                    AMOUNT
     ********      ALL USERS AUTHORIZED                       50,000.00
```

On this screen, you may set a Call Amount for all users releasing for a given department. Press F10-Save to save and press Clear/Pause twice to return to Screen 2342.

9.   On Screen 2342, post the BPO by changing the Action Ind to "P" and pressing F10-Save.

16.4.2　| Blanket Purchase Order Release

1.　　Link to Screen 2360 – Direct Purchase Order Writing to begin creating a release from a Blanket Purchase Order ("DP").

FIGURE 16-13. SCREEN 2360 – DIRECT PURCHASE ORDER WRITING (RELEASE FROM BPO) & DESCRIPTION OF FIELDS

```
PCHL2360 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/12/2015
LINK TO:                  DIRECT PURCHASE ORDER WRITING               1:41 PM
PURCHASE ORDER :               ACTION IND: N   STATUS:          NOTE   : N
PURCHASING TYPE:(B)            INTF TYPE : DP  EFF DT:           TERM   :
DEPARTMENT    : CON            BUYER     :     CREATE:           QUOTE  :
PO AMOUNT     :                MATCH TYPE:(D)  UPDATE:           INS CRT: N
PO NET AMOUNT :                CHANGE    :     POST  :           SUB CTR: N
REMAINING AMT :                CREDIT IND:     WHSE  :           VEN CHG: Y
VENDOR/SUFFIX :          /                                       PRINT  : N
ADDRESS                                                          COPIES: 01
        CITY :                      ST:   ZIP:          CTRY:
P/O TITLE    :(E)                                 *                  :
BPO/SCHED/CALL :(A)         /       /             EXPEDITOR:
DELIVERY DATE :(F)          FOB    : DEST         TRACK CODE:
EXPIRE DATE  :              FREIGHT :             TRACK DATE:
DISCOUNT TERMS : N30     PURCH AUTHRTY:(C)
DIST METHOD   : S (S,M,P) (G)  CONTRACT ID :
SFX INDEX       SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL  PERCENT
    (H)           (I)




F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT     F6-VIEW DOC
F7-ADDRESS  F8-OTHER KEY F9-LINK      F10-SAVE     F11-VW ACCT F12-QUOTE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) BPO	Blanket Purchase Order to release from
(B) Purchasing Type	E.g. BP, DB, PQ, *etc.* See Purchasing Matrix in Section 16.2.5 for additional details
(C) Purchasing Authority	E.g. Bid, OMP, PropQ-No Bid, *etc.* Codes maintained by OCA.
(D) Match Type	E.g. AA, 2A, 2L, *etc.* See Purchasing Matrix in Section 16.2.5 for additional details

REQUIRED FIELD	DESCRIPTION OF FIELD
(E) P/O Title	Title/Description of Purchase Order
(F) Delivery Date	Delivery Date
(G) Distribution Method	Accounting distribution method – Single (S), Multiple (M), or Percentage (P)
(H) Index Code	Index Code representing the cost center
(I) Sub-object	Sub-object representing the type of expenditure

*Once the BPO is entered, the system will auto-populate the BPO schedule, Buyer, Vendor Number and Suffix, and Purchasing Authority fields

2.   Fill out the required fields. Should the user F10-Save after filling a field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 2365 – Direct Purchase Order Detail Entry. A PO number will be generated.

FIGURE 16-14. SCREEN 2365 – DIRECT PURCHASE ORDER DETAIL ENTRY & DESCRIPTION OF FIELDS

```
PCHL2365 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/12/2015
LINK TO:                   DIRECT PURCHASE ORDER DETAIL ENTRY            4:44 PM


PURCHASE ORDER: DPXXYY000XXX    LINE NO : 001   BPO LINE NO: 001
COMMODITY      :(A)            VC,CONSULTING;MANAGEMENT
QUANTITY       :(B)             STATE TAX :(C)      LOCAL TAX :
PURCHASE U/M   :(D)         UNIT COST    :(E)
                            EST TOTAL COST:
BLOCK FUNCTION:       (SPEC ID TO COPY, ISRT, DLET, DUP)
SPECIFICATION INFO                               BLOCK 001 OF   001
(F)                                                               <
                                                                  <
                                                                  <
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Commodity	See Section 16.2.4 for additional commodity information
(B) Quantity	Number of units being requested
(C) State Tax	State Tax Code - First digit will be "E" for Extra; "I" for Included"; or "N" for No tax. The second digit indicator can be found in the Tax Rate Table in FAMIS Screen 5775. If

REQUIRED FIELD	DESCRIPTION OF FIELD
	the first digit is marked as "N", no second digit is required
(D) Purchase U/M	Order Size. Press F2-Select while indicator is in field to see table of codes
(E) Unit Cost	Cost per unit
(F) Specification Info	Specifications of unit(s) being purchased

4.	Press F2-Select in the Commodity field to view the commodities on the BPO. Tab to the desired commodity and press F2-Return to populate the field.

5.	Enter the quantity and press F10-Save. If the Purchase U/M and Unit Cost are specified on the BPO, the system will automatically populate these fields.

6.	When all required fields are entered and the user presses F10-Save, the system will move to the next empty detail line. To update the specifications of detail lines, press F5-Next to cycle through existing lines. Update the specifications if applicable and press F10-Save twice to update.

7.	Once all lines have been completed, press Clear/Pause to return to Screen 2360. The system will have updated the Discount terms and FOB point fields per the values on the BPO. You may change the Discount terms if applicable. Press F7-Address to specify the Bill To & Ship To addresses or the release.

FIGURE 16-15. SCREEN 2406 – PURCHASE ORDER ADDRESS TABLE MAINTENANCE

```
PCHL2406 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/18/2015
LINK TO:               PURCHASE ORDER ADDRESS TABLE MAINTENANCE        11:23 AM


PURCHASE ORDER: DPXXYY000XXX
LINE NO      : 000


S  S/B  QTY/DATE     ADDR   ADDRESS                               REQ/LINE NO
   B           0.00         ADDRESS WILL AUTOPOPULATE






   S           0.00         ADDRESS WILL AUTOPOPULATE



```

8.   Confirm the billing and shipping addresses and press F10-Save to save the addresses to the purchase order. Once confirmed, press Clear/Pause to return to Screen 2360.

9.   On Screen 2360, post the Purchase Order by changing the Action Ind to "P" and pressing F10-Save.

Purchase Order Screens:

- 6051 – Document Inquiry in FAMIS Accounting
- 2364 – PO Accounting Detail Entry
- 2366 – PO Additional Accounting Detail Entry
- 2346 – PO Detail Summary
- 2344 – PO Accounting Summary
- 2162 – Specifications /Terms Selections

BPO Release Inquiry:

- 2510 – BPO Document Inquiry
  - Link to Screen 2342 and retrieve the BPO. Press F11-Other Keys and press F7-Releases. Change the From Date and/or the To Date to view more BPO releases when necessary.

Purchase Order Inquiries:

- 2440 – Purchase Orders/Contracts (BPOs) by vendor
- 2150 – Purchase Order Document Inquiry
- 2455 – Purchase Orders by Department
- 2490 – Purchase Orders by Commodity

16.4.3 | Creating a Direct Purchase Order

1. Link to Screen 2360 – Direct Purchase Order Writing to begin creating a Direct Purchase Order.

FIGURE 16-16. SCREEN 2360 – DIRECT PURCHASE ORDER WRITING (DIRECT PO) & DESCRIPTION OF FIELDS

```
PCHL2360 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/12/2015
LINK TO:                     DIRECT PURCHASE ORDER WRITING                1:41 PM
PURCHASE ORDER :              ACTION IND: N      STATUS:          NOTE   : N
PURCHASING TYPE:(A)           INTF TYPE : DP   EFF DT:            TERM   :
DEPARTMENT      : CON         BUYER     :      CREATE:            QUOTE  :
PO AMOUNT       :             MATCH TYPE:(B)   UPDATE:            INS CRT: N
PO NET AMOUNT   :             CHANGE    :      POST  :            SUB CTR: N
REMAINING AMT   :             CREDIT IND:      WHSE  :            VEN CHG: Y
VENDOR/SUFFIX   :(C)              /                               PRINT  : N
ADDRESS                                                          COPIES: 01
        CITY :                        ST:    ZIP:            CTRY:
P/O TITLE       :(D)                                  *                 :
BPO/SCHED/CALL  :              /       /                   EXPEDITOR:
DELIVERY DATE   :(F)           FOB      : DEST        TRACK CODE:
EXPIRE DATE     :             FREIGHT  :             TRACK DATE:
DISCOUNT TERMS  : N30      PURCH AUTHRTY:(E)
DIST METHOD     : S (S,M,P) (G)  CONTRACT ID  :
SFX INDEX        SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL  PERCENT
     (H)           (I)



F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT      F6-VIEW DOC
F7-ADDRESS  F8-OTHER KEY F9-LINK      F10-SAVE     F11-VW ACCT  F12-QUOTE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Purchasing Type	E.g. BP, DB, PQ, *etc.* See Purchasing Matrix in Section 16.2.5 for additional details
(B) Match Type	E.g. AA, 2A, 2L, *etc.* See Purchasing Matrix in Section 16.2.5 for additional

REQUIRED FIELD	DESCRIPTION OF FIELD
	details
(C) Vendor/Suffix	See Section 16.2.3 for additional vendor information
(D) P/O Title	Title/Description of Purchase Order
(E) Purchasing Authority	E.g. Bid, OMP, PropQ-No Bid, *etc.* Codes maintained by OCA.
(F) Delivery Date	Delivery Date
(G) Distribution Method	Accounting distribution method – Single (S), Multiple (M), or Percentage (P)
(H) Index Code	Index Code representing the cost center
(I) Sub-object	Sub-object representing the type of expenditure

2.   Fill out the required fields. Should the user F10-Save after filling a field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 2365 – Direct Purchase Order Detail Entry.

FIGURE 16-17. SCREEN 2365 – DIRECT PURCHASE ORDER DETAIL ENTRY & DESCRIPTION OF FIELDS

```
PCHL2365 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS     06/12/2015
LINK TO:             DIRECT PURCHASE ORDER DETAIL ENTRY               4:44 PM


PURCHASE ORDER: DPXXYY000XXX    LINE NO : 001   BPO LINE NO: 001
COMMODITY     :(A)            VC,CONSULTING;MANAGEMENT
QUANTITY      :(B)             STATE TAX :(C)      LOCAL TAX :
PURCHASE U/M  :(D)         UNIT COST    :(E)
                         EST TOTAL COST:
BLOCK FUNCTION:       (SPEC ID TO COPY, ISRT, DLET, DUP)
SPECIFICATION INFO                              BLOCK 001 OF   001
(F)                                                             <
                                                                <
                                                                <
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Commodity	See Section 16.2.4 for additional commodity information
(B) Quantity	Number of units being requested
(C) State Tax	State Tax Code - First digit will be "E" for Extra; "I" for Included"; or "N" for No tax. The second digit indicator can be found in the Tax Rate Table in FAMIS Screen 5775. If the first digit is marked as "N", no second digit is required
(D) Purchase U/M	Order Size. Press F2-Select while indicator is in field to see table of codes
(E) Unit Cost	Cost per unit
(F) Specification Info	Specifications of unit(s) being purchased

4.   Once all required fields have been filled, pressing F10-Save will change the "Line No." field to the next sequential number, indicating that the previous line had been saved. Fill out as many lines as required by the purchase order. Once all lines have been completed, press Clear/Pause to return to Screen 2360.

5.   Press F7-Address to specify the Bill To & Ship To addresses of the release.

6.   Confirm the billing and shipping addresses and press F10-Save to save the addresses to the purchase order. Once confirmed, press Clear/Pause to return to Screen 2360.

7.   On Screen 2360, post the Purchase Order by changing the Action Ind to "P" and pressing F10-Save.

16.4.4 | Creating a Requisition

1.   Link to Screen 2100 – Requisition Header Entry to begin creating a requisition.

FIGURE 16-18. SCREEN 2100 – REQUISITION HEADER ENTRY & DESCRIPTION OF FIELDS

```
PCHL2100 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          05/27/2015
LINK TO:                    REQUISITION HEADER ENTRY                 11:43 AM

REQ ID   :                 DOC TYPE: (G)  DUE DATE:(A)     INTF TYPE: RQ
ACTION IND: N              REQ/JT  : R  EFF DTE :          WHSE    :
DEPARTMENT: CON    CONTROLLER'S OFFICE                     CHANGE NO:
CONTACT  :                                                STATUS:
TELEPHONE :                        NOTE PAD: N (Y/N)    CREATE:
REQUISITION TOTAL  :                                   UPDATE:
REQ NET TOTAL    :                                     POST  :
PURCH AUTHRTY    :(F)              **          :       SPND  : N
CONTRACT ID      :                             *              :
REQ TITLE        :(B)
RECOMMENDED VENDOR :
BLANKET PO ID/SCHED:              /          TERMS ATTACHED   : N (Y/N)
BUYER ID         :                 SPLIT CAPABILITY       : Y (Y/N)
DISTRIBUTION METHOD: S (S,M,P) (C)     CREDIT IND :   QUOTES :  (Y/N)
SFX INDEX        SUBOBJ   USERCODE   PROJCT  PRJDTL GRANT  GRNTDTL  PERCENT
     (D)             (E)


F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
F7-ADDRESS  F8-OTHER KEY F9-LINK    F10-SAVE    F11-VW ACCT  F12-QUOTE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Due Date	Due Date
(B) Req Title	Title/Description of Requisition
(C) Distribution Method	Accounting distribution method – Single (S), Multiple (M), or Percentage (P)
(D) Index Code	Index Code representing the cost center
(E) Sub-object	Sub-object representing the type of expenditure
(F) Purchasing Authority	E.g. Bid, OMP, PropQ-No Bid, *etc.* Codes maintained by OCA.

*Note that if the Requisition is related to a Technology Store purchase, change *Doc Type* from RQ to RT so the requisition will go through the correct approval path

2.   Fill out the required fields. Should the user F10-Save after filling a field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 2110 – Requisition Detail Entry.

FIGURE 16-19. SCREEN 2110 – REQUISITION DETAIL ENTRY & DESCRIPTION OF FIELDS

```
PCHL2110 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/10/2015
LINK TO:                    REQUISITION DETAIL ENTRY                  9:06 AM

REQUISITION ID:(A)            LINE NO:     BPO LN:     BUYER:
COMMODITY      :(B)
QUANTITY       :(C)               STATE TAX :(D)     LOCAL TAX :
PURCHASE U/M   :(E)         UNIT COST    :(F)
                            EST TOTAL COST:
BLOCK FUNCTION:       (SPEC ID TO COPY, ISRT, DLET, DUP)
SPECIFICATION INFO                               BLOCK    OF
(G)                                                          <
                                                             <
                                                             <
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Requisition ID	This will be system generated.
(B) Commodity	See Section 16.2.4 for additional commodity information
(C) Quantity	Number of units being requested
(D) State Tax	State Tax Code - First digit will be "E" for Extra; "I" for Included"; or "N" for No tax. The second digit indicator can be found in the Tax Rate Table in FAMIS Screen 5775. If the first digit is marked as "N", no second digit is required
(E) Purchase U/M	Order Size. Press F2-Select while indicator is in field to see table of codes
(F) Unit Cost	Cost per unit
(G) Specification Info	Specifications of unit(s) being purchased

4.   Once all required fields have been filled, pressing F10-Save will clear the "Line No." field, 'resetting' the screen and indicating that the previous line had been saved. Fill out as many lines as required by the requisition. Once all lines have been completed, press Clear/Pause to return to Screen 2100.

5.   The Interface Type field will default as RQ. Requisition with Interface Type RQ is awarded as Standard PO. To create a Requisition that will be awarded as a Blanket Purchase Order, change the type to NP and press F10-Save twice.

6.   Press F7-Address to specify the Bill To & Ship To addresses of the release.

FIGURE 16-20. SCREEN 2121 – REQUISITION ADDRESS TABLE MAINTENANCE

```
PCHL2121 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/10/2015
LINK TO:              REQUISITION ADDRESS TABLE MAINTENANCE          9:48 AM


REQUISITION ID: RQXXYY000XXX  ;     Description from RQ Title
     LINE NO: 000
     S  S/B QTY             ADDR CD ADDRESS
            DATE


                         ADDRESS WILL AUTOPOPULATE PER DEPT



                         ADDRESS WILL AUTOPOPULATE PER DEPT


```

7.   Confirm the billing and shipping addresses and press F10-Save to save the addresses to the requisition. Once confirmed, press Clear/Pause to return to Screen 2360.

8.   On Screen 2100, post the Requisition by changing the Action Ind to "P" and pressing F10-Save.

Requisition Screens:

- 2109 – Requisition Accounting Detail Entry
- 2111 – Requisition Additional Accounting Detail Entry
- 2120 – Requisition Commodity Summary
- 2125 – Requisition Accounting Summary
- 2170 – Requisition Quotation Entry
- 2126 – Specifications/Term Selections

Requisition Inquiry Screens:

- 2140 – Requisition Document Inquiry

- 2410 – Requisitions by Department
- 2420 – Requisitions by Commodity
- 2430 – Requisition Detail Inquiry

16.5 | Payments (FAMIS Purchasing – ADPICS)

16.5.1 | Creating an Invoice

1. Link to Screen 1500 – Invoice Header Entry to begin creating an invoice.

FIGURE 16-21. SCREEN 1500 – INVOICE HEADER ENTRY

```
PCHL1500 V5.1      CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      05/19/2015
LINK TO:                    INVOICE HEADER ENTRY                   10:55 AM
INVOICE SEQ       :                DOC TYPE  : IV  INVOICE ALL : N (Y/N)
INVOICE NO/DESC   :(A)                    /      (B)
ACTION INDICATOR  : N              INTF TYPE : IV   VOUCHER NO :
INVOICE DATE      :(C)             DTE IVC REC:(D)
PURCHASE ORDER NO :(E)             NOTE PAD  :            DEPT :
PO DOC BALANCE    :                CR BAL :
PROPERTY ID       :        IVC AMT:               NET:
VENDOR ID/SUFFIX  :
DBA NAME          :                    HDR CR AMT :
ADDRESS           :                             MATCH TYPE:
                                               STATUS   :
           CITY:                    ST:   ZIP:          CTRY:
DISTRIBUTION METHOD: D          SINGLE CHECK: N      LETTERS SENT:
FREIGHT           :             LIQ DAMAGES :
OTHER CHARGES :                          F.O.B. POINT:
                                         DISC TERMS  :
                                         REJECT CODE :
SFX INDEX        SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL


F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
F7-FR ACCTG F8-VIEW SUM  F9-LINK      F10-SAVE    F11-VW ACCTG
```

If a record is displayed, blank out the *Invoice Seq* field and press Enter.

TABLE 16-1. DESCRIPTIONS OF FIELDS IN SCREEN 1500

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Invoice No.	Vendor Invoice

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Invoice Desc.	Vendor Invoice Description; the description appears on check stub or in ACH payment details
(C) Invoice Date	Vendor Invoice Date
(D) Dte Ivc Rec	Date Invoice Received
(E) Purchase Order No	Purchase Order to invoice against

2.   Fill out the required fields. Should the user F10-Save after filling a field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to the 1510 Screen for 2-way Match Document or 1515 Screen for Progress Payments.

FIGURE 16-22. SCREEN 1510 – INVOICE DETAIL ENTRY (2-WAY MATCH DOCUMENTS)

```
PCHL1510 V5.1              CITY AND COUNTY OF SAN FRANCISCO        05/19/2015
LINK TO:                       INVOICE DETAIL ENTRY                 11:35 AM


INVOICE SEQ   : IVXX15000XXX   INVOICE NUMBER: IV-XXXXXX-XX-1
PURCHASE ORDER: DPXX150000XX   LINE NO : 001
COMMODITY ID  : COMMODITY
CREDIT AMOUNT :              AVAIL CREDT :
QTY REMAINING :       XX.XX PO UNIT COST:       XX.XXXX PO DISCOUNT :
QTY INVOICED  :(A)            UNIT COST   :(B)            IVC DISCOUNT:
STATE TAX     :(C)            LOCAL TAX   :          TOTAL:
   DESCRIPTION:                                    BLOCK 001 OF 001
                                            39 CASES    FULL PALLETS
     TC LN#  MFG          MODEL/PART NO       OR LESS   40 CASE LOTS
     -------------------------------------------------------------
       1.   XXXX          EXAMPLE            24.90/CS      **
   **SYSTEM GENERATED




F1-HELP                    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VW DOC
F7-PRIOR BLK F8-NEXT BLK  F9-LINK       F10-SAVE     F11-VW SUMM  F12-OTH KEY
```

On Screen 1510, the following fields will be auto-generated from the previous 1500 Screen and underlying PO: Invoice Seq, Invoice Number, Purchase Order, Commodity ID, U/M, Qty Remaining, PO Unit Cost, and Description. *Note the generated Invoice Seq number; this is the ADPICS generated Invoice Number associated with the payment.*

The user will need to manually enter the following fields:

TABLE 16-2. DESCRIPTIONS OF FIELDS IN SCREEN 1510

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Qty Invoiced	Number of units being billed
(B) Unit Cost	Cost per unit
(C) State Tax (if applicable)	State Tax Code - First digit will be "E" for Extra; "I" for Included"; or "N" for No tax. The second digit indicator can be found in the Tax Rate Table in FAMIS Screen *5775*. If the first digit is marked as "N", no second digit is required

4.	Once all required fields have been filled, press F10-Save. If the PO has more than one detail line, the system will automatically move to the next detail. If not, then the system will remain on the current detail line.

5.	Once all detail lines have been completed, press Clear/Pause to return to Screen 1500. Other fields have now populated from the PO. *Skip to Step 8 to post.*

FIGURE 16-23. SCREEN 1515 – INVOICE DETAIL ENTRY (PROGRESS PAYMENT)

```
PCHL1515 V5.1   CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          05/21/2015
LINK TO:             INVOICE DETAIL ENTRY - PROGRESS PAYMENT          4:06 PM
INVOICE SEQ  : IVXX15000XXX    INVOICE NUMBER: XXX
-----------------------------------------------------------------------------
PURCHASE ORDER: DPXXYY000XXX   LINE NO : 001       U/M: EA
COMMODITY ID  : POPULATED             SVC;AUTO POPULATED
CREDIT AMOUNT :           AVAIL CREDT:
TOTAL REMAINING ON PO:     X,XXX.XX
AMOUNT INVOICED: (A)
STATE TAX : N      LOCAL TAX :       TOTAL:
   DESCRIPTION:                              BLOCK 001 OF 001
   **AUTOPOPULATED FROM PO**




F1-HELP                   F3-DELETE    F4-PRIOR    F5-NEXT     F6-VW DOC
F7-PRIOR BLK F8-NEXT BLK  F9-LINK      F10-SAVE    F11-VW ACCTG F12-OTH KEY
```

On Screen 1515, the following fields will be auto-generated from the previous 1500 Screen and underlying PO: Invoice Seq, Invoice Number, Purchase Order, Commodity ID, U/M, Total Remaining on PO Remaining, PO Unit Cost, and Description. ***Note the generated Invoice Seq number; this is the ADPICS generated Invoice Number associated with the payment.***

The user will need to manually enter the following:

TABLE 16-3. DESCRIPTIONS OF FIELDS IN SCREEN 1515

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Amount Invoiced	Total Amount Invoiced

6.   Once all required fields have been filled, press F10-Save. If the PO has more than one detail line, the system will automatically move to the next. If not, then the system will remain on the current detail line.

7.   Once all detail lines have been completed, press Clear/Pause to return to Screen 1500. Other fields have now populated from the PO.

FIGURE 16-24. SCREEN 1500 – INVOICE HEADER ENTRY (AFTER COMPLETING LINE DETAILS)

```
PCHL1500 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/19/2015
LINK TO:                        INVOICE HEADER ENTRY                    10:55 AM
INVOICE SEQ         :                DOC TYPE   : IV  INVOICE ALL : N (Y/N)
INVOICE NO/DESC    :(A)                    /        (B)
ACTION INDICATOR   : N             INTF TYPE  : IV   VOUCHER NO :
INVOICE DATE       :(C)            DTE IVC REC:(D)
PURCHASE ORDER NO  :(E)            NOTE PAD   :            DEPT :
PO DOC BALANCE     :                  CR BAL :
PROPERTY ID        :        IVC AMT:                NET:
VENDOR ID/SUFFIX   :(F)
DBA NAME           :                      HDR CR AMT :
ADDRESS            :                               MATCH TYPE:
                                                   STATUS    :
            CITY:                      ST:   ZIP:          CTRY:
DISTRIBUTION METHOD: D             SINGLE CHECK: N        LETTERS SENT:
FREIGHT            :               LIQ DAMAGES :
OTHER CHARGES :(H)                      F.O.B. POINT:
                                        DISC TERMS  :(G)
                                        REJECT CODE :
SFX INDEX          SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT   GRNTDTL


F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
F7-FR ACCTG  F8-VIEW SUM  F9-LINK      F10-SAVE    F11-VW ACCTG
```

The following fields may be manually edited before posting the IV.

POPULATED FIELD	DESCRIPTION OF FIELD
(F) Vendor ID/Suffix	The vendor ID and suffix should populate the same address as the vendor invoice. If not, change the suffix to assign the correct address. See Section 16.2.3 for additional vendor information.
(G) Discount Terms	The discount term comes from the PO. If you would like to change terms, press F2-Select in the field and choose the desired term. Press F10-Save to go to the IV Detail entry screen, and Clear/Pause to return to Screen 1500.

(H) Other Charges	Use this field for freight and other setup charges not included in original PO. Press F2-Select in the field and choose the applicable code. Press F10-Save to go to the IV Detail entry screen, and Clear/Pause to return to Screen 1500.

TABLE 16-4. DESCRIPTIONS OF FIELDS IN SCREEN 1500 BEFORE POSTING THE IV

8.   To post the IV, change the Action Ind field to "P" and F10-Save. The system will post the Invoice and generate a Voucher Number.

16.5.2 | Posting a Voucher

Vouchers ("VC") are generated by posting an Invoice in ADPICS (See 15.8.1 – Invoices).

1.   Once you have your VC Document Number, link to **Screen 1410** to post the voucher for payment.

FIGURE 16-25. SCREEN 1410 – VOUCHER HEADER ENTRY

```
PCHL1410 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS     05/21/2015
LINK TO:                     VOUCHER HEADER ENTRY                     3:07 PM


VOUCHER NUMBER     :                       DOC TYPE : VC    DUE DATE: (A)
ACTION INDICATOR   : N    SINGLE CHECK: N INTF TYPE:        EFF DATE: (B)
STATUS             :      CHECK NUMBER:          NOTE:    CHANGE SEQ :
DEPARTMENT         : CON     CONTROLLER'S OFFICE     DOC REF NO:
AMOUNT VOUCHERED   :                  PART/FINAL: (C) (P/F) CREATE:
PURCHASE ORDER NO  :                  CHANGE NO :          UPDATE:
MATCH TYPE         :    CONTRACT ID   :                      POST:
VENDOR ID/SUFFIX   :                                     CREDIT IND :  N
DBA NAME           :                      IVC NET AMT :
ADDRESS            :                                     SEQ:
                                                         UNPOST INV :
          CITY:                      ST:    ZIP :           CTRY:
INVOICE NO/DESC    :                      /
FREIGHT            :                                     :
                   :                                     :
MASTER ACCOUNTING INFORMATION -     DIST METHOD:    EXCEPTION PROCESS: N
SFX INDEX          SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT   GRNTDTL


F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT      F6-VIEW DOC
            F8-VEN ADDR  F9-LINK      F10-SAVE     F11-VW ACCTG
```

2.   Tab to the Voucher Number field and input the VC number generated from the invoice.

3.   All fields on the VC will be populated from the invoice. The following fields are populated but can be manually edited if necessary.

POPULATED FIELD	DESCRIPTION OF FIELD
(A) Voucher Due Date	The Voucher Due Date is calculated from the Discount Terms and Invoice Date Received fields from the Invoice. This can be manually changed.
(B) Effective Date	The Effective Date determines the fiscal period that the payment will be posted. This is especially important during fiscal year-end. If the payment is for the current fiscal year, make sure the Effective Date is before 06/30 even if the vendor invoice is received after year end.
(C) Part/Final	If this voucher is the 'Final' payment on the Purchase Order, change the 'P' to 'F' and press F10-Save twice. This will close the Purchase Order.

TABLE 16-5. DESCRIPTIONS OF FIELDS IN SCREEN 1410

4.   Post the voucher by changing the Action Ind to "P" and pressing F10-Save.

Final Vouchers

When a VC is marked as Final (*i.e.* posted with an 'F' indicator under the Part/Final field), the system will liquidate the associated Purchase Order and set to CLOS status, even if there is still remaining balance. Be sure to confirm the payment is truly final before marking the voucher as final.

Helpful Voucher Screens

- 1420 – Voucher Detail Entry
- 1430 – VC Accounting Summary
- 1450 – VC Commodity Summary
- 6510 – Invoice History

16.5.3 | Deleting an Erroneous Voucher

If there is an error on the IV Document, the incorrect information will populate into the generated Voucher Document ("VC"). The following steps provide instruction on how to delete the erroneous VC.

1.   Link to Screen 1410-Voucher Header Entry. Pull up the VC Document Number of the incorrect voucher.

FIGURE 16-26. SCREEN 1410 – VOUCHER HEADER ENTRY (WITH EXISTING VC)

```
PCHL1410 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/21/2015
LINK TO:                       VOUCHER HEADER ENTRY                     2:41 PM


VOUCHER NUMBER     : VCXXYY000XXX        DOC TYPE : VC   DUE DATE: 06/24/2015
ACTION INDICATOR   : A    SINGLE CHECK: N INTF TYPE: VC   EFF DATE: 05/21/2015
STATUS             : APPR CHECK NUMBER:          NOTE: N  CHANGE SEQ :
DEPARTMENT         : DEPT                          DOC REF NO:
AMOUNT VOUCHERED   :          XX.XX PART/FINAL: F (P/F)   CREATE: 05/21/15
PURCHASE ORDER NO  : DPCO15000XXX   CHANGE NO :           UPDATE: 05/21/15
MATCH TYPE         : XX  CONTRACT ID   :                  POST:
VENDOR ID/SUFFIX   : XXXXX     01 VENDOR                  CREDIT IND :  N
DBA NAME           :                      IVC NET AMT :      XX.XX
ADDRESS            : DEPT EXAMPLE                         SEQ: IVCO15000XXX
                                                          UNPOST INV :  Y
            CITY: PALATINE          ST: IL ZIP : 60038-0001 CTRY: USA
INVOICE NO/DESC    : INV NUMBER              / ACCT NO
FREIGHT            :                                :
                   :                                :
MASTER ACCOUNTING INFORMATION -    DIST METHOD: D  EXCEPTION PROCESS: N
SFX INDEX          SUBOBJ   USERCODE   PROJCT   PRJDTL GRANT  GRNTDTL


F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
            F8-VEN ADDR  F9-LINK      F10-SAVE    F11-VW ACCTG
```

2.   Tab to the Unpost IV field. The default value for the Unpost IV indicator is 'Y'. With Unpost IV=Y, press F3-Delete twice. The system will delete the voucher.

3.   Link back to Screen 1500.

4.   Pull up the original IV Document Number. The IV should be in 'NOPT' status.

5.   Press F10-Save. The system will take the user to Screen 1510 for 2-way Match Documents or 1515 Screen for Progress Payments.

6.   Make applicable changes on the 1510/1515 Screen and press F10-Save.

7.   Repost the IV by changing the Action Ind to "P" and pressing F10-Save. This will post the revised IV and generate a new Voucher.

To cancel erroneous voucher after it's posted, refer to *Section 16.5.4.2.*

Invoice Screens

- 1500 – Invoice Header Entry
- 1510 – Invoice Detail Entry
- 1515 – Invoice Detail Entry – Progress Payment
- 1520 – Invoice Commodity Summary
- 1526 – Invoice Summary
- 1410 – Voucher Header Entry

16.5.3.1 | CREATING A DIRECT VOUCHER

1.   Link to Screen 1800 – Direct Voucher Header Entry to begin creating a direct voucher.

FIGURE 16-27. SCREEN 1800 – DIRECT VOUCHER HEADER ENTRY

```
PCHL1800 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         05/22/2015
LINK TO:                      DIRECT VOUCHER HEADER ENTRY                 1:20 PM
DIR VOUCHER ID:               DOC TYPE: DV          EFF DATE   :
ACTION IND   : N              DUE DATE:             INTF TYPE  : DV
SINGLE CHECK : N              CHECK NO:             DOC REF NO :
VEN INVOICE NO: (A)                        /  (B)
DEPARTMENT   : CON    CONTROLLER'S OFFICE        INVOICE DATE: (C)
CONTACT      :                                   INV RECPT DT: (D)
TELEPHONE    :                                       NOTE  : N
VOUCHER AMOUNT:                                      STATUS:
VENDOR ID/SFX : (E)                                  CREATE:
DBA NAME     :
ADDRESS      : ADDRESS NOT ON FILE                   UPDATE:
                                                     POST  :
        CITY :                     ST:    ZIP:           CTRY:
DISCOUNT TERMS: N30                                  TERM  :
DISTRIB METHOD: S (F)    REJECT CODE:     CONTRACT ID    :
SFX INDEX        SUBOBJ USERCODE PROJCT PRJDTL GRANT  GRNTDT G/L    SUB    PCT%
     (G)           (H)


F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-VIEW DOC
F7-COPY      F8-SEL TERMS F9-LINK      F10-SAVE    F11-VW ACCT  F12-PRINT
```

2.   To create a direct voucher ("DV"), fill out the required fields. Press F10-Save to bring the cursor to the first required field. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

TABLE 16-6. DESCRIPTIONS OF FIELDS IN SCREEN 1800

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Ven Invoice No.	Vendor Invoice
(B) Invoice Desc.	Vendor Invoice Description; the description appears on check stub or in ACH payment details
(C) Invoice Date	Vendor Invoice Date
(D) Inv Recpt Dt	Date Invoice Received
(E) Vendor ID/Sfx	See Section 16.2.3 for additional vendor information
(F) Distrib Method	Accounting Distribution
(G) Index	Index Code representing the cost center
(H) Sub-object	FAMIS Sub-object

3.	When all required fields are entered and the user presses F10-Save, the system will transfer to the 1810 Screen – Direct Voucher Detail Entry. A DV Document number will be generated.

TABLE 16-7. DESCRIPTIONS OF FIELDS IN SCREEN 1810

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Commodity	See Section 16.2.4 for additional commodity information
(B) Invoice Desc.	Vendor Invoice Description

4.	Once all required fields have been filled, press Clear/Pause back to Screen1800. If the PO has more than one detail line, the system will automatically move to the next. If not, then the system will remain on the current detail line.

5.	Post the DV by changing the Action Ind to "P" and pressing F10-Save.

Direct Voucher Screens:

- 1810 – Direct Voucher Detail Entry
- 1820 – Direct Voucher Commodity Summary

- 1825 – Direct Voucher Accounting Summary

16.5.4 | Change Orders / Document Cancellations

16.5.4.1 | POSTING A REQUEST FOR CHANGE

FAMIS Purchasing – ADPICS allows change orders to the following documents after they have been posted:

- Requisitions
- Blanket Purchase Orders
- Purchase Orders (Standard POs, Direct POs, and Blanket Release PO's)
- Vouchers

To change any of these documents, you must start with a Request for Change. The request for change 'opens' the document and allows you to make updates/changes. Documents previously posted but now open via a Request for Change will be in a Change in Process Status ("CINP").

1.   To post a Request for Change, first link to the ADPICS screen number of the document type you wish to change.

a.	Requisition	Screen 2100
b.	Blanket Purchase Order	Screen 2342
c.	Purchase Order	Screen 2360
d.	Vouchers	Screen 1410

2.   Retrieve the document by entering the document number and pressing Enter.

3.   Once the document has been retrieved in its respective screen, link to Screen 8010 – Request for Change. The system should bring the subject Document ID to the 8010 screen.

4.   Press F10-Save to create the Request for Change. The system will populate the Document ID, Document Type, Interface Type, Change Number, and Change Order ID fields. The cursor will be in the Change Description field.

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Change Description	Description of Change Request

5.   Enter a description of the intended change. Press F10-Save twice to save.

6. Post the Request for Change by changing the Action Ind to "P" and pressing F10-Save.

7. The system will post the Request for Change and automatically take you back to the initiating screen from Step 1. Notice that the "status" field will now display as "CINP" (Change in Progress).

While its status is CINP, almost all document fields can be updated. See the previous sections for details on how to navigate through the individual document types. Document change restrictions are as follows:

TABLE 16-8. DOCUMENT TYPE CHANGE REGISTRICTIONS

DOCUMENT TYPE	RESTRICTIONS
Requisition	1) Requisition Interface Type cannot be changed
Blanket Purchase Order	1) Effective Date can only be changed if no releases against the BPO exist 2) You can only delete a detail line or change commodity code if no releases have been posted to that detail line
Purchase Order (2-Way Match Documents)	1) You cannot delete a detail line that has been invoiced 2) You cannot change the commodity code on a line that has been invoiced 3) You can only decrease the Quantity to the quantity already invoiced 4) You cannot change the Unit Cost if invoices have been posted to that detail line 5) For all accounting lines, you cannot reduce the suffix amount below the Liquidated amount for the Suffix 6) You can never change, add, or remove the BPO ID 7) You cannot change the Vendor number or suffix
Purchase Order (Progress Payment Documents)	1) You cannot delete a detail line that has been invoiced 2) You cannot change the commodity code on a line that has been invoiced 3) The Quantity cannot be changed as the Quantity is always 1 4) You cannot reduce the Unit Cost below the amount already invoiced 5) For all accounting lines, you cannot reduce the suffix amount below the Liquidated amount for the Suffix 6) You can never change, add, or remove the BPO ID 7) You cannot change the Vendor number or suffix

DOCUMENT TYPE	RESTRICTIONS
Vouchers	1) Partial/Final Indicator

16.5.4.2 | CANCELLING A DOCUMENT

Cancellations for the following documents are processed through Screen 8500 – Document Cancellation

- Requisition
- Blanket Purchase Orders
- Purchase Orders
- Invoices
- Vouchers
- Direct Vouchers

1.   In FAMIS Purchasing (ADPICS), link to Screen 8500 – Document Cancellation

FIGURE 16-28. SCREEN 8500 – DOCUMENT CANCELLATION & DESCRIPTION OF FIELDS

```
PCHL8500 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/24/2015
LINK TO:                     DOCUMENT CANCELLATION                  10:23 AM


CHANGE ORDER ID:                    ACTION IND   : N     EFF DATE :
CHANGE NO      :                    INTERFACE TYPE:      NOTE PAD : N
DOCUMENT IND   :(A)
DOCUMENT ID    :(B)
DOCUMENT TYPE  :


        CANCELLATION DESCRIPTION
BLOCK >(C)
       >
OF     >
       >
       >
FUNCT >
       >
       >
       >
       >


F1-HELP     F2-SELECT    F3-DELETE    F4-BLK FUNC  F5-NEXT
F7-PR BLK   F8-NX BLK    F9-LINK      F10-SAVE                 F12-PRINT
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Ind	Indicator Table Code indicating what type of document is being cancelled
(B) Document ID	Document Number to be cancelled
(C) Cancellation Description	Description/Reason of cancellation

2.   Press F10-Save. The system will take the cursor to the Document Indicator Field (A).

3.   Press F2-Select in the Document Ind field. The system will take you to Screen 5999 – Table Lookup for Document Indicators. Tab to the indicator associated with the cancellation document.

FIGURE 16-29. SCREEN 5999 - TABLE LOOKUP FOR DOCUMENT INDICATORS

```
PCHL5999 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/24/2015
                              TABLE LOOKUP                          10:24 AM


S   DOCUMENT CANCELLAT        TITLE
------------------------------------------------------------------------------
    BD1                       UNPOST BIDS
    BID                       DELETE BIDS
    BPO                       BPO CANCELLATION
    DVC                       DIRECT VOUCHER CANCELLATION
    ITB                       UNPOST INVITATION TO BID
    ITC                       ITB CANCELLATION RETAINING BID RESPONSES
    IVC                       INVOICE CANCELLATION
    JOB                       JOB TICKET CANCELLATION
    POC                       PURCHASE ORDER/DPO CANCELLATION
    REC                       RECEIVING REPORT CANCELLATION
    REQ                       REQUISITION CANCELLATION
    VCH                       VOUCHER CANCELLATION
```

4.   Press F2-Select to return to Screen 8500.

5.   Press F10-Save to update the cancellation document. The cursor will go to Document ID.

6.   Enter the Document Number of the document to be cancelled. Press F10-Save to save. The system will automatically generate the Change Order ID and populate the Change Number, Interface Type, and Document Type fields.

7.   Tab to the Cancellation Description text block. Input the reason for the cancellation. Press F10-Save twice to save the document.

8.   Post the cancellation by changing the Action Ind to "P" and pressing F10-Save.

Reasons we cannot post cancellations:

- *Requisitions*
  - The requisition is on an ITB, a Bid, or has been awarded to a BPO or Standard PO
- *Blanket Purchase Order*
  - Unposted releases exist
  - Posted Releases exist
    - The BPO can be cancelled, but the system will return a message asking to confirm the cancellation
      - Once the BPO is cancelled, you can continue to pay against the existing releases, but you will not be able to make any changes to those Purchase Orders
- *Purchase Order*
  - There are unposted invoices and/or vouchers that reference the subject purchase order
- *Invoices*
  - A voucher, posted or unposted, exists for the invoice
- *Vouchers*
  - The voucher has already been paid in FAMIS
- *Direct Vouchers*
  - The direct voucher has already been paid in FAMIS

16.6 | Payments (FAMIS Accounting)

In order to record data in FAMIS Accounting, we must use transaction codes. Transaction codes point to pre-defined rules indicating the type of financial activity being recorded. Every entry into FAMIS Accounting must have a transaction code.

In general, determine the type of payment you are making and choose the corresponding document type and prefix. Populate and confirm the transaction code needed for the entry. Below is a list of commonly used document types and transaction codes in FAMIS Accounting.

TABLE 16-9. COMMON DOCUMENT TYPES AND TRANSACTION CODES IN FAMIS ACCOUNTING

Type of Payment Transaction	Transaction Code	Description of Field
PR/RM – Direct Payment	210	Establish a V/P-Direct Expenditure
OT – One Time Payment	210	Establish a V/P-Direct Expenditure

RF – Revolving Fund	210	Establish a V/P-Direct Expenditure
TE/TT – Employee Reimbursement	210	Establish a V/P-Direct Expenditure
TA – Travel Advance	211	Establish a V/P for Advances (Gen TC210)
EP/ER – Encumbrance Payment	215	Establish a V/P – Encumbered Expenditures
JE – Credit Memo	216	Establish a V/P – Credit Memo – Expenditure Abatement
RD/RR – Revenue Refund	217	Establish a V/P Revenue Refund
TX – Tax Refund	234	Establish a V/P – Current Liability with subsidiary

16.6.1 | Direct Payment

1.   In FAMIS Accounting, Link to Screen 4000. Type in the applicable document type and press enter. In this example, we are processing a Direct Payment. The document prefix will be "PR".

The RIMS document prefix for direct payment is "RM". More information on RIMS templates can be found in Section 16.2.2.

FIGURE 16-30. FAMIS ACCOUNTING - SCREEN 4000 – ENTER "PR"

```
FAML4000 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          05/26/2015
LINK TO:                          FINANCIAL PROCESSING                    10:15 AM


PLEASE SELECT DOCUMENT TYPE  : PR
                              JE - JOURNAL ENTRY
                              OT - OTHER ONE-TIME VENDOR PAYMENTS
                              PJ - PAYROLL ADJUSTMENTS
                              PR - DIRECT PAYMENT REQUESTS
                              RA - RIMS REVENUE TRANSFERS/OTHER ALLOCATIONS
                              RD - REVENUE REFUND-RECURRING PYMTS-RIMS
                              RE - RIMS JOURNAL ENTRY
                              RF - REVOLVING FUND REIMBURSEMENT--RIMS
                              RM - DIRECT PAYMENT REQUESTS RIMS
                              RR - REVENUE REFUNDS
                              RT - NON-RIMS REVENUE TRANSFERS/OTHER ALLOCS
                              SU - SURPLUS TRANSFERS
                              TA - TRAVEL ADVANCE
                              TE - EMPLOYEE REIMBURSEMENT-NO ADVANCE
                              TT - TRAVEL AND TRAINING REIMBURSEMENT



F7-PRIOR PG  F8-NEXT PG   F9-LINK
FP01 - ALL AVAILABLE DOC TYPES DISPLAYED, SELECT A DOC TYPE AND PRESS ENTER
```

1. You will now be on Screen 4010 – Document Header.

FIGURE 16-31. SCREEN 4010 – DIRECT PAYMENT DOCUMENT HEADER & DESCRIPTION OF FIELDS

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                         DOCUMENT HEADER                        9:55 AM
                                                        NOTEPAD :  (H)

DOCUMENT CATEGORY         : PR DIRECT PAYMENT REQUESTS
ENTERED BY                :
DOCUMENT NUMBER           : (A)                   INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)    : 04 2015 APRIL   (B)
VENDOR NUMBER / SUFFIX    : (C)                   APPROVAL TYPE    : (D)
VENDOR NAME               :
VENDOR ADDRESS            :


STREET                    :
CITY / STATE / ZIP        :                               COUNTRY:
OT VEN-ADDL NAME          :
BANK NUMBER               :              TREAS NO        :
DUE DATE                  : (E)          SINGLE CHECK    : (F)
DOCUMENT AMOUNT           : (G)          CURRENCY CODE   :
NUMBER OF LINES           :              RESPONSIBLE UNIT :
TRANSACTION CODE HASH     :              TERMS           :
POSTING/EDIT ERRORS       :
F1-HELP      F2-SELECT   F3-DELETE    F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK      F10-SAVE                F12-ADL FCTNS
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Document Number	XXZZ (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Input Period	MMYYYY (Calendar period). System will default to current period but field can be manually changed
(C) Vendor Number/Suffix	See Section 16.2.3 for additional vendor information
(D) Approval Type	Approval code for department
(E) Due Date	MMDDYY
(F) Single Check	"N" always
(G) Document Amount	Total document amount
(H) Notepad	To add a Notepad description, the user must change indicator

	from "N" to "Y"

*Note that required fields may change according to the document type being processed

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

FIGURE 16-32. SCREEN 4250 & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                            OTHER DOCUMENTS                      11:37 AM


DOCUMENT : PRXX15000XXX - 01  INPUT PER : 03 2015   AMT :          X,XXX.00
-------------------------------------------------------------------------------
TRANS CODE        : 210 (A)   ESTABLISH A V/P-DIRECT EXPENDITURES
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                        TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
GL ACCOUNT       :
SUBSIDIARY       :
VENDOR           :
BANK NUMBER      :       TREAS NO:          START/END:
FINANCIAL ERRORS :
F1-HELP    F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT
F7-VIEW DOC          F9-LINK       F10-SAVE
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	The default code for one-time payments is 210. Review the transaction and change the code, if necessary
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Bracket the Vendor Invoice Number with asterisks first, followed by a brief

REQUIRED FIELD*	DESCRIPTION OF FIELD
	description (*e.g.* *3518543* ACCT 8634561 Legal Bulletin)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of expenditure
(G) Grant/Project Details	Enter fields if applicable

*Note that required fields may change according to the document type being processed

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see Section 16.2.1. Enter the details of the transaction. This should include, but is not limited to:

- Vendor Name
- Invoice Number
- Purpose of payment
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

8.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.6.2 | Employee and Travel Reimbursement (No Advance)

See Section 4.8 Employee Travel & Business Expenses for Employee Travel and Business Reimbursement Guidelines.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are processing an employee reimbursement. The document prefix will be "TE". For travel and training reimbursement, use document type "TT".

FIGURE 16-33. SCREEN 4000 – ENTER "TE"

```
FAML4000 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/24/2015
LINK TO:                         FINANCIAL PROCESSING                  10:03 AM



PLEASE SELECT DOCUMENT TYPE  : TE
                             JE - JOURNAL ENTRY
                             OT - OTHER ONE-TIME VENDOR PAYMENTS
                             PJ - PAYROLL ADJUSTMENTS
                             PR - DIRECT PAYMENT REQUESTS
                             RA - RIMS REVENUE TRANSFERS/OTHER ALLOCATIONS
                             RD - REVENUE REFUND-RECURRING PYMTS-RIMS
                             RE - RIMS JOURNAL ENTRY
                             RF - REVOLVING FUND REIMBURSEMENT--RIMS
                             RM - DIRECT PAYMENT REQUESTS RIMS
                             RR - REVENUE REFUNDS
                             RT - NON-RIMS REVENUE TRANSFERS/OTHER ALLOCS
                             SU - SURPLUS TRANSFERS
                             TA - TRAVEL ADVANCE
                             TE - EMPLOYEE REIMBURSEMENT-NO ADVANCE
                             TT - TRAVEL AND TRAINING REIMBURSEMENT




F7-PRIOR PG  F8-NEXT PG   F9-LINK
```

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. TE is a RIMS type document. See Section 16.2.2 for details on how to setup a RIMS template.

FIGURE 16-34. SCREEN 4015 – "TE" EMPLOYEE REIMBURSEMENT & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/22/2015
LINK TO:                         RIMS DOCUMENT HEADER                    11:11 AM
                                                             NOTEPAD : (G)
DOCUMENT TYPE            : TE EMPLOYEE REIMBURSEMENT-NO ADVANCE
RIMS CODE               : (A)
DOCUMENT PREFIX         : (B)      APPR TYPE : (C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)  : 07 2014 JULY           RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  : (D)            START/END DATE:
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                        COUNTRY:
BANK NUMBER             :                   TREAS NO       :
DUE DATE                : (E)               SINGLE CHECK   :
DOCUMENT AMOUNT         : (F)               RELEASE BY     :
NUMBER OF LINES         :                   CURRENCY CODE  :
TRANS CODE HASH         :                   TERMS          :
POSTING/EDIT ERRORS     :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT    F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE               F12-ADL FCTNS
```

Required Field*	Description of Field
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	TEXX (First two digits = "TE"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Vendor Number / Suffix	For reimbursements, the vendor will be the subject employee. See Section 16.2.3 for additional vendor information
(E) Due Date	Payment due date
(F) Document Amount	Total payment amount
(G) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

*Note that these fields will be populated if you choose to copy a previous RIMS template

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-35. SCREEN 4255 – "TE" EMPLOYEE REIMBURSEMENT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 01       POST PERIOD :       AMOUNT              XXX.XX
-----------------------------------------------------------------------
TRANS CODE      : 210 (A)  ESTABLISH A V/P-DIRECT EXPENDITURES
DOCUMENT REF    : (B)
TRANS DESC.     : (C)
TRANS AMOUNT    : (D)                  TRANS NET AMT :
INDEX CODE      : (E)
SUB-OBJECT      : (F)
USER CD         :
GRANT           : (G)
GRANT DETAIL    : (G)
PROJECT         : (G)
PROJECT DETAIL  : (G)
VENDOR NO/NAME  :
GL ACCOUNT      :              SUBSIDIARY :
BANK NUMBER     :              TREAS NO   :
FINANCIAL ERRORS :
F1-HELP    F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT    F6-BASIC
F7-VIEW DOC          F9-LINK    F10-SAVE              F12-PARTIAL
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	The default code for employee reimbursement is 210. Review the transaction and change the code, if necessary
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the reimbursement
(D) Trans Amount	Reimbursement amount
(E) Index Code	Index Code representing the cost center

(F) Sub-object	Sub-object of expenditure
(G) Grant/Project Details	Enter fields if applicable

TABLE 16-10. SUB-OBJECTS TO USE FOR EMPLOYEE & TRAVEL REIMBURSEMENT

SUB-OBJECT CODE AND DESCRIPTION	USES
02103 - AIR TRAVEL - EMPLOYEES	Reimbursement for airfare paid by employees
02104 - AIR TRAVEL - NON-EMPLOYEES	Airfare paid by the City
02105 - NON-AIR TRAVEL - EMPLOYEES	Reimbursement for lodging, ground transportation, per diem, *etc.* during out-of-town business trips paid by employees. Out-of-town conference and training registration should be categorized as training cost using 02201.
02106 - NON-AIR TRAVEL - NON-EMPLOYEES	Lodging *etc.* paid by the City
02201 - TRAINING COSTS PAID TO EMPLOYEES	Reimbursement for training and conference registration paid by employees, regardless if the training/conference is local or out of town. Auto mileage related to local training should be categorized as Auto Mileage using 02301
02202 - TRAINING COSTS PAID TO VENDORS	Training and conference registration fee paid by the City
02301 - AUTO MILEAGE	Auto mileage incurred during local (within 9 counties of the SF Bay Area) business trip. Auto mileage related to local training should be categorized as Auto Mileage using 02301.
02302 - LOCAL FIELD EXP	Local business expenses including parking, toll, bus fare, *etc.*

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see Section 16.2.1. Enter the details of the transaction. This should include, but is not limited to:

- Employee name
- Purpose of reimbursement
- Date and Location
- Itemized expenses
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

8.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

For travel and training reimbursement, use document type "TT".

16.6.3 | Encumbrance Payment and Retention/Lien Withhold

1.   In FAMIS Accounting, Link to Screen 4000. Type in the applicable document type and press enter. In this example, we are processing an encumbrance payment. The document prefix will be "EP".

FIGURE 16-36. FAMIS ACCOUNTING - SCREEN 4000 - ENTER "EP"

```
FAML4000 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/22/2015
LINK TO:                       FINANCIAL PROCESSING                     1:52 PM


PLEASE SELECT DOCUMENT TYPE  : EP
                             AJ - YEAR-END PROCESSING (NON RIMS-SHELL)
                             BA - TRANSFERS & OTHER ALLOCATIONS
                             BJ - BUDGET PROJECT TRANSFERS
                             BR - BUDGET SUPPLEMENTALS (REVISIONS)
                             BW - WORKORDER BUDGET
                             CC - CANCELLATION OF CHECKS
                             CR - CASH RECEIPTS
                             EN - FAMIS ENCUMBRANCE DOCUMENT
                             EP - ENCUMBRANCE PAYMENT REQUESTS
                             ER - NON-RIMS ENCUMBRANCE PAYMENT REQUESTS
                             GB - GRANT BUDGET TRANSACTION
                             GE - GRANT JOURNAL ENTRY
                             GM - GRANT BUDGET TRANSACTION-RIMS
                             GR - RIMS GRANT JOURNAL ENTRY
                             IS - INTERDEPT'L SERVICES ENCUMBRANCE
```

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. EP is a RIMS type document. See Section 16.2.2 for details on how to setup a RIMS template. Screen 4015 will appear as follows:

FIGURE 16-37. SCREEN 4015 – ENCUMBRANCE PAYMENT & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/22/2015
LINK TO:                       RIMS DOCUMENT HEADER                    11:11 AM
                                                             NOTEPAD : (F)
DOCUMENT TYPE           : EP ENCUMBRANCE PAYMENT REQUESTS
RIMS CODE               : (A)
DOCUMENT PREFIX         : (B)     APPR TYPE : (C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE          RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  : (D)             START/END DATE:
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                              COUNTRY:
BANK NUMBER             :                 TREAS NO      :
DUE DATE                :                 SINGLE CHECK  :
DOCUMENT AMOUNT         : (E)             RELEASE BY    :
NUMBER OF LINES         :                 CURRENCY CODE :
TRANS CODE HASH         :                 TERMS         :
POSTING/EDIT ERRORS     :
F1-HELP     F2-SELECT   F3-DELETE   F4-PRIOR   F5-NEXT   F6-DTL ENTRY
F7-VIEW DOC F8-SUBMIT   F9-LINK     F10-SAVE             F12-ADL FCTNS
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user
(B) Document Prefix	EPXX (First two digits = EP; 3rd and 4th digits = Dept Code)
(C) Approval Type	Approval code for department : "LO", "01" or "40"
(D) Vendor Number / Suffix	For encumbrance payments, the vendor will be the same vendor as the original encumbrance document. Be sure to confirm that the addresses on the vendor. See Section 16.2.3 for additional vendor information
(E) Document Amount	Total document amount
(D) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-38. SCREEN 4255 - RIMS DETAIL DOCUMENT FOR ENCUMBRANCE PAYMENT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/22/2015
LINK TO:                        RIMS DETAIL DOCUMENT                   2:05 PM

RIMS CODE     : RIMS TITLE
RIMS SUFFIX   : 1        POST PERIOD :       AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 215 (A)    ESTABLISH A V/P-ENCUMBERED EXPENDITURES
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :
SUB-OBJECT      :
USER CD         :
GRANT           :
GRANT DETAIL    :
PROJECT         :
PROJECT DETAIL  :
VENDOR NO/NAME  :
GL ACCOUNT      :              SUBSIDIARY :
BANK NUMBER     :              TREAS NO   :
FINANCIAL ERRORS :
F1-HELP     F2-SELECT     F3-DELETE    F4-PRIOR    F5-NEXT     F6-BASIC
F7-VIEW DOC             F9-LINK    F10-SAVE              F12-PARTIAL
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	The default code for encumbrance payments is 215. Review the transaction and change the code, if necessary
(B) Document Ref	Encumbrance Document Number
(C) Trans Desc.	Description of the transaction (payment)
(D) Trans Amount	Transaction Amount

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you require additional transactions such as retention withholding or escrow payments, be sure to enter additional lines with the corresponding transaction codes.

FIGURE 16-39. SCREEN 4255 - ADDITIONAL ENCUMBRANCE TRANSACTIONS & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                  10:41 AM


RIMS CODE     : RIMS TITLE
RIMS SUFFIX   : 2       POST PERIOD :          AMOUNT
-----------------------------------------------------------------------------
TRANS CODE         : 226 (A)   ESTABLISH A RETAINAGE PAYABLE FROM ENCUMB
DOCUMENT REF       :(B)
TRANS DESC.        :(C)
TRANS AMOUNT       :(D)                   TRANS NET AMT :
INDEX CODE         :
SUB-OBJECT         :
USER CD            :
GRANT              :
GRANT DETAIL       :
PROJECT            :
PROJECT DETAIL     :
VENDOR NO/NAME     :
GL ACCOUNT         :            SUBSIDIARY :
BANK NUMBER        :            TREAS NO   :
FINANCIAL ERRORS :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT      F6-BASIC
F7-VIEW DOC               F9-LINK    F10-SAVE                  F12-PARTIAL
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	Code will need to be changed according to the specific transaction (*e.g.* T/C 226 for retention, T/C 229 for lien, *etc.*)
(B) Document Ref	Encumbrance Document Number
(C) Trans Desc.	Description of the transaction (payment)
(D) Trans Amount	Transaction Amount

5.   If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see Section 16.2.1. Enter the details of the transaction. This should include, but is not limited to:

- Invoice Numbers (if applicable)
- Vendor Name

- Amounts Paid/Retained
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.6.4 | Credit Memo

See Section _ - Credit Memorandum for additional information regarding credit memorandums.

1. In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are adjusting an incorrect transaction code for a revolving fund. The document prefix will be "JE". You will now be on Screen 4010 – Document Header

FIGURE 16-40. SCREEN 4010 – DOCUMENT HEADER, CREDIT MEMORANDUM

```
FAML4010 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         05/26/2015
LINK TO:                          DOCUMENT HEADER                          9:55 AM
                                                           NOTEPAD : (E)
DOCUMENT CATEGORY          : JE JOURNAL ENTRY
ENTERED BY                 :
DOCUMENT NUMBER            : (A)                    INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)     : 04 2015 APRIL   (B)
VENDOR NUMBER / SUFFIX     :                        APPROVAL TYPE    : (C)
VENDOR NAME                :
VENDOR ADDRESS             :


STREET                     :
CITY / STATE / ZIP         :                                  COUNTRY:
OT VEN-ADDL NAME           :
BANK NUMBER                :               TREAS NO          :
DUE DATE                   :               SINGLE CHECK      :
DOCUMENT AMOUNT            : (D)           CURRENCY CODE     :
NUMBER OF LINES            :               RESPONSIBLE UNIT  :
TRANSACTION CODE HASH      :               TERMS             :
POSTING/EDIT ERRORS        :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE                F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	JEXX (First two digits = "JE"; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Input Period	MMYYY (Calendar period). System will default to current period but field can be manually changed
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Document Amount	Total document amount
(E) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-11. SCREEN 4250 - TRANSACTION CODE DETAILS FOR SALES TAX ACCRUAL

TRANSACTION CODES	DEBIT GL	CREDIT GL
216 – Establish a V/P-Credit Memo – Expenditure Abatement	201	431

FIGURE 16-41. SCREEN 4250 - SALES TAX ACCRUAL ENTRY & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       05/26/2015
LINK TO:                          OTHER DOCUMENTS                     10:30 AM


DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :         XX,XXX.00
------------------------------------------------------------------------
TRANS CODE        : 216 (A)  ADJUSTMENT TO INCREASE EXPENDITURE ACCOUNT
DOCUMENT REF      :(B)
TRANS DESC.       :(C) *XXXXXXXX* RETURN CREDIT ACCT
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :         TREAS NO:        START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	216 – Establish a V/P-Credit Memo – Expenditure Abatement
(B) Document Ref	Enter the voucher number or document number of the original payment
(C) Trans Desc.	Bracket the credit memorandum number in a pair of asterisks (*) and follow with a brief description of the credit memorandum
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code
(F) Sub-object	Sub-object of expenditure
(F) Grant/Project Details	Enter fields if applicable

4. If you have no more lines to input, press Pause/Break to return to the document header screen

5. To access the Notepad, see Section 16.2.1. Enter the details of the transaction. This should include, but is not limited to:

- Credit memo numbers
- Reason/Details of the transaction

Refer to department and Controller guidelines for additional information.

6. Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

- Once the journal entry is posted, the system will create a negative voucher. When the check writer runs the next check for this vendor, it will reduce the total amount of the check City-wide by the negative voucher amount.

16.6.5 | Revenue Refund

1. In FAMIS Accounting, Link to Screen 4000. Type in the applicable document type and press enter. In this example, we are processing a Direct Payment. The document prefix will be "RR". You will now be on Screen 4010 – Document Header.

FIGURE 16-42. SCREEN 4010 – DIRECT PAYMENT DOCUMENT HEADER & DESCRIPTION OF FIELDS

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                          DOCUMENT HEADER                       9:55 AM
                                                          NOTEPAD : (H)

DOCUMENT CATEGORY       : RR REVENUE REFUNDS
ENTERED BY              :
DOCUMENT NUMBER         :(A)                     INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)  : 04 2015 APRIL   (B)
VENDOR NUMBER / SUFFIX  :                        APPROVAL TYPE    : (C)
VENDOR NAME             :(D)
VENDOR ADDRESS          :(D)


STREET                  :(D)
CITY / STATE / ZIP      :(D)                                        COUNTRY:
OT VEN-ADDL NAME        :
BANK NUMBER             :                        TREAS NO         :
DUE DATE                :(E)                     SINGLE CHECK     :(F)
DOCUMENT AMOUNT         :(G)                     CURRENCY CODE    :
NUMBER OF LINES         :                        RESPONSIBLE UNIT :
TRANSACTION CODE HASH   :                        TERMS            :
POSTING/EDIT ERRORS     :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	XXZZ (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Input Period	MMYYYY (Calendar period). System will default to current period but field can be manually changed
(C) Approval Type	Approval code for department
(D) Vendor Name/Address	Manually enter the vendor name and address
(E) Due Date	MMDDYY
(F) Single Check	"N" always
(G) Document Amount	Total document amount
(H) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-12. SCREEN 4250 - TRANSACTION CODE DETAILS FOR REVENUE REFUND

TRANSACTION CODES	DEBIT GL	CREDIT GL
217 – Establish a V/P Revenue Refund	411	201

FIGURE 16-43. SCREEN 4250 - REVENUE REFUND ENTRY & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                          OTHER DOCUMENTS                      10:30 AM

DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :          XX,XXX.00
--------------------------------------------------------------------------
TRANS CODE        : 217 (A)  ESTABLISH A V/P REVENUE REFUND
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                         TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :
USER CD           :
GRANT             :(F)
GRANT DETAIL      :(F)
PROJECT           :(F)
PROJECT DETAIL    :(F)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :(G)
BANK NUMBER       :          TREAS NO:        START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	217 – Establish a V/P Revenue Refund
(B) Document Ref	Enter the voucher number or document number of the original payment
(C) Trans Desc.	Bracket the credit memorandum number in a pair of asterisks (*) and follow with a brief description of the credit memorandum
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code
(F) Sub-object	Sub-object of expenditure
(F) Grant/Project Details	Enter fields if applicable

4.   If you have no more lines to input, press Pause/Break to return to the document header screen

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Credit memo numbers
- Reason/Details of the transaction

Refer to department and Controller guidelines for additional information.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

- Once the journal entry is posted, the system will create a negative voucher. When the check writer runs the next check for this vendor, it will reduce the total amount of the check City-wide by the negative voucher amount.

16.7 | Travel Advance

16.7.1 | Issuance of a Travel Advance

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are issuing a travel advance. The document type will be "TA".

FIGURE 16-44. SCREEN 4000 – ENTER "TA"

```
FAML4000 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      FINANCIAL PROCESSING                     2:55 PM


PLEASE SELECT DOCUMENT TYPE  : TA
                              JE - JOURNAL ENTRY
                              OT - OTHER ONE-TIME VENDOR PAYMENTS
                              PJ - PAYROLL ADJUSTMENTS
                              PR - DIRECT PAYMENT REQUESTS
                              RA - RIMS REVENUE TRANSFERS/OTHER ALLOCATIONS
                              RD - REVENUE REFUND-RECURRING PYMTS-RIMS
                              RE - RIMS JOURNAL ENTRY
                              RF - REVOLVING FUND REIMBURSEMENT--RIMS
                              RM - DIRECT PAYMENT REQUESTS RIMS
                              RR - REVENUE REFUNDS
                              RT - NON-RIMS REVENUE TRANSFERS/OTHER ALLOCS
                              SU - SURPLUS TRANSFERS
                              TA - TRAVEL ADVANCE
                              TE - EMPLOYEE REIMBURSEMENT-NO ADVANCE
                              TT - TRAVEL AND TRAINING REIMBURSEMENT
```

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. TA is a RIMS type document. See *Section 16.2.2* for details on how to setup a RIMS template.

FIGURE 16-45. SCREEN 4015 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/22/2015
LINK TO:                         RIMS DOCUMENT HEADER                     11:11 AM
                                                           NOTEPAD : (G)
DOCUMENT TYPE          : TA TRAVEL ADVANCE
RIMS CODE              : (A)
DOCUMENT PREFIX        : (B)     APPR TYPE : (C)
ENTERED BY             :
INPUT PERIOD (MM YYYY) : 07 2015 JULY           RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX : (D)             START/END DATE:
VENDOR NAME            :
VENDOR ADDRESS         :


STREET                 :
CITY / STATE / ZIP     :                                    COUNTRY:
BANK NUMBER            :               TREAS NO       :
DUE DATE               : (E)           SINGLE CHECK   :
DOCUMENT AMOUNT        : (F)           RELEASE BY     :
NUMBER OF LINES        :               CURRENCY CODE  :
TRANS CODE HASH        :               TERMS          :
POSTING/EDIT ERRORS    :
F1-HELP      F2-SELECT   F3-DELETE   F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK     F10-SAVE                F12-ADL FCTNS
```

Required Field	Description of Field
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	TAXX (First two digits = "TA"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Vendor Number / Suffix	For advances, the vendor will be the subject employee. See Section 16.2.3 for additional vendor information
(E) Due Date	Payment due date
(F) Document Amount	Total payment amount
(G) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-46. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    11:13 AM

RIMS CODE      : DEPT
RIMS SUFFIX   : 01        POST PERIOD :        AMOUNT                    XXX.XX
-------------------------------------------------------------------------------
TRANS CODE       : 211 (A) ESTABLISH A V/P FOR ADVANCES (GEN T/C 210)
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                        TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :(H)            SUBSIDIARY :(I)
BANK NUMBER      :              TREAS NO   :
FINANCIAL ERRORS :
F1-HELP    F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT    F6-BASIC
F7-VIEW DOC            F9-LINK      F10-SAVE             F12-PARTIAL
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 211** to issue a travel advance
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the advance
(D) Trans Amount	Travel advance amount
(E) Index Code	Index Code representing the cost center

(F) Sub-object	Use **sub-object 02105 – Non-Air Travel - Employees** to issue the advance
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	**The revolving fund GL subsidiary account is 161**
(I) Subsidiary	Subsidiary account of department, *e.g.,* ACZ001 for Airport and ASZ001for Assessor

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Itemized list of expected expenses
- Amount

      Refer to department and Controller guidelines for additional information.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.7.2 | Settlement of Travel Advances

1.   In FAMIS Accounting, link to Screen 4000. The document prefix will be "TA". See Section 16.2.2 for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

16.7.2.1 | SETTLEMENT OF ADVANCE WHEN EXPENSES EQUAL ADVANCE OR TRAVEL ADVANCE IS BEING RETURNED IN FULL

TABLE 16-13. TRANSACTION CODE DETAILS FOR SETTLING TRAVEL ADVANCES WHEN EXPENSES EQUAL ADVANCE OR TRAVEL ADVANCE IS BEING RETURNED IN FULL

TRANSACTION CODES	DEBIT GL	CREDIT GL
440F – Liquidate Travel Advance	433	161

FIGURE 16-47. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                     RIMS DETAIL DOCUMENT                        11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX  : 01        POST PERIOD :          AMOUNT                    XXX.XX
-------------------------------------------------------------------------------
TRANS CODE       : 440F  (A) LIQUIDATE TRAVEL ADVANCE (CAN BE USED WITH TC 720 O
DOCUMENT REF  : (B)
TRANS DESC.      : (C)
TRANS AMOUNT    : (D)                       TRANS NET AMT :
INDEX CODE       :
SUB-OBJECT       :
USER CD          :
GRANT            :
GRANT DETAIL     :
PROJECT          :
PROJECT DETAIL   :
VENDOR NO/NAME   :
GL ACCOUNT       :              SUBSIDIARY :
BANK NUMBER      :              TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 440F** to liquidate the travel advance
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the advance

(D) Trans Amount	If expenses equal advance or the advance is being returned in full, the transaction amount should equal to the original travel advance amount

2. Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3. To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Itemized list of expected expenses
- Amount

    Refer to department and Controller guidelines for additional information.

4. Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.7.2.2 | SETTLEMENT OF ADVANCE WHEN EXPENSES ARE LESS THAN TRAVEL ADVANCE

When expenses are less than the travel advance, the advance will be liquidated in two steps:
(1) Refund of the excess amount through a cash receipt entry ("CR"); and (2) Liquidation of the remaining travel advance through a "TA" entry.

For Step 1, the employee must repay the difference between the total expenses and advance by issuing a check to the City. A CR Cash Receipt entry should be entered to record the amount returned by the employee.

TABLE 16-14. SCREEN 4255 – TRANSACTION CODE DETAILS FOR SETTLEMENT OF ADVANCE WHEN EXPENSES ARE LESS THAN TRAVEL ADVANCE

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
720 – Expense Less than Advance – Refund of Expenditure	433	161

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. For Step One, the document type will be "CR".

FIGURE 16-48. SCREEN 4000 "CR" DOCUMENT TYPE & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                       RIMS DOCUMENT HEADER                        8:40AM
                                                          NOTEPAD :

DOCUMENT TYPE          : CR CASH RECEIPTS
RIMS CODE              :(A)
DOCUMENT PREFIX        :(B)      APPR TYPE :(C)
ENTERED BY             :
INPUT PERIOD (MM YYYY) : 06 2015 JUNE           RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX :               START/END DATE:(D)
VENDOR NAME            :
VENDOR ADDRESS         :



STREET                 :
CITY / STATE / ZIP     :                                       COUNTRY:
BANK NUMBER            :(E)              TREAS NO          :(F)
DUE DATE               :(G)              SINGLE CHECK      :
DOCUMENT AMOUNT        :(H)              RELEASE BY        :
NUMBER OF LINES        :                 CURRENCY CODE     :
TRANS CODE HASH        :                 TERMS             :
POSTING/EDIT ERRORS    :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	CRXX (First two digits = "CR"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department : "LO", "01" or "40"
(D) Start/End Date	Effective period for the RIMS Code. Start Date should be current date
(E) Bank Number	Treasurer depository account number
(F) Treas. No.	Deposit slip number

| (G) Due Date | Date the CR entry is processed |
| (H) Document Amount | Total document amount |

FIGURE 16-49. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPOSIT CASH RECEIPTS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                         RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01       POST PERIOD :       AMOUNT
----------------------------------------------------------------------------
TRANS CODE        : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                       SUBSIDIARY :
BANK NUMBER     :(E)                       TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number

FIGURE 16-50. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – REFUND TRAVEL ADVANCE EXPENDITURE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                         RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :         AMOUNT
-------------------------------------------------------------------------------
TRANS CODE      : 720 (A) EXPENSE LESS THAN ADVANCE-- REFUND OF EXPENDITURE
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE      :
SUB-OBJECT      :
USER CD         :
GRANT           :
GRANT DETAIL    :
PROJECT         :
PROJECT DETAIL  :
VENDOR NO/NAME  :
GL ACCOUNT      :                      SUBSIDIARY :
BANK NUMBER      :(E)                   TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 720** to reduce the travel advance
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction amount should equal the amount received from the employee
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Itemized list of expected expenses
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

For Step 2, process a liquidation entry using document type "TA".

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. For Step Two, the document type will be "TA". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-51. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 01      POST PERIOD :       AMOUNT                      XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 440F (A) LIQUIDATE TRAVEL ADVANCE (CAN BE USED WITH TC 720 O
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :              SUBSIDIARY :
BANK NUMBER       :              TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 440F** to liquidate the travel advance
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the advance
(D) Trans Amount	Amount should equal the balance of the travel advance (original travel advance less amount refunded by employee)

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Itemized list of expected expenses
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.7.2.3 | SETTLEMENT OF ADVANCE WHEN EXPENSES ARE MORE THAN TRAVEL ADVANCE

When expenses are more than the travel advance, the employee will be paid the difference if such expenses are properly documented and approved. Transaction code 250F will also generate TC 440F, which will fully liquidate the referenced travel advance. The document type will be "TA".

TABLE 16-15. TRANSACTION CODE DETAILS FOR SETTLEMENT OF ADVANCE WHEN EXPENSES ARE MORE THAN TRAVEL ADVANCE

TRANSACTION CODES	DEBIT GL	CREDIT GL
250F – Establish a V/P – Expense Greater Than Advance	431	201

FIGURE 16-52. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                     11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 01       POST PERIOD :        AMOUNT                       XXX.XX
--------------------------------------------------------------------------------
TRANS CODE        : 250F (A) ESTABLISH A V/P--EXPENSE GREATER THAN ADVANCE
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                SUBSIDIARY :
BANK NUMBER       :                TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 250F** to establish a voucher payable for the excess expenses over the original advance
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the advance
(D) Trans Amount	Transaction amount will be amount of excess expenses over the travel advance

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

• Description of entry

- Itemized list of expected expenses
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.7.3 | Corrections and Adjustments for Travel Advance Entries

The following situations require direct adjustment of the revolving fund account or additional correcting entry referencing the revolving fund account:

- Advance liquidation entry posted before cash receipts
- Wrong transaction code used but error caught immediately
- Wrong transaction code used and liquidation entry posted

16.7.3.1 | ADVANCE LIQUIDATION ENTRY POSTED BEFORE CASH RECEIPTS

A travel advance may be over liquidated due to failure to post a cash receipt entry for amount refunded by employee ahead of the accompanying liquidating journal entry which is then inadvertently posted for the original amount of the travel advance. When this situation occurs, the travel advance document as shown on FAMIS Screen 6051 will reflect the over liquidation as a negative balance under GL 161.

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "TA". See Section 16.2.2 for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-16. TRANSACTION CODE DETAILS FOR ADJUST LIQUIDATION ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
441 – Increase an Advance (No VCHR Generated – for correction of TC 440 misuse)	161	433

FIGURE 16-53. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                         RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 01        POST PERIOD :       AMOUNT                 XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 441 (A) INCREASE AN ADVANCE (NO VCHR GENERATED--FOR CORRECT
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                SUBSIDIARY :
BANK NUMBER       :                TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 441** to increase the travel advance without generating a voucher
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the advance
(D) Trans Amount	Transaction amount should equal the negative balance of the travel advance

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry

- Itemized list of expected expenses
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.7.3.2 | WRONG TRANSACTION CODE USED BUT ERROR CAUGHT IMMEDIATELY

A travel advance may not be fully liquidated due to an incorrect transaction to record amount refunded (TC 716 instead of TC 720, which only records a decrease to expenditure account but does not reduce the travel advance account GL 161). If the error is caught immediately, the incorrect entry can be reversed with TC 716R and the travel advance can be liquidated with the proper transaction codes TC 720 and TC 440F.

16.7.3.3 | WRONG TRANSACTION CODE USED AND LIQUIDATION ENTRY POSTED

A travel advance may not be fully liquidated due to an incorrect transaction to record amount refunded (TC 716 instead of TC 720, which only records a decrease to expenditure account but does not reduce the travel advance account GL 161). When the accompanying liquidation journal entry is posted for the difference between the amount refunded by the employee and the original amount of advance, the travel advance document as shown on FAMIS Screen 6051 will reflect a remaining balance equal to the incorrectly posted cash receipt.

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "TA". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-17. TRANSACTION CODE DETAILS FOR SETTLING TRAVEL ADVANCES WHEN WRONG TRANSACTION CODE IS USED AND LIQUIDATION POSTED

TRANSACTION CODES	DEBIT GL	CREDIT GL
440F – Liquidate Travel Advance	433	161

FIGURE 16-54. SCREEN 4255 – "TA" TRAVEL ADVANCE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                      11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX   : 01        POST PERIOD :        AMOUNT                      XXX.XX
------------------------------------------------------------------------------
TRANS CODE        : 440F (A) LIQUIDATE TRAVEL ADVANCE (CAN BE USED WITH TC 720 O
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                  SUBSIDIARY :
BANK NUMBER       :                  TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 440F** to liquidate the travel advance
(B) Document Ref	Use the original travel advance document number, including suffix
(C) Trans Desc.	Description of the advance
(D) Trans Amount	Transaction amount should equal the balance of the travel advance as shown in GL 161

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Itemized list of expected expenses

- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.8 | Sales Tax Accrual

1.   To initiate a sales tax accrual in FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. For sales tax accruals, use either "JE" (non-RIMS) or "RE" (RIMS) for journal entry.   We will use "JE" for this example.

FIGURE 16-55. FAMIS ACCOUNTING – SCREEN 4010 – SALES TAX ACCRUALS & DESCRIPTION OF FIELDS

```
FAML4010 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      05/26/2015
LINK TO:                          DOCUMENT HEADER                       9:55 AM
                                                           NOTEPAD : (E)
DOCUMENT CATEGORY      : JE JOURNAL ENTRY
ENTERED BY             :
DOCUMENT NUMBER        : (A)                      INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY) : 04 2015 APRIL   (B)
VENDOR NUMBER / SUFFIX :                          APPROVAL TYPE    : (C)
VENDOR NAME            :
VENDOR ADDRESS         :


STREET                 :
CITY / STATE / ZIP     :                                      COUNTRY:
OT VEN-ADDL NAME       :
BANK NUMBER            :                  TREAS NO       :
DUE DATE               :                  SINGLE CHECK   :
DOCUMENT AMOUNT        : (D)              CURRENCY CODE  :
NUMBER OF LINES        :                  RESPONSIBLE UNIT :
TRANSACTION CODE HASH  :                  TERMS          :
POSTING/EDIT ERRORS    :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE                 F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	JEXX (First two digits = "JE"; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Input Period	MMYYYY (Calendar period). System will default to current period but field can be manually changed
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Document Amount	Total document amount
(E) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-18. SCREEN 4250 - TRANSACTION CODE DETAILS FOR SALES TAX ACCRUAL

TRANSACTION CODES	DEBIT GL	CREDIT GL
405 – Adjustment to Increase Expenditure Account	431	101
404 – Adj. to Credit GL Accounting with Subsidiary (For GL211, 216,219)	101	000004

FIGURE 16-56. LINE 1 – SCREEN 4250 - INCREASE SALES TAX EXPENDITURES & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                          OTHER DOCUMENTS                       10:30 AM


DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :          XX,XXX.00
-------------------------------------------------------------------------------
TRANS CODE        : 405 (A)  ADJUSTMENT TO INCREASE EXPENDITURE ACCOUNT
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :
USER CD           :
GRANT             :(F)
GRANT DETAIL      :(F)
PROJECT           :(F)
PROJECT DETAIL    :(F)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	405 – Adjustment to Increase Expenditure Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (sales tax accrual)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center to record sales tax as expenditure
(F) Grant/Project Details	Enter fields if applicable

FIGURE 16-57. LINE 2 – SCREEN 4250 - RECORD SALES TAX OR USE TAX LAIBILITY IN THE AGENCY FUND (FOR DISBURSEMENT TO THE STATE) & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          05/26/2015
LINK TO:                            OTHER DOCUMENTS                        10:30 AM


DOCUMENT : JEXXYY000XXX - 02  INPUT PER : 04 2015   AMT :          XX,XXX.00
--------------------------------------------------------------------------------
TRANS CODE        : 404 (A)  Adj. to Credit GL Accounting with Subsidiary (For G
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                       TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :
USER CD           :
GRANT             :(F)
GRANT DETAIL      :(F)
PROJECT           :(F)
PROJECT DETAIL    :(F)
GL ACCOUNT        : 219 (G)
SUBSIDIARY        : COZ017 (H)
VENDOR            :
BANK NUMBER       :         TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	404 – Adj. to Credit GL Accounting with Subsidiary (For GL211, 216,219)
(B) Document Ref	Document number subject to accrual, such as direct payment, encumbrance or voucher payment, *etc.*
(C) Trans Desc.	Description of the transaction (adjustment for an erroneous transaction code)
(D) Trans Amount	Transaction Amount
(E) Index Code	Department-specific index code under Agency Fund 7ASTATAX in the format XXX7ASTATAX, the first 3 characters representing the department code. This is the unique index code to identify the department accruing the sales tax or use tax in the Agency Fund

REQUIRED FIELD	DESCRIPTION OF FIELD
(F) Grant/Project Details	Enter fields if applicable
(G) GL Account	GL Account – See (H) Subsidiary
(H) Subsidiary	Subsidiary Code to use is **219-COZ017**. Use of a common code simplifies the recording of the sales tax/use tax liability, as well as the disbursement of accrued amounts to the BOE. The balance in the 7ASTATAX is remitted monthly by wire transfer and summarized in a quarterly report to the BOE

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of sales tax accrual
- Amount of accrual

    Refer to department and Controller guidelines for additional information.

6.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9 | Work Orders

16.9.1 | Work Order Budget (Increase) – Requesting Department

1.   To establish or increase a work order budget as the requesting department in FAMIS Accounting, link to Screen 4000. Use either "JE", "RE" (RIMS) or "BA" if the appropriation is funded from the same character or same project; otherwise, use "SU" if transaction qualifies as a surplus transfer. We will use "BA" for this example.

FIGURE 16-58. FAMIS ACCOUNTING – SCREEN 4010 – WORK ORDER BUDGET BY REQUESTING DEPARTMENT - DESCRIPTION OF FIELDS

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/25/2015
LINK TO:                           DOCUMENT HEADER                    10:34 AM
                                                          NOTEPAD : (F)
DOCUMENT CATEGORY        : BA TRANSFERS & OTHER ALLOCATIONS
ENTERED BY               :
DOCUMENT NUMBER          : (A)                    INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)   : 06 2015 JUNE
VENDOR NUMBER / SUFFIX   :                        APPROVAL TYPE    : (B)
VENDOR NAME              :
VENDOR ADDRESS           :


STREET                   :
CITY / STATE / ZIP       :                                   COUNTRY:
OT VEN-ADDL NAME         :
BANK NUMBER              :             TREAS NO        :
DUE DATE                 :             SINGLE CHECK    :
DOCUMENT AMOUNT          : (C)         CURRENCY CODE   :
NUMBER OF LINES          : (D)         RESPONSIBLE UNIT :
TRANSACTION CODE HASH    : (E)         TERMS           :
POSTING/EDIT ERRORS      :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Document Number	XXZZ (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Approval Type	Approval code for department; "LO", "01", or "40"
(C) Document Amount	Total document amount
(D) Number of Lines	Number of lines in document
(E) Transaction Code Hash	Total of all transaction codes
(F) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-19. SCREEN 4250 - TRANSACTION CODE DETAILS FOR BUDGET ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
072 - Other Increase to Allotted Expenditure Appn	49B	423
	399	379
073 - Other Decrease to Allotted Expenditure Appn	423	49B
	379	399

FIGURE 16-59. LINE 1– SCREEN 4250 – WORK ORDER BUDGET & DESCRIPTION OF FIELDS

```
FAML4250 V5.1           CITY AND COUNTY OF SAN FRANCISCO--NFAMIS     06/26/2015
LINK TO:                          OTHER DOCUMENTS                      10:30 AM

DOCUMENT : BAXXYY000XXX - 01  INPUT PER : 06 2015   AMT :          XX,XXX.00
-------------------------------------------------------------------------------
TRANS CODE        : 072 (A)   OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                   TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
GL ACCOUNT       :
SUBSIDIARY       :
VENDOR           :
BANK NUMBER      :          TREAS NO:        START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 072** to create work order budget under character 081
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center
(F) Sub-object	081XX ("XX" = 2-character department identifier of performing department).
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-60. LINE 2– SCREEN 4250 – WORK ORDER BUDGET & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         06/26/2015
LINK TO:                          OTHER DOCUMENTS                          10:30 AM


DOCUMENT : BAXXYY000XXX - 02  INPUT PER : 06 2015   AMT :          XX,XXX.00
------------------------------------------------------------------------------
TRANS CODE      : 073 (A)  OTHER DECREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                        TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :           TREAS NO:            START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 073** to decrease appropriation of the funding source
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center
(F) Sub-object	Sub-object of funding source
(G) Grant/Project Details	Enter fields if applicable

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Amount

Refer to department and Controller guidelines for additional information.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.2 | Work Order Budget (Decrease) – Requesting Department

1.   To decrease a work order budget as the requesting department in FAMIS Accounting, link to Screen 4000. Use either "JE", "RE" (RIMS) or "BA" if the appropriation is funded from the same character or same project; otherwise, use "SU" if transaction qualifies as a surplus transfer. We will use "BA" for this example.

FIGURE 16-61. LINE 1– SCREEN 4250 – WORK ORDER BUDGET & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        OTHER DOCUMENTS                       10:30 AM


DOCUMENT : BAXXYY000XXX - 01  INPUT PER : 06 2015   AMT :          XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE        : 073 (A)   OTHER DECREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :           TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 073** to decrease work order budget under character 081
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center
(F) Sub-object	081XX ("XX" = 2-character department identifier of performing department).
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-62. LINE 2– SCREEN 4250 – WORK ORDER BUDGET & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                         OTHER DOCUMENTS                       10:30 AM


DOCUMENT : BAXXYY000XXX - 02  INPUT PER : 06 2015   AMT :          XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE        : 072 (A)   OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF    : (B)
TRANS DESC.     : (C)
TRANS AMOUNT    : (D)                        TRANS NET AMT :
INDEX CODE      : (E)
SUB-OBJECT      : (F)
USER CD         :
GRANT           : (G)
GRANT DETAIL    : (G)
PROJECT         : (G)
PROJECT DETAIL  : (G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :           TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 072** to increase appropriation
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of increased appropriation
(F) Sub-object	Sub-object of increased appropriation
(G) Grant/Project Details	Enter fields if applicable

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.3 | Work Order Budget (Increase) – Performing Department

1.   For new or additional work orders received or modifications to existing work orders after the budget process, use a "BW" document to setup the budget. In FAMIS Accounting, link to Screen 4000. The document type will be "BW". When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-20. SCREEN 4250 - TRANSACTION CODE DETAILS FOR BUDGET ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
072 - Other Increase to Allotted Expenditure Appn	49B 399	423 379
074 - Other Increase to Performing Dept Interdept'l recovery Appn	423 379	49B 399
*061 – Other Increase to Estimated Revenue	403 381	49B 399

*Note that TC 061 may be used instead of using TC 074 to record an increase in estimated revenue. This alternative is only used when services are charged above cost, and is primarily used in enterprise funds for charges of services. Interdepartmental services in this case are not expenditures but revenues to the performing department.

FIGURE 16-63. LINE 1– SCREEN 4250 – WORK ORDER BUDGET (PERFORMING DEPT.) & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                          OTHER DOCUMENTS                     10:30 AM


DOCUMENT : BWXXYY000XXX - 01  INPUT PER : 06 2015   AMT :         XX,XXX.00
-----------------------------------------------------------------------
TRANS CODE        : 072 (A)   OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                       TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :          TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 072** to create expenditure appropriation
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center
(F) Sub-object	Sub-object of expenditure appropriation
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-64. LINE 2– SCREEN 4250 – WORK ORDER BUDGET (PERFORMING DEPT.) & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                          OTHER DOCUMENTS                        10:30 AM


DOCUMENT : BWXXYY000XXX - 02  INPUT PER : 06 2015   AMT :        XX,XXX.00
-----------------------------------------------------------------------
TRANS CODE        : 074 (A)   OTHER INCREASE TO PERFORMING DEPT INTERDEPT'L RECOV
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :           TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code*	Use **TC 074** to create or increase performing department work order recovery appropriation.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.1
(F) Sub-object	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.1
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.1

*See note on TC 061 below Table 16-20 at beginning of this section. Use TC 061 and revenue sub-object if budget is set up as revenue

2. Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3. To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

4. Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.4 | Work Order Budget (Decrease) – Performing Department

1. For work order adjustments such as decreases or cancellations, it is important to adjust the appropriation accordingly in addition to the encumbrances. To decrease budget, use a "BW" document. In FAMIS Accounting, link to Screen 4000. Document type will be "BW". When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-21. SCREEN 4250 - TRANSACTION CODE DETAILS FOR BUDGET ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
073 – Other Decrease to Allotted Expenditure Appn.	423 379	49B 399
075 - Other Decrease to Performing Dept Interdept'l Recovery Appn	49B 399	423 379
*062 – Other Decrease to Estimated Revenue	49B 399	403 381

*See Section 16.9.3 regarding using TC 061 to setup estimated revenue. Similarly, TC 062 must be used to decrease estimated revenue if that is how the work order was initially setup.

FIGURE 16-65. LINE 1– SCREEN 4250 – WORK ORDER BUDGET DECREASE (PERFORMING DEPT.) & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        OTHER DOCUMENTS                          10:30 AM


DOCUMENT : BWXXYY000XXX - 01  INPUT PER : 06 2015   AMT :        XX,XXX.00
-------------------------------------------------------------------------
TRANS CODE        : 073 (A)   OTHER DECREASE TO ALLOTTED EXPENDITURE APPN
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                     TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 073** to decrease the funding source
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center
(F) Sub-object	Sub-object of expenditure appropriation
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-66. LINE 2– SCREEN 4250 – WORK ORDER BUDGET DECREASE (PERFORMING DEPT.) & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                         OTHER DOCUMENTS                        10:30 AM


DOCUMENT : BWXXYY000XXX - 02  INPUT PER : 06 2015   AMT :         XX,XXX.00
----------------------------------------------------------------------------
TRANS CODE        : 075 (A)   OTHER DECREASE TO PERFORMING DEPT INTERDEPT'L RECO
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                     TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code*	Use **TC 075** to decrease performing department work order recovery appropriation.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.1
(F) Sub-object*	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.1
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.1

*See note on TC 062 below Table 16-21 at beginning of this section. Use TC 062 and revenue sub-object if budget is setup as revenue

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.5 | Work Order - Manual Encumbrance

1.   In FAMIS Accounting, link to Screen 4000. The document type to establish a manual work order encumbrance will be "IS".

FIGURE 16-67. FAMIS ACCOUNTING – SCREEN 4010 – MANUAL WORK ORDER ENCUMBRANCE

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       05/26/2015
LINK TO:                         DOCUMENT HEADER                        9:55 AM
                                                          NOTEPAD :  (D)
DOCUMENT CATEGORY        : IS INTERDEPT'L SERVICES ENCUMBRANCE
ENTERED BY               :
DOCUMENT NUMBER          : (A)                  INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)   : 06 2015 APRIL
VENDOR NUMBER / SUFFIX   :                      APPROVAL TYPE    : (B)
VENDOR NAME              :
VENDOR ADDRESS           :


STREET                   :
CITY / STATE / ZIP       :                                   COUNTRY:
OT VEN-ADDL NAME         :
BANK NUMBER              :               TREAS NO       :
DUE DATE                 :               SINGLE CHECK   :
DOCUMENT AMOUNT          : (C)           CURRENCY CODE  :
NUMBER OF LINES          :               RESPONSIBLE UNIT :
TRANSACTION CODE HASH    :               TERMS          :
POSTING/EDIT ERRORS      :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT      F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE                  F12-ADL FCTNS
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Document Number	See below
(B) Approval Type	Approval code for department : "LO", "01" or "40"
(C) Document Amount	Encumbrance amount
(D) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

Document Prefix:

WN (non-project), or **WP** (project-related)

- The schematic design of the document number for work orders is:

WNRDYYAPDXXX
or
WPRDYYAPDXXX

WN = Indicates this is a non-project work order or WP = Indicates this is a project related work order
RD = Requesting department alpha identifier
YY = Fiscal year
A = Indicate the type of project using letter "I", "J", or "K"

> I = Recurring services
> J = One time services
> K = Acquisition of fixed assets

PD = Performing department alpha identifier

XXX = Control number assigned by the performing department

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-22. SCREEN 4250 - TRANSACTION CODE DETAILS FOR MANUAL WORK ORDER ENCUMBRANCE

TRANSACTION CODES	DEBIT GL	CREDIT GL
145 - Establish an Interdept'l Type of Encumbrance	470	349

FIGURE 16-68. FAMIS ACCOUNTING – SCREEN 4250 – MANUAL WORK ORDER ENCUMBRANCE - DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                          OTHER DOCUMENTS                     10:30 AM


DOCUMENT : WNRDYYAPDXXX - 01  INPUT PER : 06 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------
TRANS CODE        : 145 (A)   ESTABLISH AN INTERDEPT'L TYPE OF ENCUMBRANCE
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                     TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :        TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 145** to establish the original encumbrance of the work order
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of requesting department's cost center
(F) Sub-object	081XX ("XX" = 2-character department identifier of performing department).
(G) Grant/Project Details	Enter fields if applicable

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Work order document number
- Amount

      Refer to department and Controller guidelines for additional information.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.6 | Work Order - Encumbrance Adjustment – Increase/Decrease

When work order encumbrances are increased, reduced, or cancelled, the appropriation needs to be reduced accordingly.

Performing departments then initiate the entry to modify work order encumbrances using TC 147 (Increase an Interdepartmental Type of Encumbrance) to increase encumbrance of the requesting department's work order budget. The performing department must also use TC 072 to increase appropriation of the funding source and TC 074 to increase the performing department recovery appropriation. See *Section 16.9.3* for details on the budgetary entry.

Performing departments should pair TC 148 (Decrease an Interdepartmental Type of Encumbrance) with TC 073 to decrease the funding source and TC 075 (Other Decrease to Performing Department Interdepartmental Recovery Appropriation) to decrease the expenditure recovery budget. See *Section 16.9.4* for details on the budgetary entry.

1.   In FAMIS Accounting, link to Screen 4000. The document type to adjust an existing work order encumbrance is "IS".

FIGURE 16-69. FAMIS ACCOUNTING – SCREEN 4010 – MANUAL WORK ORDER ENCUMBRANCE

```
FAML4010 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         06/25/2015
LINK TO:                          DOCUMENT HEADER                        1:53 PM
                                                          NOTEPAD : (D)

DOCUMENT CATEGORY       : IS INTERDEPT'L SERVICES ENCUMBRANCE
ENTERED BY              :
DOCUMENT NUMBER         : (A)                    INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)  : 06 2015 AUGUST
VENDOR NUMBER / SUFFIX  :                        APPROVAL TYPE     : (B)
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                    COUNTRY:
OT VEN-ADDL NAME        :
BANK NUMBER             :              TREAS NO          :
DUE DATE                :              SINGLE CHECK      :
DOCUMENT AMOUNT         : (C)          CURRENCY CODE     :
NUMBER OF LINES         :              RESPONSIBLE UNIT  :
TRANSACTION CODE HASH   :              TERMS             :
POSTING/EDIT ERRORS     :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Document Number	WCXX (First two digits = "WC" (Workorder Change); 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Approval Type	Approval code for department : "LO", "01" or "40"
(C) Document Amount	Transaction amount
(D) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-23. SCREEN 4250 - TRANSACTION CODE DETAILS FOR MANUAL WORK ORDER BILLING

TRANSACTION CODES	DEBIT GL	CREDIT GL
147 - Increase Encumbered Interdept'l Svcs Expenditures	470	349
148 – Decrease an Interdept'l Type of Encumbrance	349	470

FIGURE 16-70. FAMIS ACCOUNTING – SCREEN 4250 –WORK ORDER ENCUMBRANCE ADJUSTMENT - DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                          OTHER DOCUMENTS                        10:30 AM

DOCUMENT : WCXXYYXXXXX - 01  INPUT PER : 06 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------------
TRANS CODE         : 147/148  (A)
DOCUMENT REF       :(B)
TRANS DESC.        :(C)
TRANS AMOUNT       :(D)                      TRANS NET AMT :
INDEX CODE         :
SUB-OBJECT         :
USER CD            :
GRANT              :
GRANT DETAIL       :
PROJECT            :
PROJECT DETAIL     :
GL ACCOUNT         :
SUBSIDIARY         :
VENDOR             :
BANK NUMBER        :            TREAS NO:          START/END:
FINANCIAL ERRORS   :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 147** to increase the work order encumbrance; Use **TC 148** to decrease the work order encumbrance
(B) Document Ref	Work order (WK/WN/WP) document number that is being increased/decreased
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of entry
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.7 | Manual Billing – With Encumbrance

1.   To manual bill a work order encumbrance, enter FAMIS Accounting and link to Screen 4000. Use document type **"WS"** (RIMS) or **"WE"** (non-RIMS). Do not use "JE" or "RE" as they do not go to the performing department for approval. We will use "WE" for this example.

FIGURE 16-71. FAMIS ACCOUNTING – SCREEN 4010 – MANUAL WORK ORDER BILLING - DESCRIPTION OF FIELDS

```
FAML4010 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       08/25/2015
LINK TO:                          DOCUMENT HEADER                       1:53 PM
                                                         NOTEPAD : (F)

DOCUMENT CATEGORY       : WE WORKORDER BILLING (NON RIMS SHELL)
ENTERED BY              :
DOCUMENT NUMBER         : (A)                     INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE
VENDOR NUMBER / SUFFIX  :                         APPROVAL TYPE    : (B)
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                        COUNTRY:
OT VEN-ADDL NAME        :
BANK NUMBER             :                 TREAS NO         :
DUE DATE                :                 SINGLE CHECK     :
DOCUMENT AMOUNT         : (C)             CURRENCY CODE    :
NUMBER OF LINES         : (D)             RESPONSIBLE UNIT :
TRANSACTION CODE HASH   : (E)             TERMS            :
POSTING/EDIT ERRORS     :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	WEXX (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Approval Type	Approval code for department; "LO", "01", or "40"
(C) Document Amount	Total document amount
(D) Number of Lines	Number of lines in document
(E) Transaction Code Hash	Total of all transaction codes
(F) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-24. SCREEN 4250 - TRANSACTION CODE DETAILS FOR MANUAL WORK ORDER BILLING

TRANSACTION CODES	DEBIT GL	CREDIT GL
450P/F - Increase Encumbered Interdept'l Svcs Expenditures	431	101
466 - Abatement of Expenditures for Interdept'l Svcs Rendered	101	431
*408 – Adjustment to Increase Revenue Account	101	411

*TC 408 is only used when the performing department work order budget is setup as revenue

FIGURE 16-72. LINE 1– SCREEN 4250 – MANUAL WORK ORDER BILLING & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/26/2015
LINK TO:                        OTHER DOCUMENTS                          10:30 AM

DOCUMENT : WEXXYY000XXX - 01  INPUT PER : 06 2015   AMT :          XX,XXX.00
----------------------------------------------------------------------------
TRANS CODE        : 450P/F (A)   INCREASE ENCUMBERED INTERDEPT'L SVCS EXPENDITUR
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                         TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :          TREAS NO:        START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 450P/F** to charge requesting department. System will automatically generate TC 158P/F to liquidate the work order

REQUIRED FIELD	DESCRIPTION OF FIELD
	encumbrance. Use "P" for partial billing and "F" for final billing. "F" will close out the work order encumbrance, even if there is a remaining balance.
(B) Document Ref	Use the work order (WK/WN/WP) document number. Remaining fields will auto-populate.
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount

FIGURE 16-73. LINE 2 – SCREEN 4250 – MANUAL WORK ORDER BILLING & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        OTHER DOCUMENTS                        10:30 AM


DOCUMENT : WEXXYY000XXX - 02  INPUT PER : 06 2015   AMT :        XX,XXX.00
-------------------------------------------------------------------------
TRANS CODE      : 466 (A)   ABATEMENT OF EXPENDITURES FOR INTERDEPT'L SVCS REN
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                       TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :           TREAS NO:        START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code*	Use **TC 466** to record the performing department's recovery
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.3
(F) Sub-object*	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.3
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.3

*Use TC 408 and revenue sub-object if the performing department work order budget is setup as revenue.

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

5.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of billing
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

*Note that work order billings require supporting documentation from the performing department. Be sure to forward supporting documentation to the approving department as necessary.

16.9.8 | Manual Billing – Direct Billing

1.   For direct billing when there is no work order encumbrance established and the requesting department agrees to have the performing department provide and bill directly for services, use document type **"WS"** (RIMS) or **"WE"** (non-RIMS). Do not use "JE" or "RE" as they do not go to the performing department for approval. We will use "WE" for this example. In FAMIS Accounting, link to

Screen 4000. The document type will be "WE". When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-25. SCREEN 4250 - TRANSACTION CODE DETAILS FOR MANUAL WORK ORDER BILLING WITH NO WORK ORDER ENCUMBRANCE

TRANSACTION CODES	DEBIT GL	CREDIT GL
455 – Increase Direct Interdept'l Svcs Expenditures	431	101
466 - Abatement of Expenditures for Interdept'l Svcs Rendered	101	431
*408 – Adjustment to Increase Revenue Account	101	411

*TC 408 is only used when the performing department work order budget is setup as revenue

FIGURE 16-74. LINE 1– SCREEN 4250 – MANUAL WORK ORDER DIRECT BILLING & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                         OTHER DOCUMENTS                       10:30 AM

DOCUMENT : WEXXYY000XXX - 01  INPUT PER : 06 2015   AMT :          XX,XXX.00
-------------------------------------------------------------------------------
TRANS CODE       : 455 (A)   INCREASE ENCUMBERED INTERDEPT'L SVCS EXPENDITUR
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                   TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
GL ACCOUNT       :
SUBSIDIARY       :
VENDOR           :
BANK NUMBER      :          TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 455** to directly charge requesting department

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of requesting department's cost center as setup in Section 16.9.1
(F) Sub-object	081XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.1
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.1

FIGURE 16-75. LINE 2 – SCREEN 4250 – MANUAL WORK ORDER DIRECT BILLING & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                         OTHER DOCUMENTS                         10:30 AM


DOCUMENT : BWXXYY000XXX - 02  INPUT PER : 06 2015   AMT :        XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE       : 466 (A)   ABATEMENT OF EXPENDITURES FOR INTERDEPT'L SVCS REN
DOCUMENT REF     : (B)
TRANS DESC.      : (C)
TRANS AMOUNT     : (D)                      TRANS NET AMT :
INDEX CODE       : (E)
SUB-OBJECT       : (F)
USER CD          :
GRANT            : (G)
GRANT DETAIL     : (G)
PROJECT          : (G)
PROJECT DETAIL   : (G)
GL ACCOUNT       :
SUBSIDIARY       :
VENDOR           :
BANK NUMBER      :        TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code*	Use **TC 466** to record the performing department's recovery

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.3
(F) Sub-object*	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.3
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.3

*Use TC 408 and the revenue sub-object if the performing department work order budget is setup as revenue.

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of billing
- Work order document number
- Amount

    Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

Note that work order billings require supporting documentation from the performing department. Be sure to forward supporting documentation to the approving department as necessary.

16.9.9 | Work Order Billing Adjustments – Over-Liquidation of Encumbrance

1.   To adjust a work order billing for over-liquidation, enter FAMIS Accounting and link to Screen 4000. Use document type "**WS**" (RIMS) or "**WE**" (non-RIMS). Do not use "JE" or "RE" as they do not go to

the performing department for approval. We will use "WE" for this example. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-26. SCREEN 4250 - TRANSACTION CODE DETAILS FOR BUDGET ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
751 – Reverse Erroneous Increase To All Encumbered Expenditures	101	431
752 – Reversal of Generated Liquidation of an Encumbrance	470	349
465 - Adjustment To Decrease Abatement Of Expend For Interdept'l Svcs Rendered	431	101

FIGURE 16-76. LINE 1– SCREEN 4250 – WORK ORDER BILLING ADJUSTMENT FOR OVER-LIQUIDATION OF ENCUMBRANCE & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                          OTHER DOCUMENTS                      10:30 AM

DOCUMENT : WEXXYY000XXX – 01  INPUT PER : 06 2015   AMT :         XX,XXX.00
--------------------------------------------------------------------------------
TRANS CODE        : 751 (A)   REVERSE ERRONEOUS INCREASE TO ALL ENCUMBERED EXP
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                    TRANS NET AMT :
INDEX CODE       :
SUB-OBJECT       :
USER CD          :
GRANT            :
GRANT DETAIL     :
PROJECT          :
PROJECT DETAIL   :
GL ACCOUNT       :
SUBSIDIARY       :
VENDOR           :
BANK NUMBER      :          TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 751** to reverse actual expenditures

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use work order (WK/WN/WP) document number of incorrectly charged
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount

FIGURE 16-77. LINE 2– SCREEN 4250 – WORK ORDER BILLING ADJUSTMENT FOR OVER-LIQUIDATION OF ENCUMBRANCE & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                          OTHER DOCUMENTS                       10:30 AM


DOCUMENT : WEXXYY000XXX - 02  INPUT PER : 06 2015   AMT :        XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE       : 752 (A)   REVERSAL OF GENERATED LIQUIDATION OF AN ENCUMBRANCE
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                         TRANS NET AMT :
INDEX CODE      :
SUB-OBJECT      :
USER CD         :
GRANT           :
GRANT DETAIL    :
PROJECT         :
PROJECT DETAIL  :
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :        TREAS NO:        START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 752** to reinstate the work order
(B) Document Ref	Use work order (WK/WN/WP) document number of incorrectly charged
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount

FIGURE 16-78. LINE 3– SCREEN 4250 – WORK ORDER BILLING ADJUSTMENT FOR OVER-LIQUIDATION OF ENCUMBRANCE & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        OTHER DOCUMENTS                        10:30 AM


DOCUMENT : WEXXYY000XXX - 03  INPUT PER : 06 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------
TRANS CODE        : 465 (A)   ABATEMENT OF EXPENDITURES FOR INTERDEPT'L SVCS REN
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                         TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :
SUBSIDIARY        :
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 465** to reverse recovery
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.3
(F) Sub-object	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.3

REQUIRED FIELD	DESCRIPTION OF FIELD
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.3

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Description of adjustment
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.10 | Work Order Billing Adjustments – Under-Liquidation of Encumbrance

To adjust for under-liquidation, use **TC 450** to increase encumbered expenditures in the requesting department's account and **TC 466** to increase expenditure recovery in performing departments account. It will use the same transactions as a normal work order billing against an encumbrance, but only for the under-liquidation amount. Refer to *Section 16.9.7* for billings instructions.

16.9.11 | Work Order Billing Adjustments – Decrease Over-billing Without Encumbrance

1.   To decrease an overbilling without an encumbrance, enter FAMIS Accounting and link to Screen 4000. Use document type "**WS**" (RIMS) or "**WE**" (non-RIMS). Do not use "JE" or "RE" as they do not go to the performing department for approval. We will use "WE" for this example. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-27. SCREEN 4250 - TRANSACTION CODE DETAILS FOR BUDGET ENTRY

TRANSACTION CODES	DEBIT GL	CREDIT GL
456 – Adjustment to Decrease Direct Interdept'l Svcs Expenditures	101	431
465 – Adjustment to Decrease Abatement of Expend for Interdept'l Svcs Rendered	431	101

FIGURE 16-79. LINE 1 – SCREEN 4250 – WORK ORDER BILLING ADJUSTMENT TO DECREASE OVERBILLING WITHOUT ENCUMBRANCE & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                        OTHER DOCUMENTS                      10:30 AM


DOCUMENT : WEXXYY000XXX - 01  INPUT PER : 06 2015   AMT :          XX,XXX.00
------------------------------------------------------------------------------
TRANS CODE        : 456 (A)   ADJUSTMENT TO DECREASE DIRECT INTERDEPT'L SVCS E
DOCUMENT REF    : (B)
TRANS DESC.     : (C)
TRANS AMOUNT    : (D)                    TRANS NET AMT :
INDEX CODE      : (E)
SUB-OBJECT      : (F)
USER CD         :
GRANT           : (G)
GRANT DETAIL    : (G)
PROJECT         : (G)
PROJECT DETAIL  : (G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :           TREAS NO:           START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 456** to decrease the billed amount in the requesting department's expenditure account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of requesting department's cost center as setup in Section 16.9.1
(F) Sub-object	081XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.1
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.1

FIGURE 16-80. LINE 2 – SCREEN 4250 – WORK ORDER BILLING ADJUSTMENT TO DECREASE OVERBILLING WITHOUT ENCUMBRANCE & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      OTHER DOCUMENTS                          10:30 AM


DOCUMENT : WEXXYY000XXX - 02  INPUT PER : 06 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------------
TRANS CODE       : 465 (A)  ABATEMENT OF EXPENDITURES FOR INTERDEPT'L SVCS REN
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :
SUBSIDIARY      :
VENDOR          :
BANK NUMBER     :          TREAS NO:        START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 465** to reverse recovery
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Recovery Index Code as setup in Section 16.9.3
(F) Sub-object	086XX ("XX" = 2-character department identifier of performing department) as setup in Section 16.9.3
(G) Grant/Project Details	Enter fields if applicable as setup in Section 16.9.3

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Description of adjustment
- Work order document number
- Amount

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.9.12 | Work Order Billing Adjustments – Increase Billing Without Encumbrance

To increase a billing without an encumbrance, use **TC 455** to increase encumbered expenditures in the requesting department's account and **TC 466** to increase expenditure recovery in the performing department's account. It will use the same transactions as a normal work order billing without an encumbrance, but only for the under-billed amount. Refer to *Section 16.9.8* for billing instructions.

16.10 | Cash Receipts

16.10.1 Cash Receipts – General Entry

1.   In FAMIS Accounting, link to Screen 4000. The document type for recording a cash receipt will be "CR".

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. CR is a RIMS type document. See *Section 16.2.2* for details on how to setup a RIMS template.

FIGURE 16-81. SCREEN 4015 – "CR" CASH RECEIPTS – RIMS HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      07/02/2015
LINK TO:                      RIMS DOCUMENT HEADER                    8:41 AM
                                                         NOTEPAD :

DOCUMENT TYPE           : CR CASH RECEIPTS
RIMS CODE               :(A)
DOCUMENT PREFIX         :(B)      APPR TYPE :(C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE           RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  :              START/END DATE:(D)
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                    COUNTRY:
BANK NUMBER             :(E)                  TREAS NO       :(F)
DUE DATE                :(G)                  SINGLE CHECK   :
DOCUMENT AMOUNT         :(H)                  RELEASE BY     :
NUMBER OF LINES         :                     CURRENCY CODE  :
TRANS CODE HASH         :                     TERMS          :
POSTING/EDIT ERRORS     :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT      F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK      F10-SAVE                  F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Prefix	CRXX (First two digits = "CR"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department : "LO", "01" or "40"
(D) Start/End Date	Effective period for the RIMS Code. Start Date should be current date
(E) Bank Number	Treasurer depository account number
(F) Treas. No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY
(G) Due Date	Date the entry is processed
(H) Document Amount	Total document amount

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-28. SCREEN 4255 - TRANSACTION CODE DETAILS FOR RECORDING CASH RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
700 Series – Cash Receipts/Deposits	N/A	N/A

FIGURE 16-82. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPOSIT CASH RECEIPTS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :        AMOUNT
--------------------------------------------------------------------------------
TRANS CODE        : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                       TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                   SUBSIDIARY :
BANK NUMBER       :(E)                TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-83. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – RECORD REVENUE

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :        AMOUNT
-------------------------------------------------------------------------
TRANS CODE        :(A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :(H)                      SUBSIDIARY :(I)
BANK NUMBER       :                         TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use a 700 series T/C other than 703, as applicable. Commonly used ones include: 712 - Undistributed Cash Receipts 714 - Receipts Applied to Receivables with Subsidiary 716 - Receipts Applied as Abatement/Refund of Expenditures 718 - Receipts Increasing Revenues 724 - Receipts Increasing Deferred Revenues/Liabilities with Subsidiary
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of cash deposit
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.2 | Cash Difference between Point of Sales (POS) and Actual Cash Collected

16.10.2.1 | RECORDING A CASH SHORTAGE BETWEEN POS AND ACTUAL CASH COLLECTED

1.   In FAMIS Accounting, link to Screen 4000. The document type for recording a cash shortage will be "CR".

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. CR is a RIMS type document. See *Section 16.2.2* for details on how to setup a RIMS template.

FIGURE 16-84. SCREEN 4015 – "CR" CASH RECEIPTS – RIMS HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        07/02/2015
LINK TO:                       RIMS DOCUMENT HEADER                    8:41 AM
                                                         NOTEPAD :

DOCUMENT TYPE          : CR CASH RECEIPTS
RIMS CODE              :(A)
DOCUMENT PREFIX        :(B)      APPR TYPE :(C)
ENTERED BY             :
INPUT PERIOD (MM YYYY) : 06 2015 JUNE          RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX :                 START/END DATE:(D)
VENDOR NAME            :
VENDOR ADDRESS         :


STREET                 :
CITY / STATE / ZIP     :                                   COUNTRY:
BANK NUMBER            :(E)              TREAS NO         :(F)
DUE DATE               :(G)              SINGLE CHECK     :
DOCUMENT AMOUNT        :(H)              RELEASE BY       :
NUMBER OF LINES        :                 CURRENCY CODE    :
TRANS CODE HASH        :                 TERMS            :
POSTING/EDIT ERRORS    :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT    F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK      F10-SAVE               F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	CRXX (First two digits = "CR"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department : "LO", "01" or "40"
(D) Start/End Date	Effective period for the RIMS Code. Start Date should be current date
(E) Bank Number	Treasurer depository account number
(F) Treas. No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

REQUIRED FIELD	DESCRIPTION OF FIELD
(G) Due Date	Due date
(H) Document Amount	Total document amount

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-29. SCREEN 4255 - TRANSACTION CODE DETAILS FOR RECORDING CASH SHORTAGE BETWEEN POS & ACTUAL CASH

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
718 – Receipts Increasing Revenues	101	411
718R – Receipts Increasing Revenues (Reversal)	411	101

FIGURE 16-85. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPOSIT CASH RECEIPTS

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         06/23/2015
LINK TO:                       RIMS DETAIL DOCUMENT                       8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 01      POST PERIOD :         AMOUNT
-----------------------------------------------------------------------------
TRANS CODE     : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                       TRANS NET AMT :
INDEX CODE     :
SUB-OBJECT     :
USER CD        :
GRANT          :
GRANT DETAIL   :
PROJECT        :
PROJECT DETAIL :
VENDOR NO/NAME :
GL ACCOUNT     :                          SUBSIDIARY :
BANK NUMBER    :(E)                        TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank (*net of shortage*)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Actual collection amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-86. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – RECORD REVENUE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                         RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02       POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                      TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                      SUBSIDIARY :
BANK NUMBER      :(H)                    TREAS NO   :(I)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to record revenue for total amount that *should* have been collected
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Amount recorded in POS
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number

REQUIRED FIELD	DESCRIPTION OF FIELD
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-87. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 3 – RECORD SHORTAGE IN REVENUE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 03     POST PERIOD :         AMOUNT
------------------------------------------------------------------------
TRANS CODE        : 718R (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                         TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :78905 (F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :                        SUBSIDIARY :
BANK NUMBER       :(H)                      TREAS NO   :(I)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718R** to record revenue for total shortage amount
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Shortage amount (the amount that actual collection is less than POS)
(E) Index Code	Index Code representing the cost center

REQUIRED FIELD	DESCRIPTION OF FIELD
(F) Sub-object	Use **sub-object 78905 – Over/Short Cash Report to Board of Supvs.** to record the shortage
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

5.　　Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.　　To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Amount of cash shortage
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.　　Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.2.2 | RECORDING A CASH OVERAGE BETWEEN POS AND ACTUAL CASH COLLECTED

1.　　In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-30. SCREEN 4255 - TRANSACTION CODE DETAILS FOR RECORDING CASH SHORTAGE BETWEEN POS & ACTUAL CASH

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
718 – Receipts Increasing Revenues	101	411

FIGURE 16-88. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPOSIT CASH RECEIPTS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01        POST PERIOD :           AMOUNT
-------------------------------------------------------------------------------
TRANS CODE      : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :
SUB-OBJECT      :
USER CD         :
GRANT           :
GRANT DETAIL    :
PROJECT         :
PROJECT DETAIL  :
VENDOR NO/NAME  :
GL ACCOUNT      :                         SUBSIDIARY :
BANK NUMBER     :(E)                      TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank *including cash overage*
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (deposit)

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Actual collection amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-89. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – RECORD REVENUE

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 02        POST PERIOD :        AMOUNT
-------------------------------------------------------------------------------
TRANS CODE        : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :                    SUBSIDIARY :
BANK NUMBER       :(H)                  TREAS NO   :(I)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to record revenue for total amount that *should* have been collected
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Amount recorded in POS
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-90. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 3 – RECORD OVERAGE IN REVENUE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 03      POST PERIOD :          AMOUNT
-------------------------------------------------------------------------------
TRANS CODE        : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :78905 (F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :                     SUBSIDIARY :
BANK NUMBER       :(H)                   TREAS NO   :(I)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to record revenue for overage amount
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Overage Amount (the amount that actual collection is more than POS)
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Use subobject **78905 – Over/Short Cash Report to Board of Supvs.** to record the overage
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of cash overage
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.3 | Bank Adjustment for Departments with Individual Depository Accounts

16.10.3.1 | RECORDING A CASH SHORTAGE BETWEEN FAMIS AND BANK (BANK DEPOSIT IS LESS THAN FAMIS AMOUNT)

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-31. SCREEN 4255 - TRANSACTION CODE DETAILS FOR RECORDING CASH SHORTAGE BETWEEN FAMIS & BANK

TRANSACTION CODES	DEBIT GL	CREDIT GL
703R – Cash Receipts Dep Thru The Treasurer or Bank Accounts w/o Bank Activity Update (Reversal)	199999	000003
718R – Receipts Increasing Revenues (Reversal)	411	101
714R – Receipts Applied to Receivables with Subsidiary (Reversal)	000004	101
716R – Receipts Applied as Abatement/Refund of Expenditures (Reversal)	431	101

FIGURE 16-91. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – CLEAR SHORTAGE DISCREPANCY

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                       8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 01       POST PERIOD :        AMOUNT
--------------------------------------------------------------------------
TRANS CODE         : 703R (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                    SUBSIDIARY :
BANK NUMBER       :(E)                 TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703R** to decrease cash receipt entry deposit for the discrepancy amount
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Shortage amount (the amount that Bank is less than FAMIS)
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-92. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – CLEAR SHORTAGE DISCREPANCY

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                    RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :         AMOUNT
-----------------------------------------------------------------------
TRANS CODE         : 718R/714R/716R (A)
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :(H)                      SUBSIDIARY :(I)
BANK NUMBER     :(J)                      TREAS NO   :(K)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718R** if the original deposit was to increase revenue. Use **TC 714R** if the original deposit was to clear receivable. Use **TC 716R** if the original deposit was to abate expenditure
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Shortage amount (the amount that Bank is less than FAMIS)
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue or expenditure depending on the original CR entry (Not required for TC 714R)
(G) Grant/Project Details	Enter fields if applicable

REQUIRED FIELD	DESCRIPTION OF FIELD
(H) GL Account	Only applicable for TC 714R. Use GL Account of receivable
(I) Subsidiary	Only applicable for TC 714R. Use subsidiary of receivable
(J) Bank Number	Treasurer depository account number
(K) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of shortage
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.3.2 | RECORDING A CASH OVERAGE BETWEEN FAMIS AND BANK (FAMIS AMOUNT IS MORE THAN BANK DEPOSIT AMOUNT)

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-32. SCREEN 4255 - TRANSACTION CODE DETAILS FOR RECORDING CASH OVERAGE BETWEEN FAMIS & BANK

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru The Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
718 – Receipts Increasing Revenues	101	411
714 – Receipts Applied to Receivables with Subsidiary	101	000004
716 – Receipts Applied as Abatement/Refund of Expenditures	101	431

FIGURE 16-93. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – CLEAR OVERAGE DISCREPANCY

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX  : 01       POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE        : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                       SUBSIDIARY :
BANK NUMBER       :(E)                     TREAS NO   :(F)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** to increase cash receipt entry deposit for the discrepancy

REQUIRED FIELD	DESCRIPTION OF FIELD
	amount
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (deposit)
(D) Trans Amount	Overage amount (the amount that Bank is more than FAMIS)
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-94. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – CLEAR OVERAGE DISCREPANCY

```
FAML4255 V5.1      CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                    RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02      POST PERIOD :         AMOUNT
--------------------------------------------------------------------------------
TRANS CODE        : 718/714/716 (A)
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                     TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :(H)                     SUBSIDIARY :(I)
BANK NUMBER     :(J)                     TREAS NO   :(K)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** if the original deposit was to increase revenue. Use **TC 714** if the original deposit was to clear receivable. Use **TC 716** if the original deposit was to abate expenditure
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Overage amount (the amount that Bank is more than FAMIS)
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue or expenditure depending on the original CR entry (Not required for TC 714R)
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Only applicable for TC 714R. Use GL Account of receivables (125)
(I) Subsidiary	Only applicable for TC 714R. Use subsidiary of receivable
(J) Bank Number	Treasurer depository account number
(K) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of overage
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.4 | Bank Adjustment for Departments Using City's Main Depository Account

16.10.4.1 | CR ENTRY BY TREASURER FOR SHORTAGE/OVERAGE BETWEEN FAMIS AND BANK

- Treasurer will record any shortage/overage adjustments by the bank in a special index code for each department through a CR Entry

- Treasurer will then e-mail a copy of the CR entry and the supporting document to the department

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-33. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR SHORTAGE/OVERAGE

TRANSACTION CODES	DEBIT GL	CREDIT GL
704 – To Reduce a Deposit (Shortage Adj. by Bank)	411	101
718 – Receipts Increasing Revenues	101	411

FIGURE 16-95. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – TREASURER CR ENTRY FOR SHORTAGE/OVERAGE

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :          AMOUNT
------------------------------------------------------------------------------
TRANS CODE        :(A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                       SUBSIDIARY :
BANK NUMBER       :(G)                     TREAS NO   :(H)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 704** to reduce revenue. Use **TC 718** to increase revenue.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	XXXRECADJ ("XXX" = 3-character department identifier). This index code is designated for bank adjustment (shortage/overage) for departments using the City's main depository account
(F) Sub-object	**78901- Overage (Shortage) Cash Receipts**
(G) Bank Number	Treasurer depository account number
(H) Treas No.	Deposit slip number; for electronic deposits or credit card collections:

REQUIRED FIELD	DESCRIPTION OF FIELD
	MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of shortage or overage
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.4.2 | CR ENTRY BY DEPARTMENT FOR SHORTAGE/OVERAGE BETWEEN FAMIS AND BANK

- It is the Department's responsibility to reverse the charge in Index Code XXXRECADJ and apply the charge to the correct cost center

- Department should investigate the shortage/overage and prevent it from occurring again

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-34. SCREEN 4255 - TRANSACTION CODE DETAILS FOR DEPARTMENT'S CR ENTRY FOR SHORTAGE/OVERAGE

TRANSACTION CODES	DEBIT GL	CREDIT GL
408 – Adjustment to Increase Revenue Account	101	411
407 – Adjustment to Decrease Revenue Account	411	101
400 Series Transaction Codes	N/A	N/A

FIGURE 16-96. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPARTMENT'S CR ENTRY FOR SHORTAGE/OVERAGE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :          AMOUNT
-------------------------------------------------------------------------------
TRANS CODE        :(A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                       SUBSIDIARY :
BANK NUMBER       :(G)                     TREAS NO   :(H)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 408** to reverse a shortage. Use **TC 407** to reverse an overage.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	XXXRECADJ ("XXX" = 3-character department identifier). This index code is designated for bank adjustment (shortage/overage) for departments using the City's main depository account
(F) Sub-object	**Sub-object 78901- Overage (Shortage) Cash Receipts**
(G) Bank Number	Treasurer depository account number
(H) Treas No.	Deposit slip number; for electronic deposits or credit card collections:

REQUIRED FIELD	DESCRIPTION OF FIELD
	MMDDYYYY

FIGURE 16-97. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – DEPARTMENT'S CR ENTRY FOR SHORTAGE/OVERAGE

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                  8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :        AMOUNT
-------------------------------------------------------------------------
TRANS CODE        :(A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :(H)                    SUBSIDIARY :(I)
BANK NUMBER       :                       TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use another **400 series transaction code** as applicable to charge to appropriate index code and actual sub-object affected
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center

REQUIRED FIELD	DESCRIPTION OF FIELD
(F) Sub-object	Sub-object of revenue or expenditure depending on the original CR entry
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Enter GL Account if required by transaction code
(I) Subsidiary	Enter subsidiary if required by transaction code

2. Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3. To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of shortage/overage
- Reason for shortage/overage
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

4. Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.5 | Unidentified Cash Receipts for Departments Using City's Main Depository Account

16.10.5.1 | CR ENTRY BY TREASURER FOR UNIDENTIFIED RECEIPTS

- Treasurer will record wire and ACH receipts as Unidentified Cash Receipts in a special index code for each department through a CR entry

1. In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-35. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 - Cash Receipts Dep Thru The Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
712 – Undistributed Cash Receipts	101	248

FIGURE 16-98. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – TREASURER CR ENTRY FOR SHORTAGE/OVERAGE

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX  : 01        POST PERIOD :          AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                    TRANS NET AMT :
INDEX CODE       :
SUB-OBJECT       :
USER CD          :
GRANT            :
GRANT DETAIL     :
PROJECT          :
PROJECT DETAIL   :
VENDOR NO/NAME   :
GL ACCOUNT       :                       SUBSIDIARY :
BANK NUMBER      :(E)                     TREAS NO  :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** to record the receipt which is deposited directly through the Treasurer
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-99. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – TREASURER CR ENTRY FOR SHORTAGE/OVERAGE

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE        :712  (A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                    SUBSIDIARY :
BANK NUMBER       :(F)                  TREAS NO   :(G)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 712** to increase Cash and increase the liability account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	XXXUNIDENT ("XXX" = 3-character department identifier). This index code is designated for unidentified receipts
(F) Bank Number	Treasurer depository account number
(G) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of unidentified receipt
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.5.2 | CR ENTRY BY DEPARTMENTS FOR UNIDENTIFIED RECEIPTS

- It is the Department's responsibility to find the outstanding unidentified receipts recorded by the Treasurer, determine what the receipts are for, and apply the receipts to the correct cost center through appropriate journal entries

- Unidentified receipts must be cleared within 15 calendar days. All unidentified receipts must be cleared out by fiscal year-end so that you do not understate your total actual revenues

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-36. SCREEN 4255 - TRANSACTION CODE DETAILS FOR DEPARTMENT'S CR ENTRY FOR SHORTAGE/OVERAGE

TRANSACTION CODES	DEBIT GL	CREDIT GL
401 – Adjustment to Decrease Unidentified Receipts	248	101
400 Series Transaction Codes	N/A	N/A

FIGURE 16-100. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 1 – DEPARTMENT'S CR ENTRY FOR UNIDENTIFIED RECEIPTS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 01        POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE        : 401 (A) ADJUSTMENT TO DECREASE UNIDENTIFIED RECEIPTS
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                    SUBSIDIARY :
BANK NUMBER       :                    TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 401** to reverse the unidentified receipts
(B) Document Ref	Use the Cash Receipt document number of entry posted by Treasurer

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction amount

FIGURE 16-101. SCREEN 4255 – "CR" CASH RECEIPTS – LINE 2 – DEPARTMENT'S CR ENTRY FOR UNIDENTIFIED RECEIPTS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                         8:40 AM


RIMS CODE    : TITLE - RIMS CODE
RIMS SUFFIX  : 02       POST PERIOD :          AMOUNT
-----------------------------------------------------------------------------
TRANS CODE      :(A)
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                       TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :(H)                       SUBSIDIARY :(I)
BANK NUMBER     :                          TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use another **400 series transaction code** as applicable to charge to appropriate index code and actual sub-object affected
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue or expenditure depending on nature of the receipt
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Enter GL Account if required by transaction code
(I) Subsidiary	Enter subsidiary if required by transaction code

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of shortage/overage
- Reason for shortage/overage
- Any other relevant/applicable information

   Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.6 | Credit Card Fees

- Departments with credit card accounts have monthly credit card fees deducted directly from their bank accounts

- The credit card fees may be netted against daily cash deposit on the bank statement. Do not record the "net" amount

- Monthly, to reconcile bank statement amount and CR entry amount, record the daily CR in full and process a separate journal entry to record the credit card fee

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-37. SCREEN 4255 - TRANSACTION CODE DETAILS FOR CREDIT CARD FEES

TRANSACTION CODES	DEBIT GL	CREDIT GL
321 – Record Credit Card Fee Charge Directly Thru Bank Account	431	101

FIGURE 16-102. SCREEN 4255 – "CR" CASH RECEIPTS – CREDIT CARD FEES

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS     06/23/2015
LINK TO:                    RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX  : 01       POST PERIOD :       AMOUNT
--------------------------------------------------------------------------
TRANS CODE        : 321 (A) RECORD CREDIT CARD FEE CHARGE DIRECTLY THRU BA
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                    TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :02827   10 (H) BANK OF AMERICA NA
GL ACCOUNT      :                      SUBSIDIARY :
BANK NUMBER     :(I)                    TREAS NO   :(J)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 321** to record the credit card fee
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Use **sub-object 03595 – credit card processing fees**
(G) Grant/Project Details	Enter fields if applicable
(H) Vendor Number/Suffix	Use **Vendor Number 02827 Suffix 10 (Bank of America).** See Section 16.2.3 for additional vendor information
(I) Bank Number	Treasurer depository account number
(J) Treas No	Use the statement date that the fees were assessed: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of credit card fees
- Month that fees were assessed
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.7 | NSF for Departments using City's Main Depository Account

For information on Non-sufficient Fund (NSF) Checks, see *Section 8.3.2.*

16.10.7.1 | CR ENTRY BY TREASURER FOR NSF CHECKS

- For checks returned by the bank due to Non Sufficient Funds (NSF), the Treasurer will charge the amount to the department, along with a bank fee (normally $50), through an NS entry

- Treasurer will then e-mail a copy of the NS entry and the NSF check to the department

1. In FAMIS Accounting, link to Screen 4000. The document type will be "NS". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-38. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER NS ENTRY FOR NSF CHECKS WHEN DEPT. IS USING CITY'S MAIN DEPOSITORY ACCOUNT

TRANSACTION CODES	DEBIT GL	CREDIT GL
702 – Record NSF Checks	411 199999	101 000003
407 – Adjustment to Decrease Revenue Account	411	101
408 – Adjustment to Increase Revenue Account	101	411

FIGURE 16-103. SCREEN 4255 – "NS" NSF CHECKS – LINE 1 — TREASURER ENTRY

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                       RIMS DETAIL DOCUMENT                       8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :         AMOUNT
--------------------------------------------------------------------------
TRANS CODE        :702  (A) RECORD  NSF CHECKS
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                      SUBSIDIARY :
BANK NUMBER       :(G)                    TREAS NO    :(H)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 702** to reduce revenue for the amount of the returned check
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	Use **Sub-object 78902 – NSF Checks**
(G) Bank Number	Treasurer depository account number
(H) Treas No.	Date the bank posted the returned item: MMDDYYYY

FIGURE 16-104. SCREEN 4255 – "NS" NSF CHECKS – LINE 2 — TREASURER ENTRY

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                       RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 02        POST PERIOD :          AMOUNT
--------------------------------------------------------------------------------
TRANS CODE       : 407 (A) ADJUSTMENT TO DECREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                      TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                      SUBSIDIARY :
BANK NUMBER      :                      TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 407** to reduce revenue for the amount of the NSF fee
(B) Document Ref	Use field according to your department requirements.
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	$50 NSF Fee
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	Use **Sub-object 78902 – NSF Checks**
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-105. SCREEN 4255 – "NS" NSF CHECKS – LINE 3 — TREASURER ENTRY

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                        8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 03       POST PERIOD :        AMOUNT
-----------------------------------------------------------------------
TRANS CODE       : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                      TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                         SUBSIDIARY :
BANK NUMBER      :                         TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 408** to increase revenue for TTX for NSF Fee
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	$50 NSF Fee
(E) Index Code	Index Code representing the TTX cost center
(F) Sub-object	Use Sub-object 78902 – NSF Checks
(G) Grant/Project Details	Enter fields if applicable

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of credit card fees
- Month that fees were assessed
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.7.2 | CR ENTRY BY DEPARTMENTS FOR NSF CHECKS

- It is the department's responsibility to reverse the revenue reductions in Index Code XXXNSF and charge them to the correct cost center

- Department should then follow up with the payer to obtain payment again, along with the $50 NSF fee, and apply it to the department cost center in a timely manner

- Department may restrict or eliminate check acceptance from customers who are "repeat NSF offenders"

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "RA". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

TABLE 16-39. SCREEN 4255 - TRANSACTION CODE DETAILS FOR DEPT. CR ENTRY FOR NSF CHECKS WHEN DEPT. IS USING CITY'S MAIN DEPOSITORY ACCOUNT

TRANSACTION CODES	DEBIT GL	CREDIT GL
408 – Adjustment to Increase Revenue Account	101	411
400 Series Transaction Codes	N/A	N/A
700 Series Transaction Codes	N/A	N/A

FIGURE 16-106. SCREEN 4255 – "RA" NSF CHECKS – LINE 1 — DEPARTMENT'S ENTRY

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                   RIMS DETAIL DOCUMENT                       8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                     TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                        SUBSIDIARY :
BANK NUMBER      :                        TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 408** to reverse the charges to the NSF index code
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	Use **Sub-object 78902 – NSF Checks**
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-107. SCREEN 4015 – "RA" NSF CHECKS – LINE 2 — DEPARTMENT'S ENTRY

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/23/2015
LINK TO:                     RIMS DETAIL DOCUMENT                        8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02      POST PERIOD :       AMOUNT
-----------------------------------------------------------------------
TRANS CODE        :(A)
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :(H)                    SUBSIDIARY :(I)
BANK NUMBER       :                       TREAS NO   :
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use another **400 series transaction code** as applicable to charge to appropriate index code and actual sub-object affected
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue or expenditure depending on the original CR entry
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Enter GL Account if required by transaction code
(I) Subsidiary	Enter subsidiary if required by transaction code

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of NSF
- Month that fees were assessed
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting

When the replacement check is collected:

1.   FAMIS Accounting, link to Screen 4000. The document type will be "RA". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document

FIGURE 16-108. SCREEN 4255 – "RA" NSF CHECKS – LINE 1 — DEPARTMENT'S ENTRY ONCE CHECK IS COLLECTED

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :        AMOUNT
-----------------------------------------------------------------------
TRANS CODE       : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                      TRANS NET AMT :
INDEX CODE       :
SUB-OBJECT       :
USER CD          :
GRANT            :
GRANT DETAIL     :
PROJECT          :
PROJECT DETAIL   :
VENDOR NO/NAME   :
GL ACCOUNT       :                      SUBSIDIARY :
BANK NUMBER      :(E)                   TREAS NO   :(F)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank (including $50.00 NSF fee)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction amount
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-109. SCREEN 4015 – "RA" NSF CHECKS – LINE 2 — DEPARTMENT'S ENTRY ONCE CHECK IS COLLECTED

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 02        POST PERIOD :         AMOUNT
------------------------------------------------------------------------------
TRANS CODE         :(A)
DOCUMENT REF       :(B)
TRANS DESC.        :(C)
TRANS AMOUNT       :(D)                       TRANS NET AMT :
INDEX CODE         :(E)
SUB-OBJECT         :(F)
USER CD            :
GRANT              :(G)
GRANT DETAIL       :(G)
PROJECT            :(G)
PROJECT DETAIL     :(G)
VENDOR NO/NAME     :
GL ACCOUNT         :(H)                        SUBSIDIARY :(I)
BANK NUMBER        :(I)                        TREAS NO   :(J)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use another **700 series transaction code** as applicable to charge to appropriate index code
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Enter GL Account if required by transaction code

REQUIRED FIELD	DESCRIPTION OF FIELD
(I) Subsidiary	Enter subsidiary if required by transaction code
(J) Bank Number	Treasurer depository account number if required by transaction code
(K) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY; if required by transaction code

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Amount of replacement check
- Month that fees were assessed
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting

16.10.8 | NSF for Departments with Individual Depository Account

For information on Non-sufficient Fund (NSF) Check, see *Section 8.3.2.*

- Department should check the online banking record daily for checks returned by the bank due to Non-sufficient Funds ("NSF").

- Department should then follow up with the payer to obtain payment again, along with an NSF fee of $50.00, in a timely manner

- Department may restrict or eliminate check acceptance from customers who are "repeat NSF offenders"

16.10.8.1 | ENTRY WHEN ORIGINAL DEPOSIT WAS TIED TO ACCOUNTS RECEIVABLE

- If the NSF check is tied to an accounts receivable transaction (e.g., a returned check for a property tax payment affects the property tax bill sent out by TTX (TTX receivable)), the receivable would need to be reinstated in the City's financial system.

When the check is returned:

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "NS". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-40. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
702 – Record NSF Checks	411 199999	101 000003
408 – Adjustment to Increase Revenue Account	101	411
423 – Adjustment to Increase Receivables with Subsidiary (Except Grants/Subvention)	000004	101

FIGURE 16-110. SCREEN 4255 – "NS" NSF CHECKS – LINE 1 – NSF ENTRY WHEN TIED TO A/R

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         06/23/2015
LINK TO:                       RIMS DETAIL DOCUMENT                        8:40 AM


RIMS CODE      : TITLE – RIMS CODE
RIMS SUFFIX    : 01      POST PERIOD :          AMOUNT
------------------------------------------------------------------------------
TRANS CODE        :702  (A) RECORD  NSF CHECKS
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                         SUBSIDIARY :
BANK NUMBER       :(G)                       TREAS NO   :(H)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 702** to record the returned item into the department's NSF Index Code
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	**Sub-object 78902 – NSF Checks** is embedded in the NS Document type
(G) Bank Number	Treasurer depository account number
(H) Treas No.	Date the bank posted the returned item: MMDDYYYY

FIGURE 16-111. SCREEN 4255 – "NS" NSF CHECKS – LINE 2 – NSF ENTRY WHEN TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02       POST PERIOD :        AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                     TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                        SUBSIDIARY :
BANK NUMBER      :                        TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 408** to reverse the NSF index code
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	Use **Sub-object 78902 – NSF Checks**
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-112. SCREEN 4255 – "NS" NSF CHECKS – LINE 3 – NSF ENTRY WHEN TIED TO A/R

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/23/2015
LINK TO:                         RIMS DETAIL DOCUMENT                        8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX    : 03       POST PERIOD :          AMOUNT
--------------------------------------------------------------------------------
TRANS CODE      :423 (A) ADJUSTMENT TO INCREASE RECEIVABLES WITH SUBSIDIARY
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                         TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :(H)                         SUBSIDIARY :(I)
BANK NUMBER     :                            TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 423** to reinstate the receivable
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object if applicable
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Use same GL account as the original receivable to reinstate the amount
(I) Subsidiary	Use same subsidiary as the original receivable to reinstate the amount

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of NSF Check
- Payee and Check number
- Invoice/Permit #
- Date
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

When the replacement check is collected:

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-41. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
714 – Receipts Applied to Receivables with Subsidiary	101	000004
718 – Receipts Increasing Revenues	101	411

FIGURE 16-113. SCREEN 4255 – "CR" NSF CHECKS – LINE 1 – NSF ENTRY (AFTER REPLACEMENT CHECK) WHEN TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01       POST PERIOD :         AMOUNT
-----------------------------------------------------------------------
TRANS CODE        : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                     TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                  SUBSIDIARY :
BANK NUMBER       :(E)                TREAS NO   :(F)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank (including $50.00 NSF fee)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Repayment Amount (NSF Check Amount and $50 NSF Fee)
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-114. SCREEN 4255 – "CR" NSF CHECKS – LINE 2 – NSF ENTRY (AFTER REPLACEMENT CHECK) WHEN TIED TO A/R

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                        8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02        POST PERIOD :          AMOUNT
-------------------------------------------------------------------------------
TRANS CODE       : 714 (A) RECEIPTS APPLIED TO RECEIVABLES WITH SUBSIDIARY
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                     TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :
USER CD          :
GRANT            :(F)
GRANT DETAIL     :(F)
PROJECT          :(F)
PROJECT DETAIL   :(F)
VENDOR NO/NAME   :
GL ACCOUNT       :(G)                     SUBSIDIARY :(H)
BANK NUMBER      :(I)                     TREAS NO   :(J)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 714** to clear the receivable
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	Index Code representing the cost center
(F) Grant/Project Details	Enter fields if applicable
(G) GL Account	GL Account of receivable
(H) Subsidiary	Subsidiary of receivable

REQUIRED FIELD	DESCRIPTION OF FIELD
(I) Bank Number	Treasurer depository account number
(J) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-115. SCREEN 4255 – "CR" NSF CHECKS – LINE 3 – NSF ENTRY (AFTER REPLACEMENT CHECK) WHEN TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 03       POST PERIOD :        AMOUNT
-------------------------------------------------------------------------------
TRANS CODE        : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                     TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
VENDOR NO/NAME    :
GL ACCOUNT        :                        SUBSIDARY :
BANK NUMBER       :(H)                      TREAS NO    :(I)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to record the additional miscellaneous revenue ($50.00 NSF Fee)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	$50 NSF Fee
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of NSF Check
- Payee and Check number
- Invoice/Permit #
- Date
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.10.8.2 | ENTRY WHEN ORIGINAL DEPOSIT WAS NOT TIED TO ACCOUNTS RECEIVABLE

When the check is returned:

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "NS". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-42. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER NS ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
702 – Record NSF Checks	411 199999	101 000003

FIGURE 16-116. SCREEN 4255 – "NS" NSF CHECKS – NSF ENTRY WHEN NOT TIED TO A/R

```
FAML4255 V5.1       CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                    RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :       AMOUNT
-----------------------------------------------------------------------------
TRANS CODE        :702  (A)  RECORD  NSF CHECKS
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                    SUBSIDIARY :
BANK NUMBER       :(G)                  TREAS NO   :(H)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 702** to record the returned item into the department's NSF Index Code
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount

REQUIRED FIELD	DESCRIPTION OF FIELD
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	**Sub-object 78902 – NSF Checks** is embedded in the NS Document type
(G) Bank Number	Treasurer depository account number
(H) Treas No.	Date the bank posted the returned item: MMDDYYYY

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of NSF Check
- Payee and Check number
- Invoice/Permit #
- Date
- Any other relevant/applicable information

     Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

When the replacement check is collected:

 1.   In FAMIS Accounting, link to Screen 4000. The document type will be "CR". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-43. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
703 – Cash Receipts Dep Thru the Treasurer or Bank Accounts w/o Bank Activity Update	000003	199999
718 – Receipts Increasing Revenues	101	411

FIGURE 16-117. SCREEN 4255 – "CR" NSF CHECKS – LINE 1 – NSF ENTRY (AFTER REPLACEMENT CHECK) – NOT TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :         AMOUNT
----------------------------------------------------------------------------
TRANS CODE        : 703 (A) CASH RECEIPTS DEP THRU THE TREASURER OR BANK ACC
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :
SUB-OBJECT        :
USER CD           :
GRANT             :
GRANT DETAIL      :
PROJECT           :
PROJECT DETAIL    :
VENDOR NO/NAME    :
GL ACCOUNT        :                  SUBSIDIARY :
BANK NUMBER       :(E)               TREAS NO   :(F)
FINANCIAL ERRORS  :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 703** for deposit to bank (including $50.00 NSF fee)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Repayment Amount (NSF Check Amount and $50 NSF Fee)
(E) Bank Number	Treasurer depository account number
(F) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-118. SCREEN 4255 – "CR" NSF CHECKS – LINE 2 – NSF ENTRY (AFTER REPLACEMENT CHECK) – NOT TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/23/2015
LINK TO:                     RIMS DETAIL DOCUMENT                      8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02      POST PERIOD :        AMOUNT
------------------------------------------------------------------------------
TRANS CODE       : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                    TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :                     SUBSIDIARY :
BANK NUMBER      :(H)                   TREAS NO   :(I)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to reverse the NSF
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	NSF Check Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	**Sub-object 78902 – NSF Checks**
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

FIGURE 16-119. SCREEN 4255 – "CR" NSF CHECKS – LINE 3 – NSF ENTRY (AFTER REPLACEMENT CHECK) – NOT TIED TO A/R

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE    : TITLE - RIMS CODE
RIMS SUFFIX  : 03       POST PERIOD :         AMOUNT
------------------------------------------------------------------------------
TRANS CODE      : 718 (A) RECEIPTS INCREASING REVENUES
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :                         SUBSIDIARY :
BANK NUMBER     :(H)                      TREAS NO   :(I)
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 718** to record the additional miscellaneous revenue ($50.00 NSF Fee)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	$50 NSF Fee
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of revenue
(G) Grant/Project Details	Enter fields if applicable
(H) Bank Number	Treasurer depository account number
(I) Treas No.	Deposit slip number; for electronic deposits or credit card collections: MMDDYYYY

2.	Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.	To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of check
- Payee and Check number
- Invoice/Permit #
- Date
- Any other relevant/applicable information

	Refer to department and Controller guidelines for additional information.

4.	Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

When the check is determined to be uncollectible:

1.   In FAMIS Accounting, link to Screen 4000. The document type will be "RA". See *Section 16.2.2* for details on how to setup a RIMS template. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

TABLE 16-44. SCREEN 4255 - TRANSACTION CODE DETAILS FOR TREASURER CR ENTRY FOR UNIDENTIFIED RECEIPTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
408 – Adjustment to Increase Revenue Account	101	411
407 – Adjustment to Decrease Revenue Account	411	101
405 – Adjustment to Increase Expenditure Account	431	101

FIGURE 16-120. SCREEN 4255 – "RA" NSF CHECKS – LINE 1 — NSF ENTRY WHEN NOT TIED TO A/R

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01        POST PERIOD :          AMOUNT
-----------------------------------------------------------------------------
TRANS CODE     : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF   : (B)
TRANS DESC.    : (C)
TRANS AMOUNT   : (D)                      TRANS NET AMT :
INDEX CODE     : (E)
SUB-OBJECT     : (F)
USER CD        :
GRANT          : (G)
GRANT DETAIL   : (G)
PROJECT        : (G)
PROJECT DETAIL : (G)
VENDOR NO/NAME :
GL ACCOUNT     :                      SUBSIDIARY :
BANK NUMBER    :                      TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 408** to reverse the NSF index code
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	XXXNSF ("XXX" = 3-character department identifier). This index code is designated for NSF Checks
(F) Sub-object	Use **Sub-object 78902 – NSF Checks**
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-121. SCREEN 4255 – "RA" NSF CHECKS – LINE 2 — NSF ENTRY WHEN NOT TIED TO A/R

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                     RIMS DETAIL DOCUMENT                     8:40 AM


RIMS CODE      : TITLE - RIMS CODE
RIMS SUFFIX  : 02       POST PERIOD :         AMOUNT
-------------------------------------------------------------------------------
TRANS CODE       : 407/405  (A)
DOCUMENT REF     : (B)
TRANS DESC.      : (C)
TRANS AMOUNT     : (D)                    TRANS NET AMT :
INDEX CODE       : (E)
SUB-OBJECT       : (F)
USER CD          :
GRANT            : (G)
GRANT DETAIL     : (G)
PROJECT          : (G)
PROJECT DETAIL   : (G)
VENDOR NO/NAME   :
GL ACCOUNT       :                    SUBSIDIARY :
BANK NUMBER      :                    TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 407** if the original deposit was to increase revenue; Use **TC 405** if the original deposit was to abate expenditure
(B) Document Ref	Use field according to your department requirements.
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	NSF Check Amount
(E) Index Code	Index Code of cost center of original deposit
(F) Sub-object	Sub-object of original deposit
(G) Grant/Project Details	Enter fields if applicable

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Amount of check
- Payee and Check number
- Invoice/Permit #
- Date
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11 | Revolving Funds

See *Section 4.9.1 - Revolving Funds* for general information regarding revolving funds.

16.11.1 | Creating a Revolving Fund

The following are accounting effects of creating a revolving fund:

- Transaction code 213 creates a voucher payable to fund the revolving fund subsidiary account (GL 151). The sub-object used is 05461 – Increasing Revolving Fund. The transaction debits expenditures (GL 431) and credits voucher payable (GL 201). A secondary posting debits subsidiary account (GL 151) and credits a clearing account (GL A03).

- After posting, the system will also generate transaction code 496. TC 496 debits the clearing account (GL A03), zeroing it out, and credits GAAP only expenditures (GL 433). The offsetting of expenditures with GAAP only expenditures is recognized at fiscal year-end closing.

- The voucher payable (GL201) is closed by transaction code 260, generated when a check payable is issued to the department's fund custodian.

1.	In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are creating a revolving fund. The document prefix will be "PR".

FIGURE 16-122. SCREEN 4010 – DIRECT PAYMENT DOCUMENT HEADER & DESCRIPTION OF FIELDS

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                        DOCUMENT HEADER                         9:55 AM
                                                        NOTEPAD :  (H)

DOCUMENT CATEGORY        : PR DIRECT PAYMENT REQUESTS
ENTERED BY               :
DOCUMENT NUMBER          : (A)                    INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)   : 04 2015 APRIL   (B)
VENDOR NUMBER / SUFFIX   : (C)                    APPROVAL TYPE    : (D)
VENDOR NAME              :
VENDOR ADDRESS           :


STREET                   :
CITY / STATE / ZIP       :                                      COUNTRY:
OT VEN-ADDL NAME         :
BANK NUMBER              :                 TREAS NO        :
DUE DATE                 : (E)             SINGLE CHECK    : (F)
DOCUMENT AMOUNT          : (G)             CURRENCY CODE   :
NUMBER OF LINES          :                 RESPONSIBLE UNIT :
TRANSACTION CODE HASH    :                 TERMS           :
POSTING/EDIT ERRORS      :
F1-HELP      F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT      F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT    F9-LINK      F10-SAVE                 F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	PRXX (First two digits = Doc Prefix; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated
(B) Input Period	MMYYY (Calendar period). System will default to current period but field can be manually changed
(C) Vendor Number/Suffix	Department-specific revolving fund custodian. See Section 16.2.3 for additional vendor information
(D) Approval Type	Approval code for department : "LO", "01" or "40"
(E) Due Date	Check Due Date
(F) Single Check	"N" always
(G) Document Amount	Total document amount

REQUIRED FIELD	DESCRIPTION OF FIELD
(H) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

FIGURE 16-123. SCREEN 4250 – "PR" DOCUMENT DETAIL LINES & DESCRIPTION OF FIELDS

```
FAML4250 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        07/02/2015
LINK TO:                        OTHER DOCUMENTS                          9:48 AM


DOCUMENT : PRXX15000XXX - 01  INPUT PER : 06 2015   AMT :           X,XXX.00
--------------------------------------------------------------------------------
TRANS CODE        : 213 (A)   ESTABLISH A V/P-NON-EXPENSE EXPENDITURES SUPPORT
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)          TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        : 05461 (F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        : 151 (H)
SUBSIDIARY        :(I)
VENDOR            :
BANK NUMBER       :        TREAS NO:          START/END:
FINANCIAL ERRORS  :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR      F5-NEXT
F7-VIEW DOC            F9-LINK      F10-SAVE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	The default code for one-time payments is 210. **For creating a revolving fund, change the TC to 213**

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (creating a revolving fund)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	**The revolving fund GL subsidiary account is 151**
(I) Subsidiary	Subsidiary account of department, e.g., ACZ001 for Airport and ASZ001for Assessor

4.	Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. Press Pause/Break to return to the document header screen.

5.	To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Admin. Code Section
- Amount of revolving fund

Refer to department and Controller guidelines for additional information.

6.	Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

7.	Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.2 | Replenishing an Existing Revolving Fund

The following are accounting effects of replenishing a revolving fund:

- Transaction code 210 creates a voucher payable to replenish the revolving fund. The sub-objects used are for the expenditure accounts related to the specific eligible purchases. The transaction debits expenditures (GL 431) and credits voucher payable (GL 201).

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are replenishing a revolving fund. The document prefix will be "RF".

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. RF is a RIMS type document. See *Section 16.2.2* for details on how to setup a RIMS template.

FIGURE 16-124. SCREEN 4015 – "RF" REVOLVING FUNDS - RIMS HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/22/2015
LINK TO:                       RIMS DOCUMENT HEADER                    4:02 PM
                                                         NOTEPAD : (G)

DOCUMENT TYPE            : RF REVOLVING FUND REIMBURSEMENT--RIMS
RIMS CODE               : (A)
DOCUMENT PREFIX         : (B)      APPR TYPE : (C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)   : 06 2015 JUNE          RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX   : (D)              START/END DATE:
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP       :                              COUNTRY:
BANK NUMBER             :                   TREAS NO       :
DUE DATE                : (E)                SINGLE CHECK   :
DOCUMENT AMOUNT         : (F)                RELEASE BY     :
NUMBER OF LINES         :                   CURRENCY CODE   :
TRANS CODE HASH         :                   TERMS          :
POSTING/EDIT ERRORS     :
F1-HELP      F2-SELECT   F3-DELETE   F4-PRIOR   F5-NEXT      F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK     F10-SAVE                F12-ADL FCTNS
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	RFXX (First two digits = "RF"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department : "LO", "01" or "40"

REQUIRED FIELD*	DESCRIPTION OF FIELD
(D) Vendor Number / Suffix	Department-specific revolving fund custodian. See Section 16.2.3 for additional vendor information
(E) Due Date	Payment due date
(F) Document Amount	Total document amount
(G) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

*Note that these fields will be populated if you choose to copy a previous RIMS template

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-125. SCREEN 4255 – RIMS DETAIL DOCUMENT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                     RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01       POST PERIOD :        AMOUNT
------------------------------------------------------------------------------
TRANS CODE       :210 (A) ESTABLISH A V/P-DIRECT EXPENDITURES
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                     TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
VENDOR NO/NAME :
GL ACCOUNT     :            SUBSIDIARY :
BANK NUMBER    :            TREAS NO   :
FINANCIAL ERRORS :
```

Required Field*	Description of Field
(A) Trans Code	Use **TC 210** to create a voucher payable to replenish the revolving fund
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (replenishing a revolving fund)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	Sub-object of expenditure accounts related to revolving fund purchases
(G) Grant/Project Details	Enter fields if applicable

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Dates covered by replenishment
- Amount of replenishment
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

7.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

8.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.3 | Close Revolving Fund with Return of Cash

Accounting Effects of Closing a Revolving Fund:

- Transaction code 726 creates a cash deposit to record return of funds from the subsidiary account (GL 151). The cash being deposited is in the form of a check drawn from the revolving fund depository bank account payable to the City & County of San Francisco. The sub-object used is 05461 – Increasing Revolving Fund. The transaction debits cash (GL 101) and credits expenditures (GL 431). A secondary posting credits subsidiary account (GL 151) and debits a clearing account (GL A03).

- After posting, the system will also generate transaction code 495. TC 495 credits the clearing account (GL A03), zeroing it out, and debits GAAP only expenditures (GL 433). The offsetting of expenditures with GAAP only expenditures is recognized at fiscal year-end closing.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are closing a revolving fund and creating a cash deposit. The document prefix will be "CR".

2.   You will now be in Screen 4610 – Recurring Transactions by Document Type. CR is a RIMS type document. See *Section 16.2.2* for details on how to setup a RIMS template.

FIGURE 16-126. SCREEN 4015 – "CR" REVOLVING FUNDS – RIMS HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS     07/02/2015
LINK TO:                       RIMS DOCUMENT HEADER                    8:41 AM
                                                        NOTEPAD : (F)

DOCUMENT TYPE          : CR CASH RECEIPTS
RIMS CODE              :(A)
DOCUMENT PREFIX        :(B)      APPR TYPE :(C)
ENTERED BY             :
INPUT PERIOD (MM YYYY) : 06 2015 JUNE         RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX :             START/END DATE:(D)
VENDOR NAME            :
VENDOR ADDRESS         :


STREET                 :
CITY / STATE / ZIP     :                              COUNTRY:
BANK NUMBER            :               TREAS NO       :
DUE DATE               :               SINGLE CHECK   :
DOCUMENT AMOUNT        :(E)             RELEASE BY     :
NUMBER OF LINES        :               CURRENCY CODE  :
TRANS CODE HASH        :               TERMS          :
POSTING/EDIT ERRORS    :
F1-HELP      F2-SELECT   F3-DELETE   F4-PRIOR    F5-NEXT    F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK     F10-SAVE               F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	CRXX (First two digits = "CR"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department : "LO", "01" or "40"
(D) Start/End Date	Reference Placeholder
(E) Document Amount	Total document amount
(F) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

3.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

4.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-127. SCREEN 4255 – RIMS DETAIL DOCUMENT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                       RIMS DETAIL DOCUMENT                    8:40 AM


RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :        AMOUNT
------------------------------------------------------------------------------
TRANS CODE       : 726 (A) RECEIPTS APPLIED AS REFUND OF EXPENDITURES DECREAS
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                   TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     : 05461(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
VENDOR NO/NAME :
GL ACCOUNT     : 151(H)           SUBSIDIARY :(I)
BANK NUMBER    :(J)               TREAS NO   :(K)
FINANCIAL ERRORS :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 726** to create a cash deposit to record the return of funds from the subsidiary account (GL 151)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (closing revolving fund)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details	Enter fields if applicable

REQUIRED FIELD*	DESCRIPTION OF FIELD
(H) GL Account	**The revolving fund GL subsidiary account is 151**
(I) Subsidiary	Subsidiary account of department, *e.g.*, ACZ001 for Airport and ASZ001for Assessor
(J) Bank Number	Treasurer depository account number
(K) Treas No.	Deposit slip number

5.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Amount of cash of returned
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

8.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

9.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.4 | Adjusting Revolving Fund

The following situations require direct adjustment of the revolving fund account or additional correcting entry referencing the revolving fund account:

- Incorrect transaction code used to create/increase or close/decrease revolving fund
- Incorrect data elements such as index code, sub-object, subsidiary account
- Overage or shortage of the revolving fund account
- Adjustment without impact on cash

16.11.4.1 | ADJUSTMENT IF INCORRECT TRANSACTION CODE WAS USED TO CREATE OR INCREASE A REVOLVING FUND

As explained in Section 16.11.1, transaction code 213 is used to create/increase revolving funds as it debits GL 431, 151, and A03, while crediting GL 201, A03, and 433. Transaction code 210 should only be used to replenish the fund as it only debits GL 431 and credits 201. If TC 210 is used to create or increase the fund, the user will need to add a supplemental entry to debit GL 151and credit GL 433.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are adjusting an incorrect transaction code for a revolving fund. The document prefix will be "JE". You will now be on Screen 4010 – Document Header

FIGURE 16-128. SCREEN 4010 – DOCUMENT HEADER, JOURNAL ENTRY ADJUSTMENT & DESCRIPTION OF FIELDS

```
FAML4010 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       05/26/2015
LINK TO:                        DOCUMENT HEADER                         9:55 AM
                                                        NOTEPAD : (E)
DOCUMENT CATEGORY        : JE JOURNAL ENTRY
ENTERED BY              :
DOCUMENT NUMBER         : (A)                   INITIATING DEPT  : CON
INPUT PERIOD (MM YYYY)  : 04 2015 APRIL    (B)
VENDOR NUMBER / SUFFIX  :                       APPROVAL TYPE    : (C)
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                       COUNTRY:
OT VEN-ADDL NAME        :
BANK NUMBER             :                       TREAS NO         :
DUE DATE                :                       SINGLE CHECK     :
DOCUMENT AMOUNT         : (D)                   CURRENCY CODE    :
NUMBER OF LINES         :                       RESPONSIBLE UNIT :
TRANSACTION CODE HASH   :                       TERMS            :
POSTING/EDIT ERRORS     :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC  F8-SUBMIT   F9-LINK     F10-SAVE                 F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Document Number	JEXX (First two digits = "JE"; 3rd and 4th digits = Dept Code). The remaining characters will be auto-generated

(B) Input Period	MMYYY (Calendar period). System will default to current period but field can be manually changed
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Document Amount	Total document amount
(E) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

FIGURE 16-129. SCREEN 4015 – JE FOR ADJUSTMENT TO REVOLVING FUNDS – LINE 1 & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      05/26/2015
LINK TO:                         OTHER DOCUMENTS                      10:30 AM


DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :         XX,XXX.00
------------------------------------------------------------------------------
TRANS CODE      : 553 (A)   DEBIT G/L ACCT WITH SUBSIDIARY AND CREDIT G/L ACC
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :
USER CD         :
GRANT           :(F)
GRANT DETAIL    :(F)
PROJECT         :(F)
PROJECT DETAIL  :(F)
GL ACCOUNT      :(G)
SUBSIDIARY      :(H)
VENDOR          :
BANK NUMBER     :(I)        TREAS NO:          START/END:
FINANCIAL ERRORS :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR     F5-NEXT
F7-VIEW DOC             F9-LINK      F10-SAVE
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 553** to debit GL 151 and credit GL A03
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (adjustment for an erroneous transaction code)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Grant/Project Details	Enter fields if applicable
(G) GL Account	**The revolving fund GL subsidiary account is 151**
(H) Subsidiary	Subsidiary account of department, *e.g.*, ACZ001 for Airport and ASZ001 for Assessor
(I) Bank Number	Use clearing account A03 as the bank number

*Fields should correspond to information entered on original TC210 entry

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line.

As explained in *Section 16.11.1*, TC 213 also generates secondary TC 496 which debits the clearing account (GL A03), zeroing it out, and credits GAAP only expenditures (GL 433). Note that TC 553 does **not** trigger this secondary entry. As such, we will need to manually enter another line using TC 496.

FIGURE 16-130. SCREEN 4015 – JE FOR ADJUSTMENT TO REVOLVING FUNDS – LINE 2 & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                          OTHER DOCUMENTS                       10:30 AM


DOCUMENT : JEXXYY000XXX - 02  INPUT PER : 04 2015   AMT :        XX,XXX.00
--------------------------------------------------------------------------
TRANS CODE        : 496 (A)   TO RECORD THE GAAP ONLY ENTRY -- CREDIT EXPENSES
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                      TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     : 05461(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
GL ACCOUNT     :
SUBSIDIARY     :
VENDOR         :
BANK NUMBER    :          TREAS NO:        START/END:
FINANCIAL ERRORS :
F1-HELP     F2-SELECT    F3-DELETE    F4-PRIOR      F5-NEXT
F7-VIEW DOC             F9-LINK      F10-SAVE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 496** to debit GL A03 and credit GL 433
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (adjustment for an erroneous transaction code)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details	Enter fields if applicable

6.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

7.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Reference the Document Number of the incorrect transaction
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

8.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

9.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.4.2 | ADJUSTMENT IF INCORRECT TRANSACTION CODE WAS USED TO CLOSE OR DECREASE REVOLVING FUND

As explained in *Section 16.11.1,* transaction code 726 is used to decrease/close revolving funds as it debits GL 101, A03, and 433 while crediting GL 431, 151, and A03. If transaction code 716 is used to create a cash receipt document, the user will need to add a supplemental entry to debit GL 433 and credit GL 151.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are adjusting an incorrect transaction code for a revolving fund. The document prefix will be "CR". You will now be on Screen 4010 – Document Header.

FIGURE 16-131. SCREEN 4015 – CR REVOLVING FUNDS – RIMS HEADER & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        07/02/2015
LINK TO:                        RIMS DOCUMENT HEADER                      8:41 AM
                                                       NOTEPAD :  (F)

DOCUMENT TYPE           : CR CASH RECEIPTS
RIMS CODE              :(A)
DOCUMENT PREFIX        :(B)     APPR TYPE :(C)
ENTERED BY             :
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE          RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  :              START/END DATE:(D)
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                    COUNTRY:
BANK NUMBER             :              TREAS NO        :
DUE DATE                :              SINGLE CHECK    :
DOCUMENT AMOUNT         :(E)           RELEASE BY      :
NUMBER OF LINES         :              CURRENCY CODE   :
TRANS CODE HASH         :              TERMS           :
POSTING/EDIT ERRORS     :
F1-HELP     F2-SELECT   F3-DELETE   F4-PRIOR    F5-NEXT     F6-DTL ENTRY
F7-VIEW DOC F8-SUBMIT   F9-LINK     F10-SAVE                F12-ADL FCTNS
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS Code as created by user.
(B) Document Prefix	CRXX (First two digits = "CR"; 3rd and 4th digits = Dept Code).
(C) Approval Type	Approval code for department: "LO", "01" or "40"
(D) Start/End Date	Reference Placeholder
(E) Document Amount	Total document amount
(F) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

2.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

3.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 – RIMS Detail Document.

FIGURE 16-132. 4255 – RIMS DETAIL DOCUMENT, LINE 1 - REVERSE INCORRECT ENTRY & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    8:40 AM

RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 01      POST PERIOD :      AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 554 (A) DEBIT G/L ACCT CODED IN BANK FIELD AND CREDIT G/L
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                    TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :
USER CD        :
GRANT          :(F)
GRANT DETAIL   :(F)
PROJECT        :(F)
PROJECT DETAIL :(F)
VENDOR NO/NAME :
GL ACCOUNT     : 151(G)                SUBSIDIARY :(H)
BANK NUMBER    : A03(I)                TREAS NO   :
FINANCIAL ERRORS :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 554** to debit GL A03 151 and credit GL A03
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (adjustment for an erroneous transaction code)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Grant/Project Details	Enter fields if applicable
(G) GL Account	**The revolving fund GL subsidiary account is 151**
(H) Subsidiary	Subsidiary account of department, e.g., ACZ001 for Airport and

REQUIRED FIELD*	DESCRIPTION OF FIELD
	ASZ001for Assessor
(I) Bank Number	Use clearing account A03 as the bank number

*Fields should correspond to information entered on original TC 716 entry

4.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line.

As explained in *Section 16.11.3*, TC 726 also generates secondary TC 495 which debits the GAAP only expenditures (GL 433), zeroing it out, and credits the holding account (GL A03). Note that TC 554 does **not** trigger this secondary entry. As such, we will need to manually enter another line using TC 495.

FIGURE 16-133. 4255 – RIMS DETAIL DOCUMENT, LINE 2 - REVERSE INCORRECT ENTRY & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/23/2015
LINK TO:                    RIMS DETAIL DOCUMENT                      8:40 AM

RIMS CODE     : TITLE - RIMS CODE
RIMS SUFFIX   : 02      POST PERIOD :       AMOUNT
-----------------------------------------------------------------------------
TRANS CODE       : 495 (A) TO RECORD THE GAAP ONLY ENTRY -- DEBIT EXPENSES
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                     TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     : 05461(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
VENDOR NO/NAME :
GL ACCOUNT     :                SUBSIDIARY :
BANK NUMBER    :                TREAS NO   :
FINANCIAL ERRORS :
F1-HELP     F2-SELECT    F3-DELETE   F4-PRIOR    F5-NEXT
F7-VIEW DOC          F9-LINK      F10-SAVE
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	Use **TC 495** to debit GL 433 and credit GL A03

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction (adjustment for an erroneous transaction code)
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code representing the cost center
(F) Sub-object	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details	Enter fields if applicable

5. Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

6. To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Reference the Document Number of the incorrect transaction
- Any other relevant/applicable information

    Refer to department and Controller guidelines for additional information.

7. Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

8. Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.4.3 | ADJUSTMENT OF INCORRECT DATA ELEMENTS USED TO CREATE OR INCREASE REVOLVING FUNDS

Transaction code 436 reverses the effect of TC 213 that was used to create or increase a revolving fund with incorrect data elements (*e.g.* index code, sub-object, or subsidiary code). TC 436 will debit GL 101, A03, and 433 while crediting 431, 151, and A03.

Transaction code 435 will re-enter the transaction with the correct data elements. It will debit GL 431, 151, and A03, while crediting 101, A03, and 433.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are adjusting an incorrect transaction code for a revolving fund. The document prefix will be "JE". See previous sections for examples on how to set up a journal entry. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details

TABLE 16-45. ADJUSTMENT TRANSACTION CODES FOR A REVOLVING FUND

TRANSACTION CODES	DEBIT GL	CREDIT GL
436 – Adjustment to Decrease Non-expense Expenditures Supported by Sub.	101 A03	431 151
495 – To Record the GAAP Only Entry – Debit Expenses*	433	A03
435 – Adjustment to Increase Non-expense Expenditures Supported by Sub.	431 151	101 A03
496 – To Record the GAAP Only Entry – Credit Expenses*	A03	433

*System Generated

FIGURE 16-134. SCREEN 4250 LINE 1 - REVERSE INCORRECT TC 213 ENTRY & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/26/2015
LINK TO:                        OTHER DOCUMENTS                        10:30 AM


DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :        XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE        : 436 (A) ADJUSTMENT TO DECREASE NON-EXPENSE EXPENDITURES SUPP
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :(H)
SUBSIDIARY        :(I)
VENDOR            :
BANK NUMBER       :          TREAS NO:           START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	436 – Adjustment to Decrease Non-expense Expenditures Supported by Sub
(B) Document Ref	Document number of incorrect entry
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code*	Index Code representing the cost center
(F) Sub-object*	Sub-object
(G) Grant/Project Details*	Enter fields if applicable
(H) GL Account*	General ledger account
(I) Subsidiary*	Subsidiary account of department

*Data element should match that of the original, erroneous TC 213 entry

FIGURE 16-135. SCREEN 4250, LINE 2 – RE-ENTER TRANSACTION WITH CORRECT DATA ELEMENTS & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      05/26/2015
LINK TO:                        OTHER DOCUMENTS                     10:30 AM


DOCUMENT : JEXXYY000XXX - 02  INPUT PER : 04 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------
TRANS CODE        : 435 (A) ADJUSTMENT TO INCREASE NON-EXPENSE EXPENDITURES SUPP
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :(H)
SUBSIDIARY        :(I)
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	435 – Adjustment to increase non-expense expenditures Supported by Sub
(B) Document Ref	Document number of incorrect entry
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code*	Index Code representing the cost center
(F) Sub-object*	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details*	Enter fields if applicable
(H) GL Account*	**The revolving fund GL subsidiary account is 151**
(I) Subsidiary*	Subsidiary account of department, e.g., ACZ001 for Airport and ASZ001for

REQUIRED FIELD*	DESCRIPTION OF FIELD
	Assessor

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Reference the Document Number of the incorrect transaction
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

5.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.4.4 | ADJUSTMENT OF INCORRECT DATA ELEMENTS USED TO CLOSE OR DECREASE A REVOLVING FUND

Transaction code 435 reverses the effect of TC 726 that was used to close or decrease a revolving fund with incorrect data elements (*e.g.* index code, sub-object, or subsidiary code). TC 435 will debit GL 101, A03, and 433 while crediting 431, 151, and A03.

Transaction code 436 will re-enter the transaction with the correct data elements. It will debit GL 431, 151, and A03, while crediting 101, A03, and 433.

1.   In FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. In this example, we are adjusting an incorrect transaction code for a revolving fund. The document prefix will be "JE". See previous sections for examples on how to set up a journal entry. When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4250 for line details.

TABLE 16-46. TRANSACTION CODES TO ADJUST INCORRECT DATA ELEMENTS USED TO CLOSE OR DECREASE A REVOLVING FUND

TRANSACTION CODES	DEBIT GL	CREDIT GL
435 – Adjustment to Increase Non-expense Expenditures Supported by Sub.	431 151	101 A03
496 – To Record the GAAP Only Entry – Credit Expenses*	A03	433
436 – Adjustment to Decrease Non-expense Expenditures Supported by Sub.	101 A03	431 151
495 – To Record the GAAP Only Entry – Debit Expenses*	433	A03

*System Generated

FIGURE 16-136. SCREEN 4250, LINE 1 – REVERSE INCORRECT TC 726 ENTRY & DESCRIPTION OF FIELDS

```
FAML4250 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         05/26/2015
LINK TO:                          OTHER DOCUMENTS                        10:30 AM


DOCUMENT : JEXXYY000XXX - 01  INPUT PER : 04 2015   AMT :          XX,XXX.00
-----------------------------------------------------------------------------
TRANS CODE      : 435 (A) ADJUSTMENT TO INCREASE NON-EXPENSE EXPENDITURES SUPP
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
GL ACCOUNT      :(H)
SUBSIDIARY      :(I)
VENDOR          :
BANK NUMBER     :          TREAS NO:          START/END:
FINANCIAL ERRORS :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	435 – Adjustment to Increase Non-expense Expenditures Supported by Subsidiary

REQUIRED FIELD*	DESCRIPTION OF FIELD
(B) Document Ref	Document number of incorrect entry
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code*	Index Code representing the cost center
(F) Sub-object*	Sub-object
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account*	General ledger account
(I) Subsidiary*	Subsidiary account of department

*Data element should match that of the original, erroneous TC 213 entry

FIGURE 16-137. SCREEN 4250, LINE 2 – RE-ENTER TRANSACTION WITH CORRECT DATA ELEMENTS & DESCRIPTION OF FIELDS

```
FAML4250 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       05/26/2015
LINK TO:                         OTHER DOCUMENTS                     10:30 AM


DOCUMENT : JEXXYY000XXX - 02  INPUT PER : 04 2015   AMT :        XX,XXX.00
------------------------------------------------------------------------
TRANS CODE        : 436 (A) ADJUSTMENT TO DECREASE NON-EXPENSE EXPENDITURES SUPP
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                       TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
GL ACCOUNT        :(H)
SUBSIDIARY        :(I)
VENDOR            :
BANK NUMBER       :          TREAS NO:          START/END:
FINANCIAL ERRORS  :
```

REQUIRED FIELD*	DESCRIPTION OF FIELD
(A) Trans Code	435 – Adjustment to decrease non-expense expenditures supported by subsidiary
(B) Document Ref	Document number of incorrect entry
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code*	Index Code representing the cost center
(F) Sub-object*	**Use sub-object 05461 – Increasing Revolving Fund**
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account*	**The revolving fund GL subsidiary account is 151**
(I) Subsidiary*	Subsidiary account of department

2.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

3.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Reference the Document Number of the incorrect transaction
- Any other relevant/applicable information

Refer to department and Controller guidelines for additional information.

4.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

5.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.11.4.5 | ADJUSTMENT TO RECORD REVOLVING FUND OVERAGE OR SHORTAGE

Overage or shortage in a revolving fund is subject to thorough investigation and identification of the cause and responsibility. All cash disbursements must be supported by invoices and receipts. Bank

reconciliation must be done regularly. If detailed review does not reveal fraud or misuse of funds, overages or shortages can be recorded as follows:

- Overage
  - The custodian issues a revolving fund check to CCSF which should be deposited as a credit to the department's non-operating revenue, according to the provisions of the SF *Administrative Code, Section 10.129*.

TABLE 16-47. TRANSACTION CODE TO ADJUST REVOLVING FUND OVERAGE

TRANSACTION DESCRIPTION	TC	DEBIT GL	CREDIT GL
To record deposit of revolving fund check issued to CCSF for overage using sub-object 79999 – Other Non-Operating Revenue	718	101 Cash	411 Revenue

- Shortage
  - If reconciliation and review of supporting invoices and receipts do not uncover instance of fraud or gross negligence or misuse of funds, the shortage can be included as part of the replenishment, properly supported by the reconciliation statement and acknowledgment of the shortage as verified by responsible supervisors other than the custodian. Since the specific expenditure account cannot be identified, it can be charge to sub-object 03599 – Other Current Expenses.

TABLE 16-48. TRANSACTION CODE TO ADJUST REVOLVING FUND SHORTAGE

TRANSACTION DESCRIPTION	TC	DEBIT GL	CREDIT GL
To record shortage of revolving fund as part of replenishment, using sub-object 03599 --Other Current Expenses	210	431 Expenditures	201 Voucher Payable
To issue a check for the revolving fund voucher payable created by TC 210	260	201 Voucher Payable	101 Cash

16.11.4.6 | ADJUSTMENT TO RECORD REVOLVING FUND TRANSACTIONS WITHOUT IMPACT ON CASH OR EXPENDITURES

There may be revolving fund subsidiary accounts that remain open in the system either due to conversion problems or entries made that used incorrect transaction codes or data elements. Anytime within the year or at fiscal year-end closing, if detailed review and supporting documentation determine that the revolving fund subsidiary account no longer exists, the following transactions can be processed without affecting cash or expense/expenditures. GL 359 is Reserved for Assets N/A for Appropriation.

TABLE 16-49. TRANSACTION CODES TO ADJUST REVOLVING FUND BALANCE

TRANSACTION DESCRIPTION	TC	DEBIT GL	CREDIT GL
To close balance of revolving fund	554 or 553R	359 Reserved for Assets	151 Subsidiary
To increase balance of revolving fund	553 or 554R	151 Subsidiary	359 Reserved for Assets

16.12 | Revenue Transfers and Other Allocations

Revenue transfers are the allocation of revenue from one fund to another fund or revenue adjustments between cost centers within the department or across departments and/or fiscal entities. Revenue transfers use FAMIS Document Type **RA** (RIMS) or **RT** (Non-RIMS).

The revenue transfers as described in this section are non-grant revenue allocations for revenue budget and actual adjustments involving general ledger accounts 401 to 408 and 411 to 413. Grant-related revenue transactions are processed separately through **GE** (Non-RIMS) or **GR** (RIMS) Document Types.

Other allocations involve collection of revenues offset by an expenditure account within or across department fiscal entities and cost centers, or to and from other city departments, or allocations from the General Fund.

To initiate a revenue transaction in FAMIS Accounting, link to Screen 4000. Type in the applicable document type and press enter. For these examples, we will use document type "RA".

You will now be in Screen 4610 – Recurring Transactions by Document Type. RA is a RIMS type document. For additional information on creating/copying a RIMS template, see *Section 16.2.2.*

FIGURE 16-138. SCREEN 4610 - RECURRING TRANSACTIONS BY DOCUMENT TYPE & DESCRIPTION OF FIELDS

```
FAML4015 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        07/06/2015
LINK TO:                        RIMS DOCUMENT HEADER                    11:31 AM
                                                          NOTEPAD : (G)
DOCUMENT TYPE           : RA RIMS REVENUE TRANSFERS/OTHER ALLOCATIONS
RIMS CODE               :(A)
DOCUMENT PREFIX         : RAXX (B)      APPR TYPE :(C)
ENTERED BY              :
INPUT PERIOD (MM YYYY)  : 06 2015 JUNE           RESPONSIBLE UNIT :
VENDOR NUMBER / SUFFIX  :              START/END DATE: 06/01/2007 12/31/2999
VENDOR NAME             :
VENDOR ADDRESS          :


STREET                  :
CITY / STATE / ZIP      :                                      COUNTRY:
BANK NUMBER             :              TREAS NO        :
DUE DATE                :              SINGLE CHECK    :
DOCUMENT AMOUNT         :(D)           RELEASE BY      :
NUMBER OF LINES         :(E)           CURRENCY CODE   :
TRANS CODE HASH         :(F)           TERMS           :
POSTING/EDIT ERRORS     :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) RIMS Code	RIMS code as created by user
(B) Document Prefix	RAXX (First two digits = "RA"; 3rd and 4th digits = Dept Code)
(C) Approval Type	Approval code for department; "LO", "01", or "40"
(D) Document Amount	Total document amount
(E) Number of Lines	Number of lines in document
(F) Transaction Code Hash	Total of all transaction codes
(G) Notepad	To add a Notepad description, the user must change indicator from "N" to "Y"

1.   Fill out the required fields and press F10-Save. Should the user press F10-Save after filling each field, the system will automatically tab to the next required field.

2.   When all required fields are entered and the user presses F10-Save, the system will transfer to Screen 4255 for line details. The following are examples of common entries related to revenue transactions.

16.12.1 | Transfer Revenue from General Fund to Agency Fund

TABLE 16-50. TRANSACTION CODES TO TRANSFER REVENUE TO AGENCY FUND

TRANSACTION CODES	DEBIT GL	CREDIT GL
407 – Adjustment to Decrease Revenue Account	411	101
404 – Adj. to Credit GL Accounting with Subsidiary (For GL211, 216,219)	101	000004

FIGURE 16-139. SCREEN 4255, LINE 1 – DECREASE REVENUE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                    11:13 AM

RIMS CODE      : DEPT
RIMS SUFFIX    : 01        POST PERIOD :        AMOUNT                   XXX.XX
--------------------------------------------------------------------------------
TRANS CODE       : 407 (A) ADJUSTMENT TO DECREASE REVENUE ACCOUNT
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                       TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	407 - Adjustment to Decrease Revenue Account
(B) Document Ref	Use field according to your department requirements.
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which revenue is being decreased
(F) Sub-object	Sub-object of revenue account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-140. SCREEN 4255, LINE 2 – INCREASE REVENUE TO AGENCY FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                      11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX  : 01       POST PERIOD :          AMOUNT                    XXX.XX
--------------------------------------------------------------------------------
TRANS CODE      : 404 (A) ADJ. TO CREDIT G/L ACCOUNT WITH SUBSIDIARY (FOR…
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
VENDOR NO/NAME  :
GL ACCOUNT      :(H)            SUBSIDIARY :(I)
BANK NUMBER     :              TREAS NO   :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	404 - Adj. to Credit GL Accounting with Subsidiary (For GL211, 216, 219)
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction amount

REQUIRED FIELD	DESCRIPTION OF FIELD
(E) Index Code	Index Code of cost center in which revenue is being increased
(F) Sub-object	Sub-object of revenue account (optional)
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	GL must be 211, 216, or 219 which are all agency fund liability accounts
(I) Subsidiary	Subsidiary account of department

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to: Description of Transfer.

- Amount of Transfer

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, for non-RIMS documents, the Notepad cannot be edited. Information can only be added.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.2 | Record Collection of Revenue Offset by Expenditures Account

TABLE 16-51. TRANSACTION CODES TO INCREASE REVENUE AND EXPENDITURE ACCOUNTS

TRANSACTION CODES	DEBIT GL	CREDIT GL
408 – Adjustment to Increase Revenue Account	101	411
405 – Adjustment to Increase Expenditure Account	431	101

FIGURE 16-141. SCREEN 4255, LINE 1 – INCREASE REVENUE & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                          RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 01        POST PERIOD :       AMOUNT              XXX.XX
--------------------------------------------------------------------------
TRANS CODE       : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                    TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	408 - Adjustment to Increase Revenue Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which revenue is being increased
(F) Sub-object	Sub-object of revenue account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-142. SCREEN 4255, LINE 2 – INCREASE EXPENDITURE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                         RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 02       POST PERIOD :       AMOUNT              XXX.XX
--------------------------------------------------------------------------------
TRANS CODE       : 405 (A) ADJUSTMENT TO INCREASE EXPENDITURE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                       TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	405 - Adjustment to Increase Expenditure Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which expenditures are being increased
(F) Sub-object	Sub-object of expenditure
(G) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Description of collection of revenue and offset of expenditures
- Amount of Transfer

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, for non-RIMS documents, the Notepad cannot be edited. Information can only be added.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.3 | Record Application of Revenue for an Unidentified Receipt

TABLE 16-52. TRANSACTION CODES TO RECORD AN UNIDENTIFIED RECEIPT

TRANSACTION CODES	DEBIT GL	CREDIT GL
401 – Adjustment to Decrease Unidentified Receipts	248	101
408 – Adjustment to Increase Revenue Account	101	411

FIGURE 16-143. SCREEN 4255, LINE 1 – DECREASE/CLEAR UNIDENTIFIED RECEIPT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                      11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 01       POST PERIOD :        AMOUNT                    XXX.XX
--------------------------------------------------------------------------------
TRANS CODE     : 401 (A) ADJUSTMENT TO DECREASE UNIDENTIFIED RECEIPTS
DOCUMENT REF   : CRXXYY000XXX(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                      TRANS NET AMT :
INDEX CODE     :
SUB-OBJECT     :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	401 – Adjustment to Decrease Unidentified Receipt
(B) Document Ref	CR Document number of unidentified receipt

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount

FIGURE 16-144. SCREEN 4255, LINE 2 – INCREASE REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                     11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX  : 02      POST PERIOD :       AMOUNT                        XXX.XX
--------------------------------------------------------------------------------
TRANS CODE     : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                        TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	408 - Adjustment to Increase Revenue Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which revenue is being increased
(F) Sub-object	Sub-object of revenue account
(G) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Description of unidentified receipt
- Unidentified receipt document number
- Amount of transfer

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, for non-RIMS documents, the Notepad cannot be edited. Information can only be added.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.4 | Recognize Unearned Revenue as Revenue

TABLE 16-53. TRANSACTION CODES TO RECOGNIZE UNEARNED REVENUE AS REVENUE

TRANSACTION CODES	DEBIT GL	CREDIT GL
413 – Adj. to Debit Current Liabilities with Subsidiary	000004	101
408 – Adjustment to Increase Revenue Account	101	411

FIGURE 16-145. SCREEN 4255, LINE 1 – DEBIT LIABILITY ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                    11:13 AM

RIMS CODE     : DEPT
RIMS SUFFIX   : 01       POST PERIOD :        AMOUNT               XXX.XX
-------------------------------------------------------------------------
TRANS CODE       : 413 (A) ADJ. TO DEBIT CURRENT LIABILITIES WITH SUBSIDIARY
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                        TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
VENDOR NO/NAME   :
GL ACCOUNT       :(H)            SUBSIDIARY :(I)
BANK NUMBER      :              TREAS NO   :
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	413 – Adj. to Debit Current Liabilities with Subsidiary
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which revenue is being increased
(F) Sub-object	Sub-object of revenue account (optional)
(G) Grant/Project Details	Enter fields if applicable
(H) GL Account	Currently Liability GL Account, e.g. GL 249
(I) Subsidiary	Subsidiary account

FIGURE 16-146. SCREEN 4255, LINE 2 – INCREASE REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 02      POST PERIOD :       AMOUNT                    XXX.XX
------------------------------------------------------------------------------
TRANS CODE      : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                       TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	408 - Adjustment to Increase Revenue Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Same index code as Line 1
(F) Sub-object	Sub-object of revenue account
(G) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Description of deferred revenue

- Amount of earned revenue being applied

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.5 | Transfer Actual and Budget Proceeds from Sale of Bonds within a Department's Capital Project Fund

TABLE 16-54. COMMON TRANSACTION CODES TO TRANSFER BOND PROCEEDS TO CAPITAL PROJECT FUND

Common TC Codes	Debit GL	Credit GL
061 – Other Increase to Estimated Revenue	403	49B
062 – Other Decrease to Estimated Revenue	49B	403
408 – Adjustment to Increase Revenue Account	101	411
407 – Adjustment to Decrease Revenue Account	411	101
072 – Other Increase to Allotted Expenditure Appn.	49B	423
073 – Other Decrease to Allotted Expenditure Appn.	423	49B

FIGURE 16-147. SCREEN 4255, LINE 1 – INCREASE ESTIMATED REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   11:13 AM

RIMS CODE     : DEPT
RIMS SUFFIX  : 01      POST PERIOD :      AMOUNT               XXX.XX
---------------------------------------------------------------------------
TRANS CODE        : 061  (A) OTHER INCREASE TO ESTIMATED REVENUE
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                    TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	061 – Other Increase to Estimated Revenue
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which estimated revenue is being increased
(F) Sub-object	Sub-object of bond sale proceeds revenue account, *e.g.* 80111
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-148. SCREEN 4255, LINE 2 – DECREASE ESTIMATED REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 02      POST PERIOD :        AMOUNT              XXX.XX
-----------------------------------------------------------------------
TRANS CODE        : 062  (A) OTHER DECREASE TO ESTIMATED REVENUE
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                   TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	062 – Other Decrease to Estimated Revenue
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center in which estimated revenue is being decreased
(F) Sub-object	Sub-object of bond sale proceeds revenue account, e.g. 80111
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-149. SCREEN 4255, LINE 3 – INCREASE REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                       11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 03       POST PERIOD :        AMOUNT                     XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 408 (A) ADJUSTMENT TO INCREASE REVENUE ACCOUNT
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	408 - Adjustment to Increase Revenue Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Same index code as Line 1
(F) Sub-object	Same sub-object as Line 1
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-150. SCREEN 4255, LINE 4 – DECREASE REVENUE ACCOUNT & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS       06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 04      POST PERIOD :      AMOUNT                     XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 407 (A) ADJUSTMENT TO DECREASE REVENUE ACCOUNT
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                       TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	407 - Adjustment to Decrease Revenue Account
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Same index code as Line 2
(F) Sub-object	Same sub-object as Line 2
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-151. SCREEN 4255, LINE 5 – INCREASE BUDGET & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                     11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 05        POST PERIOD :       AMOUNT                       XXX.XX
--------------------------------------------------------------------------------
TRANS CODE       : 072  (A) OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                          TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	072 – Other Increase to Allotted Expenditure Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Same index code as Line 1
(F) Sub-object	Sub-object of capital project budgetary account, e.g. 06C00
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-152. SCREEN 4255, LINE 6 – DECREASE BUDGET & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                          RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 06       POST PERIOD :        AMOUNT                        XXX.XX
--------------------------------------------------------------------------------
TRANS CODE        : 073  (A) OTHER DECREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                       TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :
GRANT             :(G)
GRANT DETAIL      :(G)
PROJECT           :(G)
PROJECT DETAIL    :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	073 – Other Decrease to Allotted Expenditure Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Same index code as Line 2
(F) Sub-object	Sub-object of capital project budgetary account, e.g. 06C00
(G) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1.* Enter the details of the transaction. This should include, but is not limited to:

- Description of revenue transfer

- Amount of transfer

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.6 | To Transfer Actual and Budget Revenue Between Different Sub-funds (ITI/ITO)

TABLE 16-55. TRANSACTION CODES TO TRANSFER REVENUE BETWEEN DIFFERENT SUB-FUNDS

TRANSACTION CODES	DEBIT GL	CREDIT GL
073 – Other Decrease to Allotted Expenditure Appn.	423	49B
076 – Other Increase to Budgetary Transfers Out Appn.	49B	423
063 – Other Increase to Est. Budgetary Transfers In	403	49B
072 – Other Increase to Allotted Expenditure Appn.	49B	423
415 – Adjustment to Increase Transfers Out	431	101
418 – Adjustment to Increase Transfers In	101	411

FIGURE 16-153. SCREEN 4255, LINE 1 – DECREASE EXPENDITURE BUDGET IN THE TRANSFER-OUT SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1        CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 01       POST PERIOD :        AMOUNT              XXX.XX
-----------------------------------------------------------------------
TRANS CODE      : 073 (A) OTHER DECREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                      TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :
GRANT           :(G)
GRANT DETAIL    :(G)
PROJECT         :(G)
PROJECT DETAIL  :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	073 – Other Decrease to Allotted Expenditure Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code cost center of which budget is being transferred out decreased
(F) Sub-object	Sub-object of expenditure account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-154. LINE 2 – INCREASE TRANSFER OUT BUDGET IN THE TRANSFER-OUT SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                   11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 02        POST PERIOD :        AMOUNT                   XXX.XX
--------------------------------------------------------------------------
TRANS CODE     : 076 (A) OTHER INCREASE TO BUDGETARY TRANSFERS OUT APPN
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                        TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :(F)
USER CD        :(G)
GRANT          :(H)
GRANT DETAIL   :(H)
PROJECT        :(H)
PROJECT DETAIL :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	076 – Other Increase to Budgetary Transfers Out Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Special Index Code (DDXXXXXXSSSS) set up in the cost center of which budget is being transferred out

DD = department transferring out the budget

XXXXXX = last 6 characters of the User Code

SSSS = last 4 characters of the transfer out Sub-object |
| (F) Sub-object | Transfers out Sub-object 095XX, e.g., 0951G (ITO TO 1G-GENERAL FUND) |
| (G) User Code | User Code (T-DDXXXA) is a unique code indicating the department, cost centers, and type of transfer. Contact the Fund Accountant to set up. |

REQUIRED FIELD	DESCRIPTION OF FIELD

	DD = the receiving department.
	
	 XXX =
	
	   ✓ last three digits of the project code or grant code
	   ✓ "ZZZ" which is used for all intra-fund non-project transfers
	   ✓ 3-character receiving sub-fund or
	   ✓ 3-character unique identifier.
	
	 A = sequentially assigned for unique combinations (Use A-Z and 1-9, but do not use letter "O" or number zero "0")

(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-155. LINE 3 – INCREASE TRANSFER IN BUDGET IN THE TRANSFER-IN SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                      11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 03        POST PERIOD :        AMOUNT                     XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 063 (A) OTHER INCREASE TO EST. BUDGETARY TRANSFERS IN
DOCUMENT REF    :(B)
TRANS DESC.     :(C)
TRANS AMOUNT    :(D)                          TRANS NET AMT :
INDEX CODE      :(E)
SUB-OBJECT      :(F)
USER CD         :(G)
GRANT           :(H)
GRANT DETAIL    :(H)
PROJECT         :(H)
PROJECT DETAIL  :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	063 – Other Increase to Est. Budgetary Transfers In
(B) Document Ref	Use field according to department requirements

REQUIRED FIELD	DESCRIPTION OF FIELD
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Special Index Code (DDXXXXXXSSSS) set up in the cost center to which budget is being transferred in DD = department receiving the budget XXXXXX = last 6 characters of the User Code SSSS = last 4 characters of the transfer in Sub-object
(F) Sub-object	Transfers in Sub-object 950XX, *e.g.*, 9501G (ITI FR 1G-GENERAL FUND)
(G) User Code	Use same User Code as Line 2
(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-156. LINE 4 – INCREASE EXPENDITURE BUDGET IN THE TRANSFER-IN SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                    11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 04       POST PERIOD :      AMOUNT                   XXX.XX
------------------------------------------------------------------------------
TRANS CODE      : 072 (A) OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                       TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :(F)
USER CD        :
GRANT          :(G)
GRANT DETAIL   :(G)
PROJECT        :(G)
PROJECT DETAIL :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	072 – Other Increase to Allotted Expenditure Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center to which budget is being transferred in
(F) Sub-object	Sub-object of expenditure account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-157. LINE 5 – INCREASE ACTUAL TRANSFERS OUT EXPENDITURE IN THE TRANSFER-OUT SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS         06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                         11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX  : 05        POST PERIOD :         AMOUNT                      XXX.XX
--------------------------------------------------------------------------------
TRANS CODE        : 415  (A)  ADJUSTMENT TO INCREASE TRANSFERS OUT
DOCUMENT REF     : (B)
TRANS DESC.      : (C)
TRANS AMOUNT     : (D)                         TRANS NET AMT :
INDEX CODE       : (E)
SUB-OBJECT       : (F)
USER CD          : (G)
GRANT            : (H)
GRANT DETAIL     : (H)
PROJECT          : (H)
PROJECT DETAIL   : (H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	415 – Adjustment to Increase Transfers Out
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

(D) Trans Amount	Transaction Amount
(E) Index Code	Use same Index Code as Line 2
(F) Sub-object	Use same Sub-object as Line 2
(G) User Code	Use same User Code as Line 2
(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-158. LINE 6 – INCREASE ACTUAL TRANSFERS IN REVENUE IN THE TRANSFER-IN SUB-FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 06        POST PERIOD :        AMOUNT                  XXX.XX
--------------------------------------------------------------------------------
TRANS CODE        : 418 (A) ADJUSTMENT TO INCREASE TRANSFERS IN
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                        TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :(G)
GRANT             :(H)
GRANT DETAIL      :(H)
PROJECT           :(H)
PROJECT DETAIL    :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	418 – Adjustment to Increase Transfers In
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Use same Index Code as Line 3
(F) Sub-object	Use same Sub-object as Line 3

(G) User Code	Use same User Code as Line 3
(H) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Reason and justification for transfer

Refer to department and Controller guidelines for additional information.

6.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

7.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determine it is ready to submit, press F8-Submit twice to send the entry into the approval path for posting.

16.12.7 | To Transfer Actual and Budget Revenue Between Different Funds (OTI/OTO)

TABLE 16-56. TRANSACTION CODES TO TRANSFER REVENUE BETWEEN DIFFERENT FUNDS

TRANSACTION CODES	DEBIT GL	CREDIT GL
073 – Other Decrease to Allotted Expenditure Appn.	423	49B
076 – Other Increase to Budgetary Transfers Out Appn.	49B	423
063 – Other Increase to Est. Budgetary Transfers In	403	49B
072 – Other Increase to Allotted Expenditure Appn.	49B	423
415 – Adjustment to Increase Transfers Out	431	101
418 – Adjustment to Increase Transfers In	101	411

FIGURE 16-159. LINE 1 – DECREASE EXPENDITURE BUDGET IN THE TRANSFER-OUT FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/26/2015
LINK TO:                         RIMS DETAIL DOCUMENT                     11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 01        POST PERIOD :        AMOUNT                   XXX.XX
--------------------------------------------------------------------------------
TRANS CODE       : 073 (A) OTHER DECREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                    TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :
GRANT            :(G)
GRANT DETAIL     :(G)
PROJECT          :(G)
PROJECT DETAIL   :(G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	073 – Other Decrease to Allotted Expenditure Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center of which budget is being transferred out
(F) Sub-object	Sub-object of expenditure account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-160. LINE 2 – INCREASE TRANSFER OUT BUDGET IN THE TRANSFER-OUT FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1           CITY AND COUNTY OF SAN FRANCISCO--NFAMIS      06/26/2015
LINK TO:                          RIMS DETAIL DOCUMENT                  11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 02      POST PERIOD :        AMOUNT                       XXX.XX
-------------------------------------------------------------------------------
TRANS CODE       : 076 (A) OTHER INCREASE TO BUDGETARY TRANSFERS OUT APPN
DOCUMENT REF     :(B)
TRANS DESC.      :(C)
TRANS AMOUNT     :(D)                        TRANS NET AMT :
INDEX CODE       :(E)
SUB-OBJECT       :(F)
USER CD          :(G)
GRANT            :(H)
GRANT DETAIL     :(H)
PROJECT          :(H)
PROJECT DETAIL   :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	076 – Other Increase to Budgetary Transfers Out Appn.
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Special Index Code (DDXXXXXXSSSS) set up in the cost center of which budget is being transferred out DD = department transferring out the budget XXXXXX = last 6 characters of the User Code SSSS = last 4 characters of the transfer out Sub-object
(F) Sub-object	Transfers out Sub-object 093XX, *e.g.*, 0931G (OTO TO 1G-GENERAL FUND)
(G) User Code	User Code (T-DDXXXA) is a unique code indicating the department, cost centers, and type of transfer. Contact the Fund Accountant to set up. DD = the receiving department.

REQUIRED FIELD	DESCRIPTION OF FIELD
	XXX = ✓ last three digits of the project code or grant code ✓ "ZZZ" which is used for all intra-fund non-project transfers ✓ 3-character receiving sub-fund or ✓ 3-character unique identifier. A = sequentially assigned for unique combinations (Use A-Z and 1-9, but do not use letter "O" or number zero "0")
(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-161. LINE 3 – INCREASE TRANSFER IN BUDGET IN THE TRANSFER-IN FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS          06/26/2015
LINK TO:                       RIMS DETAIL DOCUMENT                        11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX  : 03      POST PERIOD :        AMOUNT                  XXX.XX
-----------------------------------------------------------------------------
TRANS CODE      : 063 (A) OTHER INCREASE TO EST. BUDGETARY TRANSFERS IN
DOCUMENT REF   :(B)
TRANS DESC.    :(C)
TRANS AMOUNT   :(D)                      TRANS NET AMT :
INDEX CODE     :(E)
SUB-OBJECT     :(F)
USER CD        :(G)
GRANT          :(H)
GRANT DETAIL   :(H)
PROJECT        :(H)
PROJECT DETAIL :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	063 – Other Increase to Est. Budgetary Transfers In
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction

REQUIRED FIELD	DESCRIPTION OF FIELD
(D) Trans Amount	Transaction Amount
(E) Index Code	Special Index Code (DDXXXXXXSSSS) set up in the cost center to which budget is being transferred in DD = department receiving the budget XXXXXX = last 6 characters of the User Code SSSS = last 4 characters of the transfer in Sub-object
(F) Sub-object	Transfers in Sub-object 930XX, *e.g.,* 9301G (OTI FR 1G-GENERAL FUND)
(G) User Code	Use same User Code as Line 2
(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-162. LINE 4 – INCREASE EXPENDITURE BUDGET IN THE TRANSFER-IN FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                      11:13 AM


RIMS CODE     : DEPT
RIMS SUFFIX   : 04      POST PERIOD :      AMOUNT                       XXX.XX
-------------------------------------------------------------------------------
TRANS CODE    : 072 (A) OTHER INCREASE TO ALLOTTED EXPENDITURE APPN.
DOCUMENT REF  : (B)
TRANS DESC.   : (C)
TRANS AMOUNT  : (D)                      TRANS NET AMT :
INDEX CODE    : (E)
SUB-OBJECT    : (F)
USER CD       :
GRANT         : (G)
GRANT DETAIL  : (G)
PROJECT       : (G)
PROJECT DETAIL: (G)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	072 – Other Increase to Allotted Expenditure Appn.

REQUIRED FIELD	DESCRIPTION OF FIELD
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Index Code of cost center to which budget is being transferred in
(F) Sub-object	Sub-object of expenditure account
(G) Grant/Project Details	Enter fields if applicable

FIGURE 16-163. LINE 5 – INCREASE ACTUAL TRANSFERS OUT EXPENDITURE IN THE TRANSFER-OUT FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1         CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                      RIMS DETAIL DOCUMENT                       11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX   : 05      POST PERIOD :      AMOUNT                        XXX.XX
-------------------------------------------------------------------------------
TRANS CODE     : 415 (A) ADJUSTMENT TO INCREASE TRANSFERS OUT
DOCUMENT REF  :(B)
TRANS DESC.   :(C)
TRANS AMOUNT  :(D)                            TRANS NET AMT :
INDEX CODE    :(E)
SUB-OBJECT    :(F)
USER CD       :(G)
GRANT         :(H)
GRANT DETAIL  :(H)
PROJECT       :(H)
PROJECT DETAIL:(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	415 – Adjustment to Increase Transfers Out
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount

REQUIRED FIELD	DESCRIPTION OF FIELD
(E) Index Code	Use same Index Code as Line 2
(F) Sub-object	Use same Sub-object as Line 2
(G) User Code	Use same User Code as Line 2
(H) Grant/Project Details	Enter fields if applicable

FIGURE 16-164. LINE 6 – INCREASE ACTUAL TRANSFERS IN REVENUE IN THE TRANSFER-IN FUND & DESCRIPTION OF FIELDS

```
FAML4255 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        06/26/2015
LINK TO:                        RIMS DETAIL DOCUMENT                    11:13 AM


RIMS CODE      : DEPT
RIMS SUFFIX    : 06        POST PERIOD :        AMOUNT              XXX.XX
-------------------------------------------------------------------------------
TRANS CODE        : 418 (A) ADJUSTMENT TO INCREASE TRANSFERS IN
DOCUMENT REF      :(B)
TRANS DESC.       :(C)
TRANS AMOUNT      :(D)                      TRANS NET AMT :
INDEX CODE        :(E)
SUB-OBJECT        :(F)
USER CD           :(G)
GRANT             :(H)
GRANT DETAIL      :(H)
PROJECT           :(H)
PROJECT DETAIL    :(H)
```

REQUIRED FIELD	DESCRIPTION OF FIELD
(A) Trans Code	418 – Adjustment to Increase Transfers In
(B) Document Ref	Use field according to department requirements
(C) Trans Desc.	Description of the transaction
(D) Trans Amount	Transaction Amount
(E) Index Code	Use same Index Code as Line 3
(F) Sub-object	Use same Sub-object as Line 3

REQUIRED FIELD	DESCRIPTION OF FIELD
(G) User Code	Use same User Code as Line 3
(H) Grant/Project Details	Enter fields if applicable

3.   Once all required fields have been filled and user presses F10-Save, the system will automatically go to the next document detail line. If you have no more lines to input, press Pause/Break to return to the document header screen.

4.   To access the Notepad, see *Section 16.2.1*. Enter the details of the transaction. This should include, but is not limited to:

- Reason and justification for transfer

Refer to department and Controller guidelines for additional information.

5.   Press F10-Save to save. Note that once F10-Save is pressed, the Notepad cannot be edited. Information can only be added.

6.   Press Pause/Break to return to the document header screen. Once you have reviewed the entry and determined it is ready to submit, press F8-Submit twice to send the entry into the approval path.

16.13 | Inventory

IN PROGRESS

17 | APPENDICES*

IN PROGRESS, TO INCLUDE:

M&IE allowances per MOU (Travel Reimbursement)

Robbery Procedures (Cash Handling)

Common FAMIS Transaction Codes used in Grants Entries (Grants)

17.1 | Definition of Terms

IN PROGRESS, TO INCLUDE:

"pre-authorization" / "pre-approval"

Authorized Travel Signatory—individuals who have cards on file with the Controller's Office authorizing them to approve travel requests and reimbursements

17.2 | FAMIS Transaction Codes

IN PROGRESS

17.3 | Sub-Object Codes (Chart of Accounts)

IN PROGRESS

17.4 | General Ledger Codes

IN PROGRESS

17.5 | San Francisco Administrative Code, Chapter 6

PUBLIC WORKS CONTRACTING POLICIES AND PROCEDURES

Article

I. GENERAL PROVISIONS

II. CONSTRUCTION CONTRACTING

III. PROFESSIONAL SERVICES CONTRACTING

IV. EXEMPTIONS FROM AND ALTERNATIVES TO COMPETITIVE BIDDING

V. VIOLATIONS OF ADMINISTRATIVE CODE CHAPTER 6; FALSE CLAIMS; PROCEDURES FOR DEBARMENT; MONETARY PENALTIES

17.5.1 | Article I: General Provisions

Sec. 6.0.   Scope of Chapter.

Sec. 6.1.   Definitions.

Sec. 6.2.   Departments or Commissions Empowered to Contract for Public Works or Related Professional Services.

Sec. 6.3.   Contracting Powers and Procedure.

Sec. 6.4.   Preference for Local Manufacturers and Industry; Recycled Content Materials.

Sec. 6.5.   Compliance with Nondiscrimination Provisions.

Sec. 6.6.   Federally-funded or State-funded Contracts.

Sec. 6.7.   Void Contract.

Sec. 6.8.   Severability.

Sec. 6.9.   Sub-contractor and Sub-consultant Limitation of Rights.

17.5.1.1 | SEC. 6.0. SCOPE OF CHAPTER

Chapter 6 shall govern public work or improvement contracting policies and procedures, including the procurement of professional design, consulting and construction management services for public work projects.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.1.2 | SEC. 6.1. DEFINITIONS

   (A) **Advertisement For Bid.** An Advertisement For Bid is a set of documents which includes without limitation the published advertisement for bids on a construction contract; the forms to be submitted with a

bid, as required by the contracting department and the Human Rights Commission; the construction contract general and special conditions; and the plans and specifications for the public work or improvement.

(B)   **Award.** For contracts in excess of the Threshold Amount as defined below, a contract is awarded by the City and County of San Francisco when the following events have occurred:

(1)   For departments under the Mayor, (a) the Mayor or the Mayor's designee has approved the contract for award and (b) the Department Head has then issued an order of award;

(2)   For departments with boards or commissions, (a) the Department Head has recommended to the board or commission concerned a contract for award and (b) such board or commission has then adopted a resolution awarding the contract.

For contracts less than or equal to the Threshold Amount as defined below, a contract is awarded when the Department Head either signs the contract or issues an order of award, whichever occurs first. Pursuant to Charter Section 3.105, all contract awards are subject to certification by the Controller as to the availability of funds.

(C)   **Bid.** A sealed document submitted in response to an Advertisement For Bids. No bid shall be deemed accepted by the City and County of San Francisco until such time as the contract is awarded in accordance with this Chapter.

(D)   **Bidder.** One who submits a bid in response to an Advertisement For Bids.

(E)   **Construction Manager.** Any individual, firm, partnership, corporation, association, joint venture or other legal entity permitted by law to furnish construction management services to the City and County.

(F)   **Contract.** For the purposes of this Chapter, a contract is an agreement in writing between the City and County of San Francisco and any party to perform professional design services, consultant services, construction management services or construction services relative to a public work or improvement. No contract shall be deemed awarded effective or binding on the City and County of San Francisco until such time as the requirements for award are met, as provided in this Chapter.

(G)   **Contractor.** A party who contracts directly with the City and County of San Francisco to perform professional design services, consultant services, construction management services or construction services relevant to a public work or improvement. A contractor performing construction services may also be referred to as a "general contractor" or a "prime contractor."

(H)   **Department Head.** The duly appointed General Manager, Director, or Executive Director of a City and County of San Francisco department authorized to perform public work under this Chapter. For purposes of this Chapter only, an authorized Department Head may designate an individual to execute on his or her behalf any document referenced in this Chapter, including but not limited to Contracts, Change Orders, Modifications, Service Orders, Task Orders, approvals, progress payments, and certificates of completion. Such designation shall be in writing and shall identify the individual by name and title and the scope and term of the designation.

(I)   **Prevailing Wage or Prevailing Rate of Wage.** The prevailing wage, as used in this Chapter, is the highest general prevailing rate of wage plus "per diem wages" and wages paid for overtime and holiday work paid in private employment in the City and County of San Francisco for the various crafts

and kinds of labor employed in the performance of any public work or improvement under this Chapter. "Per diem wages" are defined pursuant to Labor Code section 1773.1, as amended from time to time.

(J) **Public Work or Improvement.** A public work or public work or improvement, as used in this Chapter, is any erection, construction, renovation, alteration, improvement, demolition, excavation, installation, or repair of any public building, structure, infrastructure, bridge, road, street, park, dam, tunnel, utility or similar public facility performed by or for the City and County of San Francisco, the cost of which is to be paid wholly or partially out of moneys deposited in the Treasury of the City and County.

(K) **Responsible.** A responsible bidder or contractor is one who (1) meets the qualifying criteria required for a particular project, including without limitation the expertise, experience, record of prior timely performance, license, resources, bonding and insurance capability necessary to perform the work under the contract and (2) at all times deals in good faith with the City and County and shall submit bids, estimates, invoices claims, requests for equitable adjustments, requests for change orders, requests for contract modifications or requests of any kind seeking compensation on a City contract only upon a good faith honest evaluation of the underlying circumstances and a good faith, honest calculation of the amount sought.

(L) **Responsive.** A responsive bid is one that complies with the requirements of the subject Advertisement For Bids without condition or qualification.

(M) **Threshold Amount.** The Threshold Amount, for the purposes of this Chapter, is $400,000. On January 1, 2015, and every five years thereafter, the Controller shall recalculate the Threshold Amount to reflect any proportional increase in the Urban Regional Consumer Price Index from January 1, 2010, rounded to the nearest $1,000.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 324-00, File No. 001919, App. 12/28/2000; Ord. 208-02, File No. 021221, App. 10/18/02; Ord. 19-10, File No. 091163, App. 2/10/2010; Ord. 96-10, File No. 100332, App. 5/13/2010)

17.5.1.3 | SEC. 6.2. DEPARTMENTS OR COMMISSIONS EMPOWERED TO CONTRACT FOR PUBLIC WORKS OR RELATED PROFESSIONAL SERVICES

Except as otherwise provided, the departments or commissions empowered on behalf of the City and County of San Francisco to contract for public works or improvements or professional services related to a public work or improvement are the Department of Public Works, the Municipal Transportation Agency, and the Airport, Port, Public Utilities, and Recreation and Park Commissions. All other departments or commissions must procure construction or related professional services through the Department of Public Works.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 118-00, File No. 000478, App. 6/2/2000; Ord. 58-05, File No. 041571, App. 4/1/2005)

17.5.1.4 | SEC. 6.3. CONTRACTING POWERS AND PROCEDURE

(A) **Public Work or Professional Service Contracts Less Than or Equal to the Threshold Amount.** The Department Head may award any construction contract or professional services contract of less than

or equal to the Threshold Amount. For such contracts, approval of the Mayor, commission or board concerned is not required.

(B) **Public Work or Professional Service Contracts in Excess of the Threshold Amount.**

(1) **Departments under the Mayor.** For departments under the Mayor, the Mayor or the Mayor's designee shall approve for award all public work and professional service contracts in excess of the Threshold Amount and the Department Head may then issue an order of award.

(2) **Departments under Boards or Commissions.** The Department Head shall recommend to the board or commission concerned the award of all public work and professional service contracts in excess of the Threshold Amount and such board or commission may then adopt a resolution awarding the contract.

(C) **Certification Required.** In accordance with Section 3.105 of the San Francisco Charter, all contract awards are subject to certification by the Controller as to the availability of funds.

(D) **Execution of Contracts.** Following all necessary approvals, orders or resolutions and execution by the contractor, the Department Head shall execute in duplicate all contracts, modifications and change orders.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.1.5 | SEC. 6.4. PREFERENCE FOR LOCAL MANUFACTURERS AND INDUSTRY; RECYCLED CONTENT MATERIALS

(a) **Local preference.** Whenever any preference in favor of local manufacturers or industry is provided by State law or ordinance or resolution of the Board of Supervisors, the same shall apply to contracts under this Chapter.

(b) **Recycled Content Materials.**

(1) **Requirement.** The Department Head or officer calling for bids shall specify recycled content materials, rather than virgin materials, to the maximum extent feasible in the Advertisement for Bids and plans for all contracts for public works or improvements.

(2) **Definitions.** For the limited purpose of this subsection, the following terms shall have the following meanings: (A) "feasible" means that recycled content materials meet the requirements of the California Building Code or other adopted standards or regulations for each of the materials and its intended use, are permitted to be used in the manner specified in the bid specifications under Federal, State and local law, are available within the project's time line, and are comparable in price to virgin materials, and (B) "recycled content materials" means a building component utilized in place of raw or virgin material that is either reclaimed for reuse from a prior structure or assembly, or a building material or component manufactured in part from waste materials and/or by-products recovered or diverted from solid waste, excluding those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(3) **Department of the Environment, Reports.** Contract Awarding Authorities shall (a) consult with the Department of the Environment regarding available recycled content products that meet the needs of the department; and (b) include information on recycled content material used on public works contracts in the annual reporting to the Department of the Environment specified in the Environment Code.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; Ord. 53-07, File No. 070083, App. 3/23/2007)

17.5.1.6 | SEC. 6.5. COMPLIANCE WITH NONDISCRIMINATION PROVISIONS

(A)   **Application of *Administrative Code* Chapters 12B, 12C and 12D.A.** Notwithstanding any other provision of this *Administrative Code*, all contracts awarded under this Chapter shall be awarded in accordance with the applicable requirements and procedures established in this Chapter and Chapters 12B, 12C and 12D.A.

Any contract for the construction, reconstruction or repair of public buildings, streets, utilities or other public work or improvement estimated to cost in excess of $10,000,000 shall be awarded in accordance with the provisions of this Chapter, except that the bid discount provisions of Chapter 12D.A shall not be applicable.

(B)   **Review by the Human Rights Commission.** The Human Rights Commission (the "HRC") shall review all contracts under this Chapter to determine compliance with *Chapter 12B*, 12C and Chapter 12D.A of the San Francisco *Administrative Code*. Such review shall occur as soon as practicable, but prior to award of any such contract. Noncompliance shall be resolved in accordance with *Administrative Code* section 12D.A.16.

The HRC Director may waive the review of any contract subject to this Chapter. The HRC Director shall transmit a memorandum to the Human Rights Commission as soon as possible reporting such waiver. The Director's memorandum regarding the review waiver shall be a public document. The Commission may disapprove the Director's decision to waive review. The HRC's decision to disapprove must be made within 30 days of receipt of the Director's memorandum but in no event subsequent to the award of any contract. Failure to complete the review of any contract within 60 days of the date bids are received by the City shall constitute a waiver under this subsection.

Any duties required of the HRC under this section may be delegated by the Human Rights Commission to the HRC Director.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.1.7 | SEC. 6.6. FEDERALLY FUNDED OR STATE FUNDED CONTRACTS

(A)   **Time for Award.** For all contracts that are fully or partially funded by Federal or State grants, loans or other governmental source, the department concerned shall not be required to award such contracts until 120 days from the date bids are received. Such time may only be extended prior to award of the contract and only upon (a) written agreement of the apparent responsible bidder with the lowest responsive bid; (b) approval by the Mayor or the Mayor's Designee or by resolution of the board or commission concerned; and (c) any necessary approvals of the Federal, State or other governmental funding agency.

(B)   **Contract Terms.** In all contracts for the construction of any public work or improvement which involves the use of any funds furnished, given or loaned by the government of the United States or the State of California, all laws, rules and regulations of the government of the United States or the State of

California or of any of its departments relative to the performance of such work and the conditions under which the work is to be performed, shall prevail over the requirements of this Chapter when such laws, rules or regulations are in conflict.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.1.8 | SEC. 6.7. VOID CONTRACT

Any public works or related professional services contract or subcontract that is not awarded in accordance with the requirements or which does not comply with the provisions of this Chapter shall be null and void; and no recovery shall be had thereon. Any officer, board or commission who shall sign, execute or approve such a contract shall be deemed guilty of misfeasance in office.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 324-00, File No. 001919, App. 12/28/2000)

17.5.1.9 | SEC. 6.8. SEVERABILITY

If any provision of this Chapter or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared to be severable.
(Added by Ord. 7-02, File No. 011675, App. 1/25/2002)

17.5.1.10 | SEC. 6.9. SUB-CONTRACTOR AND SUB-CONSULTANT LIMITATION OF RIGHTS

Except as otherwise expressly provided by law or contract, no sub-contractor, sub-consultant, or other person or business entity shall be a third-party beneficiary to any contract awarded in accordance with this Chapter, or to any modification or any resolution of any claim arising out of any such contract.
(Added by Ord. 58-05, File No. 041571, App. 4/1/2005)

17.5.2 | Article II: Construction Contracting

17.5.2.1 | SEC. 6.20. PUBLIC WORK CONTRACTS GENERALLY

(A) **Public Works In Excess of the Threshold Amount.** Except as otherwise provided by the Charter or the *Administrative Code*, any public work or improvement estimated to cost more than the Threshold Amount shall be performed under contract awarded to the responsible bidder submitting the lowest responsive bid. To split or divide any public work or improvement into two or more contracts for the purpose of evading this section shall constitute official misconduct.

(B) **Public Works Less Than or Equal to the Threshold Amount.** Any public work or improvement estimated to cost less than or equal to the Threshold Amount may be performed (a) under contract or (b) by City and County employees. If the work is to be performed under contract, the department shall obtain not fewer than three quotes and shall award the contract to the responsible bidder offering the lowest quotation. If the department is unable to obtain three quotes, the award may be based on the quote or quotes received. The department administering the contract shall maintain records as to whom the request for quotations was directed and the quotations received. It is the policy of the Board of Supervisors for contracting departments to make every effort to eradicate prejudice and favoritism in the award of City contracts. In order to effectuate this policy, the Department Heads authorized to enter into construction contracts and their staff members shall collaborate with the HRC Director and HRC staff members periodically to create a list of responsible contractors qualified to perform various types of public work for projects estimated to be less than the Threshold Amount, making every effort to include qualified, responsible, and certified LBE contractors on that list. The HRC shall be responsible for outreach efforts to make sure that certified LBE contractors are aware of the opportunity to be considered for the list. The contract awarding departments or commissions shall be responsible for evaluating and determining whether contractors are responsible and qualified to perform the various scopes of work. The Department Heads authorized to execute construction contracts shall report quarterly to the Board of Supervisors regarding LBE inclusion on the list of responsible and qualified contractors for public work contracts estimated to be less than or equal to the Threshold Amount, a description of the scope of work and price for each contract awarded under this section, the name of the contractor awarded the contract and whether the contract was awarded to an LBE contractor. Such reports shall be referred to a Board committee for public hearing.

(C) **Estimates Required.** For public works or improvements in excess of the Threshold Amount, no Department Head shall recommend a construction contract for or issue an order of award without preparing detailed program requirements and detailed estimates for the work to be performed. There shall be a separate accounting for each work or improvement, which accounting shall include all direct, indirect and supervisory elements of costs chargeable to such work or improvement. All such accounts shall be reported to the Controller and to either the Mayor or the Mayor's Designee or to the board or commission concerned, as appropriate.

(D) **Comparison of Bids on Basis of Time of Completion.** The Department Head concerned is authorized to compare bids on the basis of time of completion and any contract awarded in consideration, in whole or in part, of the relative time estimate of bidders for completion of the work, shall be subject to the provisions of this Chapter.

(E) **Time for Award.** Except when a contract is funded by Federal or State grants or funds, all public work contracts shall be awarded within ninety (90) days of the date the City and County receives the bids. Such time may only be extended prior to award of the contract and only upon written agreement of the apparent responsible bidder with the lowest responsive bid and approval by the Department Head.

(F) **Prequalification.** Department heads authorized to execute public work contracts may require that prospective bidders be prequalified to bid either on a specific project or on an identified group of projects. The procedure for prequalification is as follows:

(1) The Department Head shall issue a prequalification statement. The prequalification statement may, at the discretion of the Department Head, be issued in conformance with Public Contract Code section 20101 and/or the California Department of Industrial Relations Model Pre-Qualification Questionnaire. The Department Head may, at his/her own discretion, apply the Model guidelines for scorable questions and scoring as the basis for any prequalification. The Department Head may also, at his/her own discretion, issue the Model with additional questions or may use an alternative questionnaire. The Department Head responsible for the public work may include in any questionnaire a request for special qualifications, experience or expertise necessary to perform the project or projects for which the prequalification is sought. For any project-specific information required, the department shall set objective scoring criteria and incorporate the criteria into any scoring procedure.

(2) The department responsible for the public work shall advertise any prequalification questionnaire in the same manner required for bids, as set forth in Section 6.21 of this Chapter.

(3) Prequalification shall be valid for not more than two years following the date of initial prequalification.

(4) A prospective bidder may dispute a finding that he/she is not prequalified. The dispute and request for review must be in writing and received by the department within ten calendar days from the date the department issued notice of non-prequalification. The department shall then provide the prospective bidder with the basis for its finding and any supporting evidence used in the determination. The department shall give the prospective bidder the opportunity to rebut the evidence provided and to present evidence as to why the prospective bidder should be found qualified. If a bidder fails to avail itself of this dispute process, the department's finding shall become final without further notice. Failure to be prequalified shall not by itself preclude a prospective bidder from participating in other or future prequalifications.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 19-10, File No. 091163, App. 2/10/2010)

17.5.2.2 | SEC. 6.21. REQUIREMENTS FOR BIDS AND QUOTES

(A) **Bids.** All Advertisements For Bids for construction contracts in excess of the Threshold Amount shall conform to and at a minimum require the following:

(1) **Published Advertisement.** The Department Head authorized to execute the contract for the public work or improvement to be performed shall advertise for competitive bids in at least one local newspaper or periodical of general circulation. Such advertisement shall be published not fewer than ten

(10) days prior to bid opening. The department may, in its discretion, include in the published advertisement the amount of the engineer's estimate for the work to be performed.

(2) **Award and Certification Required.** All published advertisements and Advertisements For Bid shall contain the following language [wording in brackets should be chosen as appropriate to the department]:

In accordance with San Francisco *Administrative Code* Chapter 6, no bid is accepted and no contract in excess of [the Threshold Amount] is awarded by the City and County of San Francisco until such time as [(1) for departments with boards or commissions, (a) the Department Head recommends the contract for award and (b) the board or commission then adopts a resolution awarding the contract]; or [(2) for departments under the Mayor, (a) the Mayor or the Mayor's designee approves the contract for award and (b) the Department Head then issues an order of award.] Pursuant to Charter Section 3.105, all contract awards are subject to certification by the Controller as to the availability of funds.

Failure of a department to include such language in a published advertisement or Advertisement For Bids does not give rise to a contract right by a bidder or contractor outside of the requirements of the Charter or *Administrative Code* of the City and County of San Francisco.

(3) **Form of Bid.** All bids shall be sealed and directed to the Department Head advertising for bids, in the format prescribed by the Department Head with the authority to execute the contract.

(4) **Bid Bond.** All bids in excess of $25,000.00 shall be accompanied by a corporate surety bond, or an irrevocable letter of credit on a bank or trust company doing business and having an office in the State of California, having a combined capital and surplus of at least $50,000,000.00, and subject to supervision or examination by Federal or State authority, or a certified check on a bank or trust company doing business and having an office in the State of California, having a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by Federal or State authority, payable on sight to the City and County of San Francisco, the amount of which corporate surety bond, irrevocable letter of credit or certified check shall be fixed by the Department Head or officer as stated in the Advertisement For Bids, which amount shall not be less than 10 percent of the amount bid for the cost of the proposed work of improvement, and no bid shall be considered unless accompanied by a corporate surety bond or irrevocable letter of credit or certified check. Any irrevocable letter submitted pursuant to this Chapter shall be on a form provided by the City and County. If the amount of security required is fixed by the Department Head or officer in an amount in excess of $15,000.00, the form of security required shall be that of a corporate surety bond or irrevocable letter of credit. The requirement for a corporate surety bond, irrevocable letter of credit or certified check described in this subsection shall be referred to collectively as the "bid security requirements."

Notwithstanding the above, the bid security requirements for a particular contract may be modified by the Department Head in accordance with *Administrative Code* Chapter 14B.

(5) **Fees.** The Department Head or officer calling for bids may specify in the Advertisement For Bids for any project a nonrefundable fee to be paid by each prospective bidder for each set of bidding documents (including plans and specifications), such fee to defray the cost of reproducing each set of bidding documents as determined by the Department Head or officer, and all such fees shall be

deposited as an abatement of the expenditure of the appropriation against which the cost of reproducing said bidding documents was charged.

(6) **License.** The Department Head shall specify in all Advertisements For Bids and plans for public work projects the classification of the contractor's license which a contractor shall possess at the time bids are submitted. Bidders and their sub-contractors are required to be properly licensed at the time of bid.

(7) **Qualifications.** The Department Head responsible for the public work shall require from all bidders information concerning their experience and financial qualifications and shall take such information into consideration in the award of any contract. At a minimum the Department Head shall require (1) information concerning the contractor's experience, financial qualifications and ability to perform the terms and conditions of the contract and (2) information as to whether the contractor possesses, or can obtain in time to perform the contract, the necessary equipment. In the event that a bidder fails to provide such information within fourteen calendar days of bid opening, or as otherwise required in the Advertisement For Bids, the Department Head could find that the bidder is refusing to enter into the contract, resulting in a forfeiture of the bidder's bid bond.

(8) **Business Tax Registration Certificate.** All Advertisement For Bids shall require that bidders submit proof of a current Business Tax Registration Certificate. Failure of a bidder to provide such proof within fourteen (14) calendar days of bid opening, or as otherwise required in the Advertisement For Bids, could, at the discretion of the Department Head, constitute a refusal to enter into the contract and result in a forfeiture of the bid bond.

(9) **Designation of Sub-contractors; Sub-contracting and Sub-letting.** All bidders shall designate their sub-contractors in accordance with and shall be subject to the California Subletting and Subcontracting Fair Practices Act, at Public Contract Code Section 4100 et seq., as amended from time-to-time. In addition to the penalties provided by Public Contract Code Section 4100 et seq., violation of this subsection may be grounds for a determination of nonresponsibility under Article V of this Chapter.

(10) **Work to Be Performed by General Contractor.** The Advertisement For Bids may specify the portion of work which must be performed by the General Contractor using his/her own forces. The specification may require the General Contractor to perform with his/her own forces up to 25% of the base contract work. Bidders must certify with their bids that, if awarded the contract, they will perform with their own forces the specified percentage of the total bid price (excluding alternates).

(B) **Quotes.** All requests for quotes for construction contracts less than or equal to the Threshold Amount shall be posted with three-days' notice. Such requests shall at a minimum require a contractor's license, qualifications, a Business Tax Registration Certificate, participation in an apprenticeship program and compliance with sub-contractor listing laws, all in accordance with the listed provisions of Sections 6.21 and 6.22.

(C) **Right to Reject Any or All Bids or Quotes.** The Department Head shall have the right to reject any or all bids or quotes for any reason or no reason. All Advertisement For Bids shall reserve this right, but failure to make such reservation shall not abrogate the right to reject.

(D) **Bid Protests.** Only a bidder may submit a bid protest. The Department Head concerned shall prescribe in the Advertisement For Bids procedures for submitting bid protests. Such procedures shall set

the time by which bid protests must be received but may not require that bid protests be submitted fewer than five (5) business days after the date bids are due.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 153-00, File No. 000805, App. 6/30/2000; Ord. 324-00, File No. 001919, App. 12/28/2000; Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 208-02, File No. 021221, App. 10/18/02; Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 19-10, File No. 091163, App. 2/10/2010)

17.5.2.3 | SEC. 6.22. PUBLIC WORK CONSTRUCTION CONTRACT TERMS AND WORKING CONDITIONS

All construction contracts awarded by the City and County of San Francisco shall contain the following minimum terms and conditions:

(A) **Bonds.** Before the execution of any contract for public work or improvement in excess of $25,000, the Department Head authorized to execute such contracts shall require the successful bidder to file corporate surety bonds for the faithful performance thereof and to guarantee the payment of wages for services engaged and of bills contracted for material, supplies and equipment used in the performance of the contract. The bond shall be for a sum not less than 100 percent of the award.

The City and County of San Francisco, acting through its Human Rights Commission ("HRC"), intends to provide guarantees to private bonding assistance companies and financial institutions in order to induce those entities to provide required bonding and financing to eligible contractors bidding on and performing City public work contracts. This bonding and financial assistance program is subject to the provisions of *Administrative Code* Chapter 14B.

(B) **Insurance.** All construction contracts awarded under this Chapter must conform to the insurance requirements established by the Risk Manager. The Risk Manager shall develop uniform insurance requirements for City contracts subject to this Chapter and shall publish such requirements in the Risk Manager's Manual. The Risk Manager shall review and update such insurance requirements on an annual basis.

Every contractor and sub-contractor shall comply with the provisions of California Labor Code section 3700. Prior to commencing the performance of work under any public work contract, the contractor and all of its sub-contractors shall file with the awarding department a certificate of insurance against liability for workers compensation or proof of self-insurance in accordance with the provisions of the California Labor Code.

(C) **Indemnification.** All construction contracts awarded under this Chapter shall require that the contractor fully indemnify the City and County to the maximum extent provided by law, such that each contractor must save, keep, bear harmless and fully indemnify the City and County and any of its officers or agents from any and all liability, damages, claims, judgments or demands for damages, costs or expenses in law or equity that may at any time arise.

This indemnification requirement may not be waived or abrogated in any way for any contract without the recommendation of the City's Risk Manager and the express permission and approval of the Board of Supervisors.

(D)   **Assignment.** No contract shall be assigned except upon the recommendation of the Department Head concerned and with the approval of the Mayor or the Mayor's designee, relative to the department under the Mayor's jurisdiction, or the approval of the board or commission concerned for departments not under the Mayor.

(E)   **Prevailing Wages.**

(1)   **Generally.** All contractors and sub-contractors performing a public work or improvement for the City and County of San Francisco shall pay its workers on such projects the prevailing rate of wages as provided below. For the purpose of prevailing wage requirements only, the definition of a public work shall include those public works or improvements defined in the foregoing section 6.1 of this Chapter and shall also include (a) any trade work performed at any stage of construction (including preconstruction work) and (b) any public work paid for by the City and County of San Francisco with "the equivalent of money" under the meaning of Labor Code section 1720(b).

(2)   **Additional Projects Included Within Definition of "Public Work or Improvement" for Purposes of Prevailing Wages.**

(a)   **Property Leased by the City.**For the limited purposes of this subsection 6.22(E), a "public work or improvement" also means and includes any construction work done under private contract when all of the following conditions exist:

(i)   The construction contract is between private persons; and

(ii)   The property subject to the construction contract is privately owned, but upon completion of the construction work will be leased to the City and County of San Francisco for its use; and

(iii)   Either of the following conditions exist: (1) The lease agreement between the lessor and the City and County of San Francisco, as lessee, is entered into prior to the construction contract, or (2) The construction work is performed according to the plans, specifications, or criteria furnished by the City and County of San Francisco, and the lease agreement between the lessor and the City and County of San Francisco as lessee, is entered into during, or upon completion, of the construction work.

(b)   **Public Works Under California Labor Code.** For the limited purposes of this subsection 6.22(E), a "public work or improvement" also means and includes all projects for which prevailing wages are required to be paid on "public works" pursuant to California Labor Code section 1782. This subsection 6.22(E)(2)(b) is intended to have prospective effect only, and shall not be interpreted to impair the obligations of any pre-existing grant agreement, lease, development agreement or other contract entered into by the City. Notwithstanding the prior sentence, this subsection shall apply to newly included work in pre-existing grant agreements, leases, development agreements, or other contracts amended on or after the operative date. The subsection shall apply to grant agreements, leases, development agreements and other contracts entered into by the City on or after the operative date. All grant agreements, leases, development agreements and other contracts which allow for such construction on property owned by the City that the City enters after the operative date of the subsection must contain a provision that such construction shall comply with this subsection.

(3)   **Determination of the Prevailing Wage.** It shall be the duty of the Board of Supervisors, from time to time and at least once during each calendar year, to fix and determine the prevailing rate of wages as follows:

On or before the first Monday in November of each year, the Civil Service Commission shall furnish to the Board of Supervisors data as to the highest general prevailing rate of wages of the various crafts and kinds of labor as paid in private employment in the City and County of San Francisco, plus "per diem wages" and wages for overtime and holiday work. The Civil Service Commission shall provide the Board of Supervisors data for "per diem wages" pursuant to California Labor Code sections 1773.1 and 1773.9, as amended from time to time. The Board of Supervisors shall, upon receipt of such data, fix and determine the prevailing rate of wages. The prevailing rate of wages as so fixed and determined by the Board of Supervisors shall remain in force and shall be deemed to be the highest general prevailing rate of wages paid in private employment for similar work, until the same is changed by the Board of Supervisors. In determining the highest general prevailing rate of wages per diem wages and wages for overtime and holiday work, as provided for in this section, the Board of Supervisors shall not be limited to the consideration of data furnished by the Civil Service Commission, but may consider such other evidence upon the subject as the Board shall deem proper and thereupon base its determination upon any or all of the data or evidence considered.

In the event that the Board of Supervisors does not fix or determine the highest general prevailing rate of wages in any calendar year, the rates established by the California Department of Industrial Relations for such year shall be deemed adopted.

(4) **Specifications to Include Wage Rate.** The Department Head authorized to execute a construction contract under this Chapter shall include in the contract specifications, or make available in the offices of the department or at the job site, a detailed statement of the prevailing rate of wages as fixed and determined by the Board of Supervisors at the time the department issued the Advertisement For Bids on the contract. The contractor shall agree to pay to all persons performing labor in and about the public work or improvement the highest general prevailing rate of wages as determined pursuant to this Chapter, including wages for holiday and overtime work. If the specifications do not include the prevailing rate of wages, the specifications shall include a statement that copies of the prevailing rate of wages as fixed and determined by the Board of Supervisors are on file at the department's principal office or at the job site and shall be made available to any interested party on request.

(5) **Sub-contractors Bound by Wage Provisions.** Every contract for any public work or improvement shall also contain a provision that the contractor shall insert in every subcontract or other arrangement which he or she may make for the performance of any work or labor on a public work or improvement. This provision shall be that the sub-contractor shall pay to all persons performing labor or rendering service under said subcontract or other arrangement the highest general prevailing rate of wages as fixed and determined by the Board of Supervisors for such labor or services.

(6) **Records to be Kept by Contractors and Sub-contractors.** Every public works contract or subcontract awarded under this Chapter shall contain a provision that the contractor shall keep, or cause to be kept, for a period of four years from the date of substantial completion of a public work, payrolls and basic records including time cards, trust fund forms, apprenticeship agreements, accounting ledgers, tax forms and superintendent and foreman daily logs for all trades workers performing work at or for a City and County of San Francisco public work or improvement. Such records shall include the name, address and social security number of each worker who worked on the project, including apprentices, his

or her classification, a general description of the work each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every sub-contractor who shall undertake the performance of any part of a public work or improvement shall keep a like record of each person engaged in the execution of the subcontract.

The contractor shall maintain weekly certified payroll records for submission to the awarding department as required. The contractor shall be responsible for the submission of payroll records of its sub-contractors. All certified payroll records shall be accompanied by a statement of compliance signed by the contractor indicating that the payroll records are correct and complete, that the wage rates contained therein are not less than those determined by the San Francisco Board of Supervisors and that the classifications set forth for each employee conform with the work performed.

All such records as described in this section shall at all times be open to inspection and examination of the duly authorized officers and agents of the City and County of San Francisco, including representatives of the Office of Labor Standards Enforcement.

Should the Department Head responsible for the public work or the Labor Standards Enforcement Officer determine that a contractor or sub-contractor is not in compliance with the requirements of this subsection, the Department Head or the Labor Standards Enforcement Officer shall issue written notification to the contractor or sub-contractor mandating compliance within not fewer than ten calendar days from the date of the notification. Should the contractor or sub-contractor fail to comply as required in the notification, the Department Head who executed the contract or the Labor Standards Enforcement Officer may impose a penalty of $25.00 for each calendar day of noncompliance, or portion thereof, for each worker. Upon the request of the responsible Department Head or the Labor Standards Enforcement Officer, the Controller shall withhold these penalties from progress payments then due or to become due.

(7) **Additional Required Contract Provisions.** Every public works contract shall contain provisions stating that (1) the contractor will cooperate fully with the Labor Standards Enforcement Officer and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements and other labor standards imposed on public works contractors by the Charter and Chapter 6 of the San Francisco *Administrative Code*; (2) the contractor agrees that the Labor Standards Enforcement Officer and his or her designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (3) the contractor shall maintain a sign-in and sign-out sheet showing which employees are present on the job site; (4) the contractor shall prominently post at each job-site a sign informing employees that the project is subject to the City's prevailing wage requirements and that these requirements are enforced by the Labor Standards Enforcement Officer; and (5) that the Labor Standards Enforcement Officer may audit such records of the contractor as he or she reasonably deems necessary to determine compliance with the prevailing wage and other labor standards imposed by the Charter and this Chapter on public works contractors. Failure to comply with these requirements may result in penalties and forfeitures consistent with California Labor Code section 1776(g), as amended from time to time.

(8) **Non-compliance with Wage Provisions – Penalties.**

(a) **Penalty and Forfeiture.** Any contractor or sub-contractor who shall fail or neglect to pay to the several persons who shall perform labor under any contract, subcontract or other arrangement on any public work or improvement as defined in this Chapter the highest general prevailing rate of wages as fixed by the Board of Supervisors under authority of this Chapter, shall forfeit; and, in the case of any sub-contractor so failing or neglecting to pay said wage, the original contractor and the sub-contractor shall jointly and severally forfeit to the City and County of San Francisco back wages due plus the penal sum of $50.00 per day for each laborer, workman or mechanic employed for each calendar day or portion thereof, while they shall be so employed and not paid said highest general prevailing rate of wages, and in addition shall be subject to the penalties set forth in Article V of this Chapter, including debarment.

(b) **Enforcement.** It shall be the duty of the officer, board or commission under whose jurisdiction said public work or improvement is being carried on, made or constructed, when certifying to the Controller any payment which may become due under said contract, to deduct from said payment or payments the total amount of said forfeiture provided for in this subsection. In doing so, the Department Head must also notify in writing the Labor Standards Enforcement Officer of his/her action. The Labor Standards Enforcement Officer may also upon written notice to the Department Head who is responsible for the project, certify to the Controller any forfeiture(s) to deduct from any payment as provided for in this Subsection 6.22(E)(8). Certification of forfeitures under this subsection shall be made only upon an investigation and audit by the responsible Department Head or the Labor Standards Enforcement Officer and upon service of written notice to the contractor that includes identification of the grounds for the forfeiture or forfeitures ("Certification of Forfeiture"). The audit supporting the forfeiture shall be appended to the Certification of Forfeiture, but failure to append such documentation shall not invalidate the Certification. Service of the Certification of Forfeiture shall be made by United States mail and the date of service shall be the date of mailing. The Controller, in issuing any warrant for any such payment, shall deduct from the amount which would otherwise be due on said payment or payments the amount of said forfeiture or forfeitures as so certified.

(c) **Recourse Procedure.** A contractor and/or a sub-contractor may appeal from a Certification of Forfeiture. The Controller shall adopt and maintain rules and regulations for any appeal under this Subsection 6.22(E)(8)(c), which rules shall generally include the following parameters for efficient and effective due process:

(i) Any Appeal from Certification of Forfeiture shall be filed in writing by the contractor and/or sub-contractor (referred to in this Subsection 6.22(E)(8)(c), whether singular or plural, as the "Appellant") within 15 days of the date of service of the Certification of Forfeiture. Appellant shall file the Appeal from Certification of Forfeiture with the City Controller and serve a copy on the Labor Standards Enforcement Officer. Failure by the contractor or sub-contractor to submit a timely, written Appeal from Certification of Forfeiture shall constitute concession to the forfeiture, and the forfeiture shall be deemed final upon expiration of the 15-day period.

(ii) The Office of Labor Standards Enforcement shall promptly afford Appellant an opportunity to meet and confer in good faith regarding possible resolution of the Certification of Forfeiture in

advance of further proceedings under this Subsection 6.22(E)(8)(c), with the intention that such meeting occur within 30 days of the date the Appeal from Certification of Forfeiture is filed.

(iii)   After the expiration of 30 days following the date the Appeal from Certification of Forfeiture is filed, any party may request in writing, with concurrent notice to all other parties, that the Controller appoint a hearing officer to hear and decide the appeal. If no party requests appointment of a hearing officer, the Certification of Forfeiture shall be deemed final on the 60th day after the date the Appeal from Certification of Forfeiture is filed.

(iv)   Within 15 days of receiving a written request for appointment of a hearing officer under Section 6.22(E)(8)(c)(iii), the Controller shall appoint an impartial hearing officer and immediately notify the enforcing official and Appellant, and their respective counsel or authorized representative if any, of the appointment. The appointed hearing officer shall be an Administrative Law Judge with at least ten years experience with the City and not less than two years experience in labor law, prevailing wage, and/or wage and hour matters; or shall be an attorney with knowledge and not less than five years' experience in labor law, prevailing wage, and/or wage and hour matters.

(v)   The hearing officer shall promptly set a date for a hearing. The hearing must commence within 45 days of the date the Controller notice of the hearing officer appointment, and conclude within 75 days of such notice. The hearing officer shall conduct a fair and impartial evidentiary hearing in conformance with the time limitations set forth in this subsection 6.22(E)(8)(c) and in the rules and regulations, so as to avoid undue delay in the resolution of any appeal. The hearing officer shall have the discretion to extend the times under this subsection 6.22(E)(8)(c), and any time requirements under the rules and regulations, only upon a showing of good cause.

(vi)   Appellant has the burden of proving by a preponderance of the evidence that the basis for the Certification of Forfeiture is incorrect, including any back wage and penalty assessments that are at issue in the appeal.

(vii)   Within 30 days of the conclusion of the hearing, the hearing officer shall issue a written decision affirming, modifying, or dismissing the forfeiture. The decision of the hearing officer shall consist of findings and a determination. The hearing officer's findings and determination shall be final.

(viii)   Appellant may appeal a final determination under this section only by filing in the San Francisco Superior Court a petition for a writ of mandate under California Code of Civil Procedure, section 1084, *et seq.*, as applicable and as may be amended from time to time.

(d)   **Distribution of Forfeiture.** The Controller shall withhold any forfeiture as provided in the foregoing paragraphs until such time as either the contractor or sub-contractor has conceded to the forfeiture or, in the event of an appeal, there is a determination no longer subject to judicial review. The Controller shall then distribute the amounts withheld in the following order: (1) the Labor Standards Enforcement Officer shall make best efforts to distribute back wages withheld to the individual workers identified as not having been paid the proper wage rate; (2) the penal sums provided for above shall inure to the benefit of the general fund of the City and County of San Francisco; (3) the Controller shall hold the balance of any back wages in escrow for workers whom the Labor Standards Enforcement Officer, despite his/her best efforts, cannot locate. In the event back wages are unclaimed for a period

of three years, the Controller shall undertake administrative procedures for unclaimed funds in conformance with Government Code Section 50050, *et seq.*, as may be amended from time to time.

(F)   **Hours and Days of Labor.**

(1)   **Generally.** For the purpose of meeting prevailing conditions and enabling employers to secure a sufficient number of satisfactory workers and artisans, no person performing labor or rendering service in the performance of any contract or subcontract for any public work or improvement as defined in this Chapter shall perform labor for a longer period than five days (Monday through Friday) of eight hours each, with two 10-minute breaks per eight-hour day, except in those crafts in which a different work day or week now prevails by agreement in private employment. Any person working hours in addition to the above shall be compensated in accordance with the prevailing overtime standards and rates.

(2)   **Noncomplianceand Forfeiture.** Any contractor or sub-contractor who shall violate any of the provisions of this subsection shall be liable for the same penalties and forfeits as those specified in Subsection 6.22(E) of this Chapter; penalties and forfeits shall be applicable for each laborer, mechanic or artisan employed for each calendar day or portion thereof whereon such laborer, mechanic or artisan is compelled or permitted to work more than the days and hours specified herein. The provisions of this subsection shall be made a part of all contracts and subcontracts for the construction of any public work or improvement.

(3)   **Contracts Outside City and County.** In the event that any public work or improvement is to be constructed outside of the City and County of San Francisco and at such a distance therefrom that those engaged in performing labor on said public work or improvement must under ordinary conditions remain at or near the site of said work or improvement when not actually engaged in the performance of labor thereon, then the officer, board or commission responsible for the construction of said public work or improvement may, in making specifications or letting contracts therefor, make provision therein for days and hours of labor beyond the limitations provided for in Section 6.22(F) of this Chapter; but not to exceed eight hours in any one calendar day, or six days in any calendar week. In the event that emergency conditions shall arise, making a change advisable during the performance of any such contract, or any portion thereof, the hours and days of labor may be extended beyond the limits hereinabove expressed; but not to exceed eight hours per day, upon the written authority of the officer, board or commission awarding such contract. Failure of the contractor to perform such contract within the time provided shall not constitute an emergency.

(G)   **Short Title.** This subsection 6.22(G) shall be known as and may be cited as the San Francisco Local Hiring Policy for Construction ("Policy").

(1)   **Findings and Purpose.**

(a)   The Board of Supervisors passed Ordinance 286-94 on August 4, 1994, to establish local hiring requirements for City public work or improvement projects performed within the boundaries of the City.

(b)   In 2010, the San Francisco Redevelopment Agency and the City's Office of Economic and Workforce Development commissioned a study of the labor market in the construction industry in San Francisco (the "Labor Market Analysis"), including review of comparative demographic data regarding workers on public and private projects, scope of past and future public and private construction work in

San Francisco, comparative compensation on public and private projects, demographic data regarding apprenticeship programs operating in San Francisco, and income and residency data regarding construction workers in San Francisco.

(c)   In 2010, the Walter and Elise Haas Fund and the San Francisco Foundation, with assistance of the City's Office of Economic and Workforce Development, convened a local hiring stakeholder process to discuss possible revision of subsection 6.22(G), at which community, labor, contractor, and City stakeholders participated.

(d)   In August 2010, a report from Chinese for Affirmative Action and Brightline Defense Project entitled, "The Failure of Good Faith," found that the City has historically failed to meet its local hiring goals.

(e)   The Budget & Finance and Land Use & Economic Development Committees of the Board of Supervisors held public hearings regarding local hiring and proposed revisions to subsection 6.22(G).

(f)   The San Francisco Public Utilities Commission, Redevelopment Agency, Human Rights Commission, and other City departments and agencies held public hearings regarding local hiring.

(g)   The construction industry is one of the few industries providing a path to middle-class careers for individuals without advanced degrees or facing barriers to quality employment, and is therefore a crucial component of the effort to build economic opportunities for targeted residents of San Francisco, with a particular emphasis on low-income and underrepresented workers in various building and construction trades, in order to elevate historically disadvantaged populations and create more sustainable communities throughout San Francisco.

(h)   The City has awarded more than $8 billion in public work and improvement contracts during the last 10 years.

(i)   The City anticipates that it will award approximately $27 billion in public work and improvement contracts in the next 10 years.

(j)   City spending on public work and improvement projects over the next 10 years will generate tens of thousands of construction work hours.

(k)   The Board desires to ensure that employment and training opportunities created by such public work and improvement projects provide consistent and high-quality opportunities to the San Francisco labor pool, especially low-income residents of San Francisco and other disadvantaged residents.

(l)   Although approximately 40% of construction workers employed in San Francisco are San Francisco residents, from 2002 to 2010 San Francisco residents worked only approximately 24% of the work-hours on publicly-funded construction projects in the City, and only 20% of work-hours since July 2009.

(m)   The City faces unemployment levels that have risen dramatically over the past four years, climbing from a low of 3.7% in December 2006 to an average of 9.8% for each month of 2010 through July, leaving at least 44,500 San Franciscans out of work according to the California Employment Development Department, with disproportionate concentrations of high unemployment in neighborhoods such as Bayview-Hunters Point, Chinatown, the Mission, Western Addition, Visitacion Valley, the Excelsior, South of Market, Ocean View, Merced Heights and Ingleside.

(n)   The 2010-2014 Consolidated Plan for the City and County of San Francisco indicates that several San Francisco neighborhoods face concentrated poverty and San Francisco's slow job growth rate and changing job base has had major impacts on patterns of income inequality and disparity in the City, with distinctive, adverse, neighborhood-specific effects.

(o)   The loss of middle-income jobs has been associated with a diminishing middle class in San Francisco, as indicated by rising income inequality. San Francisco's unequal income distribution threatens the City's future competitiveness and overall economic stability, and the City's anti-poverty strategy aims to ensure that the City and its partners are marshaling its limited resources in an effective and coordinated way to create economic opportunities in San Francisco's low-income communities.

(p)   The City has made substantial public investments in its workforce development system, including CityBuild and the City's community-based partners, to create job opportunities in industries such as construction, which are vital to the economic health of the local economy, have a capacity to generate a significant number of jobs, are accessible to low- and middle-skilled individuals, have career ladder opportunities where workers can move up with additional training and skill development, and provide access to living wage and family-sustaining jobs.

(q)   City-funded construction projects provide a crucial opportunity to connect participants in these City-funded or City-operated workforce development programs with employment and training opportunities, and to direct employment and training opportunities created by the City's public expenditures.

(r)   The City and the San Francisco Redevelopment Agency have made substantial public investments toward creating and facilitating growth in economic opportunities for low-income individuals and neighborhoods in San Francisco.

(s)   CityBuild, San Francisco's construction training workforce program, was initiated in 2005 to serve as a training vehicle for ushering disadvantaged workers into the construction skilled trades. The program is a multi-craft pre-apprenticeship training program, and has assisted over 450 graduates, into union-sponsored apprentice programs. CityBuild, in 2009-2010, contributed approximately 44 percent of all new San Francisco resident apprentice intakes based on data provided by the California Department of Industrial Relations, Division of Apprenticeship Standards. San Francisco's workforce construction training infrastructure has the capacity to meet future demand for high quality and well trained workers in the construction trades.

(t)   Employment of workers that reside close to job sites has environmental benefits, including reducing the distance of commutes and resulting vehicle emissions. These environmental benefits are consistent with the mandates, policies and goals of the California Global Warming Solutions Act (AB 32), the Sustainable Communities and Climate Protection Act (SB 375), and the Climate Action Plan for San Francisco.

(u)   The Board seeks terms and conditions that advance the City's workforce and community development goals, removing obstacles that may have historically limited the full employment of local residents on the wide array of opportunities created by public works projects, curbing spiraling unemployment, population decline, and reduction in the number of local businesses located in the City, eroding property values and depleting San Francisco's tax base.

(v)   A local hiring policy is necessary to counteract these grave economic and social ills.

(w)   The San Francisco Local Hiring Policy for Construction 2012-2013 Annual Report shows that the Policy has proven to be a highly effective tool in guaranteeing good-paying jobs for Local Residents on Covered Projects, which includes public work construction projects completed under City contracts.

(x)   The 2012-2013 Annual Report is evidence that a true partnership between the City, CityBuild and its community-based partners, contractors, labor organizations, and state-certified apprenticeship programs has increased local hiring on projects covered by the Policy by an average of 35% as of 2013. This compares to an average of 20% under the "good faith efforts" policy it replaced.

(y)   The City has a proprietary interest in the construction contracts it issues, and also has a proprietary interest in the leases and development agreements that it enters that all allow for construction on city-owned property.

(z)   Expanding the Policy to include construction projects on City-owned property promotes an equitable share of job opportunities for San Francisco residents to pursue a career in construction; and provides the opportunity for the use of state-certified apprenticeships that expands the local construction workforce pipeline to support the continued success of local hiring on public works projects.

(2)   **Definitions.** For purposes of this subsection 6.22(G), the following terms shall have the following meanings:

(a)   "Apprentice" means any worker who is indentured in a construction apprenticeship program that maintains current registration with the State of California's Division of Apprenticeship Standards.

(b)   "Area Median Income" or "AMI" means unadjusted median income levels derived from the Department of Housing and Urban Development ("HUD") on an annual basis for the San Francisco area, adjusted solely for household size, but not high housing cost area.

(c)   "Awarding department" means a department or commission empowered on behalf of the City to contract for a covered project.

(d)   "City" means the City and County of San Francisco, California.

(e)   "Contractor" means any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association, or other entity that contracts directly with the City to perform construction work on a covered project. A contractor may also be referred to as a "prime contractor" or "general contractor."

(f)   "Covered project" means a public work or improvement project or part thereof to which this subsection 6.22(G) applies, under standards set forth in subsection 6.22(G)(3).

(g)   "Disadvantaged worker" means a local resident, as defined below, who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate, as reported by the State of California Employment Development Department; or (ii) at the time of commencing work on a covered project has a household income of less than 80% of the AMI, or (iii) faces or has overcome at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; participating in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.

(h)   "Local hiring incentives" means the incentives set forth in subsection 6.22(G)(5) of this Policy.

(i)   "Local hiring requirements" means the requirements set forth in subsection 6.22(G)(4) of this Policy.

(j)   "Local resident" means an individual who is domiciled, as defined by Section 349(b) of the California Election Code, within the City at least seven (7) days prior to commencing work on the project.

(k)   "OEWD" means the City's Office of Economic and Workforce Development.

(l)   "Policy" means this subsection 6.22(G).

(m)   "Project work" means construction work performed as part of a covered project.

(n)   "Project work hours" means the total hours worked on a construction contract by all apprentices and journey level workers, whether those workers are employed by the contractor or any sub-contractor.

(o)   "Sub-contractor" means any person, firm, partnership, owner operator, limited liability company, corporation, joint venture, proprietorship, trust, association, or other entity that contracts with a prime contractor or another sub-contractor to provide services to a prime contractor or another sub-contractor in fulfillment of the prime contractor's or that other sub-contractor's obligations arising from a contract for construction work on a covered project.

(p)   "Targeted worker" means any local resident or disadvantaged worker.

(q)   "New hire" means any employee of a contractor who is not listed on the contractor's quarterly tax statements for the tax period and has been hired prior to the commencement of work.

(r)   "Core employee or worker" means an apprentice or journey level employee, who possesses any license required by state or federal law for the project work to be performed, of a contractor or sub-contractor who appears on that contractor or sub-contractor's certified payroll sixty (60) of the previous one hundred calendar (100) days prior to date of award of a city contract.

(3)   **Coverage.**

(a)   **Threshold for Public Work and Improvement Projects.** This Policy applies to contracts issued by the City with prime contractors for public works or improvements estimated to cost in excess of the Threshold Amount set forth in Section 6.1 of this Chapter, as that amount may be amended.

(b)   **Threshold for Projects Constructed on Property Owned by the City.** For purposes of subsection 6.22(G) only, this Policy applies to all construction projects on property owned by the City that are estimated to cost in excess of the Threshold Amount set forth in Section 6.1 of this Chapter, as that amount may be amended, including construction contracts that are issued by an entity or individual other than the City. The following construction projects are exempt from this subsection 6.22(G)(3)(b): (i) tenant improvement projects estimated to cost less than $750,000 per building permit, where the project is undertaken and contracted for by the tenant; (ii) projects for special events where the special event is three (3) or fewer consecutive or non-consecutive days within a two (2) week period; (iii) construction projects for which the construction work is fully funded and performed by a donor or donor's agent as a gift-in-place donation, where the gift agreement does not require City funds to be used for the construction and where the gift agreement includes a requirement that workers be paid the same prevailing rate of wages as would be required a public work project; and (iv) projects that as of the effective date of this subsection 6.22(G)(3)(b) have a term sheet that has been endorsed by the Board of Supervisors and have findings of fiscal feasibility, to the extent that such projects agree to be bound by a legally enforceable document, enforceable by OEWD, committing the project to Local Hire mandatory

participation level of 30% per trade. All grant agreements, leases, development agreements and other contracts that the City enters that allow for such non-exempt construction projects on property owned by the City must contain a provision that such construction shall comply with this Policy.

(c) **Projects Constructed Outside the City.** Covered Projects constructed within 70 miles from the jurisdictional boundary of the City and County of San Francisco shall be governed by the terms of this Policy, except that percentage requirements shall apply in proportion to the City's actual cost after reimbursement from non-City sources compared to the total cost of the project, and, unless a reciprocity agreement exists, the "local" requirement shall include San Francisco residents, workers local to the area where the work is located, and workers residing within the San Francisco Public Utilities Commission service area. If a reciprocity agreement with another local agency exists, the terms of that reciprocity agreement shall govern. Covered City projects constructed 70 miles or more beyond the jurisdictional boundary of the City and County of San Francisco shall be subject to this Policy, except the "local" requirement shall include San Francisco residents, workers local to the area where the work is located, and workers residing within the region where the work is located. Awarding departments shall work with OEWD and regional local hiring programs to comply.

(d) **Projects Utilizing Federal or State Funds.**

(i) **Segregation of Funds and Contract Awards.** Where the application of this Policy would violate federal or state law, or would be inconsistent with the terms or conditions of a grant or a contract with an agency of the United States or the State of California, the City department or agency receiving the grant or contract shall, where administratively feasible, segregate federal or state funds from City funds, and/or segregate project administration and contracts, so as to maximize application of this Policy to City-funded construction work.

(ii) **Alternative Terms in Case of Conflict.** Where the provisions of this Policy would be prohibited by Federal or State law, or where the application of this Policy would violate or be inconsistent with the terms or conditions of a grant or a contract with an agency of the United States or the State of California, and where segregation of funds pursuant to subsection 6.22 (G)(3)(d)(i) is not administratively feasible with regard to some or all of the project in question, then OEWD, in consultation with the awarding department, shall adapt requirements of this Policy into a set of contract provisions that advance the purposes of this Policy to the maximum extent feasible without conflicting with federal or state law or with terms or conditions of the State or Federal grant or contract in question. The awarding department shall include this set of contract provisions in the public works or improvement contract with regard to the project or portions of the project for which this Policy would conflict with Federal or State requirements.

(e) **Out-of-State Workers.** Project work hours performed by residents of states other than California shall not be considered in calculation of the number of project work hours to which the local hiring requirements apply. Contractors and sub-contractors shall report to awarding departments and OEWD the number of project work hours performed by residents of states other than California.

(4) **Local Hiring Requirements.**

(a) For each covered project, the following requirements shall apply to each prime contractor and sub-contractor that performs project work in excess of the Threshold Amount set forth in section 6.1 of this

Chapter, as that amount may be amended, with regard to project work actually performed by the prime contractor and work included under any subcontract, including all work performed by a sub-contractor and all lower-tier sub-contractors under the subcontract:

(i)   The initial mandatory participation level is 20% of all project work hours within each trade performed by local residents, with no less than 10% of all project work hours within each trade performed by disadvantaged workers. Subject to the periodic review process set forth in subsection 6.22(G)(4)(b), below, the mandatory participation level for project work hours shall increase annually up to a mandatory participation level of 50% of project work hours within each trade performed by local residents, with no less than 25% of all project work hours within each trade performed by disadvantaged workers. For each mandatory participation percentage specified below, one-half of the specified percentage of project work hours within each trade shall be performed by disadvantaged workers.

Year After Effective Date That Contract Is Advertised for Bids	Mandatory Participation Level For Project Work Hours
0	20%
1	25%
2	30%
Periodic Review	Periodic Review
3	30%
Periodic Review	Periodic Review
4	35%
5	40%
6	45%
Periodic Review	Periodic Review
7	50%

(ii)   At least 50% of the project work hours performed by apprentices within each trade shall be performed by local residents, with no less than 25% of project work hours performed by apprentices within each trade to be performed by disadvantaged workers.

(b)   **Periodic Review By OEWD and Controller.** OEWD, in coordination with the Controller's Office, shall every three years from the end of the prior Periodic Review, evaluate the impact of existing mandatory participation levels and the continued need for financial incentives as set forth in subsection 6.22(G)(5). The OEWD/Controller review shall (i) determine whether there is a sufficient supply of qualified unemployed resident workers to meet the escalation rate set forth in subsection 6.22(G)(4)(a)(i), above; (ii) assess the length of time required for each trade to develop a pool of qualified resident workers sufficient to support a 50% mandatory participation target; and (iii) make relevant findings in support of those determinations, and, if necessary, propose amendments to the mandatory participation level by trade. OEWD and the Controller's Office shall further report on the financial incentive program

and make relevant findings and, if necessary, propose reducing or eliminating financial incentives. During the periodic review process, OEWD and the Controller's Office shall consult with a broad spectrum of relevant stakeholders (including the community, the California Department of Industrial Relations Division of Apprenticeship Standards, contractors, building trades, and City departments and agencies). Promptly upon completion of a periodic review, OEWD and the Controller's Office shall furnish to the Board of Supervisors a report setting forth their findings, determinations and proposed amendments to the mandatory participation level by trade and/or the financial incentive program, if any. The Board shall, by resolution, fix and determine the mandatory participation levels by trade and available financial incentives, if any. The mandatory participation levels by trade and financial incentives as so fixed and determined by the Board shall supplant the mandatory participation levels and financial incentives that this Policy sets and shall remain in force until the same are changed by the Board. In determining the mandatory participation levels by trade and available financial incentives, as so provided for in this subsection, the Board shall not be limited to consideration of the periodic review report furnished by OEWD and the Controller's Office, but may consider other such evidence upon the subject as the Board shall deem proper and base its determination upon any or all of the evidence considered.

(c)   **Pipeline and Retention Compliance.** Contractors and sub-contractors may use one or more of the following pipeline and retention compliance mechanisms to receive a conditional waiver from the local hiring requirements on a project-specific basis:

(i)   **Specialized Trades.** Every two calendar years, OEWD shall publish a list of trades designated as "Specialized Trades," for which the local hiring requirements of this Policy shall not be applicable. Prior to designating a trade as a Specialized Trade, OEWD shall have made findings that: (a) considering all referral sources and best estimates of workers residing in the City, there will be insufficient numbers of qualified and available local residents and disadvantaged workers to enable contractors and sub-contractors to satisfy the local hiring requirements for such trade; and (b) best estimates indicate that on all covered projects during those calendar years, in the aggregate, demand for work hours in such trade will not exceed a maximum number of hours as determined by OEWD through the regulatory process set forth in subsection 6.22(G)(8)(a). All contractors and sub-contractors shall report to OEWD the project work hours utilized in each designated Specialized Trade.

(ii)   **Credit for Hiring on Non-covered Projects.** Contractors and sub-contractors may accumulate credit hours for hiring San Francisco disadvantaged workers on non-covered projects in the nine-county San Francisco Bay Area and apply those credit hours to contracts for covered projects to meet the applicable minimum mandatory hiring requirements set forth above or to work off penalties assessed under subsection 6.22(G)(7)(f). OEWD shall establish criteria for credit hours and their application to meet the minimum participation requirements. OEWD shall consider credit hours to be accumulated for work on non-covered projects performed by San Francisco disadvantaged workers only if (a) the San Francisco disadvantaged worker performing work on the non-covered project is paid prevailing wages for such work; and, in the case of non-covered projects in the City and County of San Francisco, (b) the number of hours to be credited for the non-covered project in question exceed one-half of the number of disadvantaged worker hours that would be required if the project were a covered project.

(iii)   **Sponsoring Apprentices.** A contractor or sub-contractor may avoid the assessment of penalties under subsection 6.22(G)(7)(f) for failing to meet applicable hiring requirements by demonstrating the high impracticality of complying with the mandatory participation level for a particular contract or classes of employees before project commencement by agreeing to sponsor an OEWD-specified number of new apprentices in trades in which noncompliance is likely and retaining those apprentices for the entire period of a contractor's or sub-contractor's work on the project. OEWD will verify with the California Department of Industrial Relations Division of Apprenticeship Standards that the OEWD-specified number of new apprentices are registered and active apprentices prior to issuing a release from penalties.

(iv)   **Direct Entry Agreements.** OEWD is authorized to negotiate and enter into direct entry agreements with apprenticeship programs that are registered with California Department of Industrial Relations' Division of Apprenticeship Standards, and, if OEWD is successful in such negotiations, to develop standards and procedures through which contractors and sub-contractors may avoid assessments of penalties by hiring and retaining apprentices who enrolled through such direct entry agreements. Such standards and procedures shall allow avoidance of penalty assessments only where OEWD has made a project-specific determination that compliance with local hiring requirements would be impractical for that contractor or sub-contractor. Direct entry agreements negotiated pursuant to this section shall: (a) be enforceable contracts; (b) require apprenticeship programs to enroll a class of apprentices no less frequently than every 365 days; (c) specify all admissions standards related to applicants' training and skills; (d) specify a minimum number of local residents and disadvantaged workers meeting those standards who shall be admitted in each class of apprentices; and (e) be on file with and deemed permissible by the Division of Apprenticeship Standards. OEWD's annual report to the Board as required by subsection 6.22(G)(8)(f) shall include the number of releases from penalties granted based on this subsection, the number of local residents enrolled as apprentices based on direct entry agreements, and the number of direct entry agreements in effect, and shall identify the trades in question.

(5)   **Local Hiring Incentives.**

(a)   **Incentive Criteria.** Contractors and sub-contractors may receive financial and non-financial incentives for exceeding the local hiring requirements on a covered project. Project work hours credited under subsection 6.22(G)(4)(c) shall not be the basis for any financial or non-financial incentive payment or entitlement.

(b)   **Administration.** Awarding departments will work in consultation with OEWD to establish the operation and amounts of the incentives, if any.

(i)   Any financial incentives provided on a covered project shall comply with applicable law and shall not exceed one percent of the estimated cost of the project. If financial incentives are made available for a covered project, awarding departments shall pay such incentives, if earned by a contractor or sub-contractor, only after a contractor or sub-contractor has completed work on the project and OEWD has approved the contractor's or sub-contractor's request for incentive payment. Sub-contractors requesting incentive payments shall submit requests to the awarding department and OEWD through the prime contractor, not directly to the awarding department or OEWD. Payment of sub-contractor incentives shall be paid to the prime contractor for the benefit of the appropriate sub-

contractor(s). Prime contractor must pay sub-contractor(s) within 10 days of receipt of financial incentives from the City.

(ii)   OEWD shall, by regulation, develop non-financial incentives such as expedited permitting and reduced administrative burden.

(6)   **Additional Contractor Rights and Responsibilities.**

(a)   **Local Hiring Plan for Large Projects.** For covered projects estimated to cost more than $1,000,000, the prime contractor shall prepare and submit to the awarding department and OEWD for approval a local hiring plan for the project. The local hiring plan shall be a written plan for implementation of the requirements of this Policy, including an approximate timeframe for hiring decisions of sub-contractors, a description of the hiring processes to be utilized by sub-contractors, an estimate of numbers of targeted workers needed from various referral sources, qualifications needed for such targeted workers, and a recruitment plan detailing an outreach strategy for candidates representative of local demographics. An awarding department shall not issue a Notice to Proceed (NTP) without receiving the Local Hiring Plan. The awarding department may issue an NTP upon submittal of the Plan, but in no case may any payment be made until such time as it has verified in writing that OEWD has approved the prime contractor's local hiring plan.

(b)   **Referral Sources.** Where a contractor's or sub-contractor's preferred hiring or staffing procedures for a covered project do not enable that contractor or sub-contractor to satisfy the local hiring requirements of this Policy, the contractor or sub-contractor shall use other procedures to identify and retain targeted workers. These procedures shall include requesting workers from CityBuild, San Francisco's centralized referral program, and considering targeted workers who are referred by CityBuild within three business days of the request and who meet the qualifications described in the request. Such consideration shall include in-person interviews. Qualifications described in the request shall be limited to skills directly related to performance of job duties. When a contractor or sub-contractor has taken these steps and a local resident or disadvantaged worker is not available, contractor or sub-contractor may request a conditional waiver as described in subsection 6.22(G)(4)(c).

(c)   **Hiring Discretion.** This Policy does not limit contractors' or sub-contractors' ability to assess qualifications of prospective workers, and to make final hiring and retention decisions. No provision of this Policy shall be interpreted so as to require a contractor or sub-contractor to employ a worker not qualified for the position in question, or to employ any particular worker.

(d)   **Sub-contractor Compliance.** Each contractor and sub-contractor shall ensure that all sub-contractors agree to comply with applicable requirements of this Policy. All sub-contractors agree as a term of participation on a covered project that the City shall have third party beneficiary rights under all contracts under which sub-contractors are performing project work. Such third party beneficiary rights shall be limited to the right to enforce the requirements of this Policy directly against the sub-contractors. All sub-contractors on a covered project shall be responsible for complying with the recordkeeping and reporting requirements set forth in this Policy. Sub-contractors with work in excess of the Threshold Amount shall be responsible for ensuring compliance with the local hiring requirements set forth in subsection 6.22(G)(4) based on project work hours performed under their subcontracts, including project work hours performed by lower tier sub-contractors with work less than the Threshold Amount.

(7)   **Enforcement.**

(a)   **Role of OEWD**. OEWD is authorized to enforce all terms of this Policy. Awarding departments shall work cooperatively with OEWD to implement requirements of this Policy, to include the provisions of the Policy in every contract for which inclusion is required, to assist contractors and sub-contractors in complying with the Policy, and to assist OEWD in furthering the purposes of the Policy through monitoring and enforcement activities. OEWD shall determine the records required to be verified and/or provided by contractors and sub-contractors to establish workers' qualifications and statuses relevant to this Policy.

(b)   **Role of Community-Based Partners.** OEWD shall be authorized to engage its community-based partners in the City's workforce development system to assist with the recruitment and retention of targeted workers. OEWD shall, through the existing Workforce Investment Board, provide a forum for community members, community-based organizations, and representatives of all stakeholders affected by or interested in this Policy to exchange information and ideas and to advise OEWD staff concerning the operation and results of the Policy.

(c)   **Recordkeeping.** Each contractor and sub-contractor shall keep, or cause to be kept, for a period of four years from the date of substantial completion of project work on a covered project, certified payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each trade performing work on the covered project. Such records shall include the name, address and social security number of each worker who worked on the covered project, his or her classification, a general description of the work each worker performed each day, the apprentice or journey-level status of each worker, daily and weekly number of hours worked, the self-identified race, gender, and ethnicity of each worker, whether or not the worker was a local resident or disadvantaged worker, and the referral source or method through which the contractor or sub-contractor hired or retained that worker for work on the covered project (*e.g.*, core workforce, name call, union hiring hall, City-designated referral source, or recruitment or hiring method). Contractors and sub-contractors may verify that a worker is a local resident through the worker's possession of a valid SF City ID Card or other government-issued identification. OEWD and awarding departments may require additional records to be kept with regard to contractor or sub-contractor compliance with this Policy. All records described in this section shall at all times be open to inspection and examination by the duly authorized officers and agents of the City, including representatives of the awarding department and the OEWD.

(d)   **Reporting.** The OEWD shall establish reporting procedures for contractors and sub-contractors to submit to OEWD and the awarding department the records described above, for purposes of monitoring compliance with and effectiveness of this Policy and monitoring operation of the City's public construction sector for other valid purposes. All records submitted by contractor or sub-contractor shall be accompanied by a statement of compliance signed by an authorized representative of contractor or sub-contractor indicating that the records are correct and complete.

(e)   **Monitoring.** From time to time and in its sole discretion, OEWD and/or the awarding department may monitor and investigate compliance of contractor and sub-contractors working on covered projects with requirements of this Policy. OEWD and awarding departments shall have the right to engage in random inspections of job sites, subject to construction schedule and safety concerns. Each

contractor and sub-contractor shall allow representatives of OEWD and the awarding department, in the performance of their duties, to engage in random inspections of job sites and to have access to the employees of the contractor and sub-contractor and the records required to be kept by this Policy. The OEWD shall establish an administrative procedure for OEWD monitoring of compliance with this Policy and to address allegations of noncompliance. The OEWD shall have sole authority over the administration of this procedure. Except as prohibited by law, OEWD will make data collected under subsections 7(c) and (d) of this Policy available on-line to the public in real-time and create a process for members of the public to submit complaints regarding alleged violations of this Policy. The OEWD shall investigate all complaints filed by members of the public; the scope, methods, and conclusions of all such complaint-driven investigations shall be within the discretion of OEWD, with no right of the complaining party to determine the scope or methods of the investigation. All contractors, sub-contractors and awarding departments shall cooperate fully with the OEWD in monitoring and compliance activities. The OEWD may interview, either at the worksite or elsewhere, any witness who may have information related to a complaint.

     (f) **Compliance Procedures.**

       (i) **Consequences of Noncompliance.** Awarding departments and OEWD have the authority to seek for violations of this Policy all of the consequences imposed by or described in this Policy, in the contract for a covered project, or by statute, including the authority to assess penalties as described herein, assess damages for other violations of terms of this Policy, and/or seek penalties set forth in Article V of this Chapter, including debarment.

       (ii) **Penalties Amount.** Any contractor or sub-contractor who fails to satisfy local hiring requirements of this Policy applicable to project work hours performed by local residents shall forfeit ; and, in the case of any sub-contractor so failing, the contractor and sub-contractor shall jointly and severally forfeit to the City an amount equal to the journeyman or apprentice prevailing wage rate, as applicable, with such wage as established by the Board of Supervisors or the California Department of Industrial Relations under subsection 6.22(E)(3), for the primary trade used by the contractor or sub-contractor on the covered project for each hour by which the contractor or sub-contractor fell short of the local hiring requirement. The assessment of penalties under this subsection shall not preclude the City from exercising any other rights or remedies to which it is entitled.

       (iii) **Assessment of Penalties.** It shall be the duty of the awarding department, when certifying to the Controller any payment which may become due under a contract, to deduct from said payment or payments the total amount of penalties due under this subsection. In doing so, the Department Head must also notify the OEWD of his or her action. OEWD may also upon written notice to the awarding department, certify to the Controller any forfeiture to deduct from any payment as provided for in this subsection. Certification of forfeitures under this subsection shall be made only upon an investigation by the awarding department or OEWD and upon written notice to the contractor or sub-contractor identifying the grounds for the forfeiture or forfeitures, and providing the contractor or sub-contractor with the opportunity to respond. The Controller, in issuing any warrant for any such payment, shall deduct from the amount which would otherwise be due on said payment or payments the amount of said forfeiture or forfeitures as so certified. Any retainage to cover contract performance that may become

due to contractor under subsection 6.22(J) may be withheld by the City pending a determination by the awarding department or OEWD as to whether a contractor or sub-contractor must pay a penalty or penalties.

(iv) **Recourse Procedure.** If the contractor or sub-contractor disagrees with the assessment of penalties as so provided in this subsection, then the following procedure applies:

(a) The contractor or sub-contractor may request a hearing in writing within 15 days of the date of the final notification of assessment. The request shall be directed to the City Controller. Failure by the contractor or sub-contractor to submit a timely, written request for a hearing shall constitute concession to the assessment and the forfeiture shall be deemed final upon expiration of the 15-day period. The contractor or sub-contractor must exhaust this administrative remedy prior to commencing further legal action.

(b) Within 15 days of receiving a proper request, the Controller shall appoint a hearing officer with knowledge and not less than five years' experience in labor law, and shall so advise the enforcing official and the contractor or sub-contractor, and/or their respective counsel or authorized representative.

(c) The hearing officer shall promptly set a date for a hearing. The hearing must commence within 45 days of the notification of the appointment of the hearing officer and conclude within 75 days of such notification unless all parties agree to an extended period.

(d) Within 30 days of the conclusion of the hearing, the hearing officer shall issue a written decision affirming, modifying, or dismissing the assessment. The decision of the hearing officer shall consist of findings and a determination. The hearing officer's findings and determination shall be final.

(e) The contractor or sub-contractor may appeal a final determination under this section only by filing in the San Francisco Superior Court a petition for a writ of mandate under California Code of Civil Procedure, section 1084, *et seq.*, as applicable and as may be amended from time to time.

(v) **Distribution of Penalties.** The Controller shall withhold any penalties assessed as provided in the foregoing subparagraphs until such time as either the contractor or sub-contractor has conceded to the penalties or, in the event of an objection, there is a determination no longer subject to judicial review. The Controller shall then deposit the amounts withheld into a special account which shall be created for the sole purpose or receiving said funds. The funds deposited into this account shall be used to support the enforcement of this Policy and the further development of workforce development initiatives to train and prepare local residents for careers in construction.

(vi) **Other Violations; Repeated Violations.** Violations of this Policy for which penalties or other remedies are not specified above constitute violations of contract terms, for which the full range of remedies under the contract may be invoked, including but not limited to withholding of progress payments in amounts deemed proportional to the violation. Awarding departments shall comply with and implement damages claims and other noncompliance consequences assessed or required by OEWD.

(8) **Miscellaneous.**

(a) **Regulations and Administrative Guidance.** OEWD shall be the primary department authorized to implement and enforce this Policy. OEWD shall issue regulations and/or administrative guidance regarding implementation of the Policy, including (i) documentation and recordkeeping

requirements, (ii) incentive payments, (iii) monitoring and compliance activities, (iv) project and/or contract coverage determinations, (v) designated referral sources, (vi) bid and contract documents implementing the Policy, (vii) procedures for application of the Policy to alternative competitive bidding processes set forth in Article IV of this Chapter, (viii) procedures for monitoring and enforcement of the Policy where the construction contract is issued by an entity or individual other than the City, and (ix) other matters related to implementation of this Policy. Awarding departments shall cooperate with and assist in implementation of OEWD actions and determinations regarding this Policy. For projects where the construction contract is issued by an entity or individual other than the City, OEWD may grant conditional waivers on a project specific basis if it finds that the contractor has participated to the extent feasible in available pipeline and retention mechanisms, the contractor has undertaken all corrective actions issued by OEWD, and considering all referral sources and estimates of workers residing in the City, there will be insufficient numbers of qualified and available local residents and/or disadvantaged workers to enable the contractor or sub-contractor to satisfy the local hiring requirements.

(b) **Assistance in Monitoring, Investigations, and Implementation.** In accordance with applicable law, the City may enter into one or more contracts for investigative and monitoring services to further the purposes of this Policy, or to assist OEWD or awarding departments in developing and implementing systems needed to advance the purposes of this Policy.

(c) **Departmental Assistance with Monitoring and Enforcement Costs.** Subject to the fiscal and budgetary provisions of the City Charter and applicable federal and state laws and regulations, OEWD is authorized to receive from awarding departments the amount reasonably calculated to pay for the costs, including litigation costs, of monitoring and enforcing requirements of this Policy. OEWD shall supervise the expenditure of all funds appropriated for these purposes.

(d) **Effective Date, Operative Date, and Prospective Application.** This Policy shall become effective upon the date of its enactment and shall apply to covered projects first advertised for bids by awarding departments more than sixty (60) days after such date. The amendment to the Policy in subsection 6.22(G)(3)(b) shall become operative sixty (60) days after the effective date of the ordinance enacting the amendment. The amendment in subsection 6.22(G)(3)(b) is intended to have prospective effect only, and shall not be interpreted to impair the obligations of any pre-existing grant agreement, lease, development agreement or other contract entered into by the City. Notwithstanding the prior sentence, the amendment in subsection 6.22(G)(3)(b) shall apply to newly included work in pre-existing grant agreements, leases, development agreements, or other contracts amended on or after the operative date. The amendment in subsection 6.22(G)(3)(b) shall apply to grant agreements, leases, development agreements and other contracts entered into by the City on or after the operative date.

(e) **Existing Project Labor Agreements.** This Policy shall not apply to project labor agreements entered into by awarding departments prior to the effective date of this Policy ("Existing PLAs") or to public work or improvement contracts advertised for bids after the effective date of this Policy that are covered by Existing PLAs, where the terms of the Existing PLAs and this Policy are in conflict. Notwithstanding the foregoing, this Policy shall apply to (i) any material amendment to an Existing PLA executed by an awarding department after the effective date of this Policy; (ii) any new public work or improvement contract over the threshold amount set forth in subsection 6.22(G)(3)(a) that is added to the

scope of an Existing PLA based on a discretionary decision by the awarding department after the effective date of this Policy.

(f) **Annual Report To Board.** Commencing on March 1, 2012, and annually thereafter, the Director of OEWD shall submit a written report to the Board of Supervisors. That report shall document each awarding department's performance under the terms of this Policy, including, among other things, the compliance of each department's contractors and sub-contractors with the requirements of this Policy, any significant challenges experienced by OEWD or awarding departments in implementing or enforcing this Policy, and proposed remedies to address any such challenges. That report shall include documentation, organized by awarding department, of the overall percentage of project work hours on covered projects performed by local residents, disadvantaged workers, local resident apprentices, and residents of states other than California. The report shall also compare the demographics of workers performing work on covered projects, using data collected under the Policy, to the demographics of the qualified labor pool. Awarding departments shall cooperate with requests by OEWD for information needed by the Director to make such reports to the Board.

(g) **Material Term; Contractors' Agreements.** All contracts and subcontracts for performance of project work shall include compliance with this Policy as a material term, directly enforceable by the City as described herein. As a condition of performance of project work, each contractor and sub-contractor agrees: to comply with all provisions of this Policy; that provisions of this Policy are reasonable and are achievable by the contractor or sub-contractor, including the reporting requirements and consequences for noncompliance described herein; and that the contractor or sub-contractor had a full and fair opportunity to review and understand terms of this Policy, in consultation with counsel if so desired.

(h) **Severability.** If any provision of this Policy or any application thereof to any person or circumstances is held invalid by final judgment of any court of competent jurisdiction, such invalidity shall not affect other provisions or application of this Policy which can be given effect without the invalid provision or application, and to this end the provisions of this Policy are declared to be severable.

(i) **Conflicting Agreements.** In case of conflict between terms of this Policy and a contractual agreement entered into by a contractor, sub-contractor or awarding department, terms of this Policy shall govern. Each party to a contract incorporating terms of this Policy agrees through that contract that either it is not a party to such a conflicting agreements, or that it will comply with terms of this Policy as incorporated into the contract, rather than with any conflicting agreements. After the effective date of this Policy, no awarding department may enter into a project labor agreement or other contract relating to or applying to the performance of project work on a covered project that conflicts with or precludes contractor and sub-contractor compliance with terms of this Policy.

(j) **Reciprocity.** An awarding department or OEWD may negotiate reciprocity agreements with other local jurisdictions that maintain local hiring programs, provided that such agreements advance the Policy goals of this subsection. Any such reciprocity agreement shall allow targeted workers in each jurisdiction to utilize and benefit from local hiring requirements and referral systems in the other jurisdiction on the same terms as do the workers residing in that jurisdiction. When such a reciprocity agreement is in effect, residents of another jurisdiction may be counted toward satisfaction of the local

hiring requirements of this Policy. Any reciprocity agreement negotiated by an awarding department or OEWD shall be subject to the approval of the Board of Supervisors by resolution.

(H)   **Modifications - Requirements.** If it becomes necessary in the prosecution of any public work or improvement under contract to make alterations or modifications or to provide for extras, such alterations, modifications or extras shall be made only on written recommendation of the Department Head responsible for the supervision of the contract, together with the approval of the Mayor or the Mayor's designee or the Board or Commission, as appropriate to the department, and also the approval of the Controller, except as hereafter provided. The Mayor or the Board or Commission, as appropriate to the Department, may delegate in writing the authority to approve such alterations, modifications or extras to the Department head, except as provided below. The Controller may delegate in writing the authority to encumber funds from prior appropriations for such alterations, modifications or extras to the Department head prior to the certification for payment. Such authority, when granted, will clearly state the limitations of the changes to be encompassed.

(1)   **Increasing or Decreasing Price.** Alterations, modifications or extras in any contract, which will increase or decrease the contract cost or scope, may be made or allowed only on the written recommendation of the Department Head responsible for the supervision of the contract stating the amount and basis for such increase or decrease. For any cumulative increase or decrease in price in excess of ten percent of the original contract price or scope, the Department head shall obtain the approval of the Mayor or Mayor's designee or the Board or Commission as appropriate and also the approval of the Controller notwithstanding any delegation provided for above.

(2)   **Extensions of Time.** Upon finding that work under a construction contract cannot be completed within the specified time because of an unavoidable delay as defined in the contract, the Department head may extend the time for completion of the work. If the cumulative extensions of time exceeds ten percent of the original contract duration, the Department head shall first obtain the approval of the Mayor, the Mayor's Designee, Board or Commission, as appropriate to the Department notwithstanding any delegation provided for above. All time extensions shall be in writing, but in no event shall any extension be granted subsequent to the issuance of a certificate of final completion.

(a)   **Time Extension Not Waiver of City's Rights.** The granting of an extension of time because of unavoidable delays shall in no way operate as a waiver on the part of the City and County or the Department head, Mayor, Board or Commission of the right to collect liquidated damages for other delays or of the right to collect other damages or of any other rights to which the City and County is entitled.

(b)   **No Extension Granted When Contract Based on Time Estimates.** When any award of contract has been made in consideration, in whole or in part, of the relative time estimates of bidders for the completion of the work, no extension of time may be granted on such contract beyond the time specified for completion, unless the liquidated damages for each day the work is uncompleted beyond the specified time shall be collected; provided, however, that this shall not apply to unavoidable delays due to acts of God.

(c)   **Avoidable and Unavoidable Delay; Limitation of Damages for Delay.** The Department Head administering the public work shall have the authority to specify in the contract the delays that shall

be deemed avoidable or unavoidable. The City and County shall not pay damages or compensation of any kind to a contractor because of delays in the progress of the work, whether such delays be avoidable or unavoidable; provided, however, the City and County may pay for (1) delays caused to the contractor by the City and County and (2) such unavoidable delays as may be specifically stated in the contract. Such latter delays will be compensated for only under the conditions specified in the contract.

(d) **Notice of Delay Required.** The contractor shall promptly notify the Department head in writing, of all anticipated delays in the prosecution of the work and, in any event, promptly upon the occurrence of a delay, the notice shall constitute an application for an extension of time only if the notice requests such extension and sets forth the contractor's estimate of the additional time required together with a full recital of the causes of unavoidable delays relied upon. The Department head may take steps to prevent the occurrence or continuance of the delay, may classify the delay as avoidable or unavoidable and may determine to what extent the completion of the work is delayed thereby.

(I) **Liquidated Damages.** Any contract may provide a time within which the contract work, or portions thereof, shall be completed and may provide for the payment of agreed liquidated damages to the City and County for every calendar or working day thereafter during which such work shall be uncompleted.

(J) **Retention of Progressive Payments.** Any contract for construction services may provide for progressive or milestone payments, if the Advertisement For Bids shall so specify. Each progress or milestone payment shall constitute full compensation for the value of work performed and materials furnished for a specified period, less amounts withheld as a result of dispute or as required by law.

(1) For all contracts entered into on or after the effective date of this Ordinance, from every progress payment, the City shall hold 5 percent in retention.

(2) Notwithstanding the subparagraph above, the City may hold greater than 5 percent but not more than 10 percent in retention if the Department head responsible for the public work determines that the work or improvement is substantially complex and therefore warrants a higher retention amount, and the retention amount is specified in the Advertisement For Bids. For contracts with retention amounts greater than 5 percent, if the Department head responsible for the public work determines that the contract is 50 percent or more complete, that the contractor is making satisfactory progress, and that there is no specific cause for greater withholding, the Department head, upon the written request of contractor, may authorize one of the following two options: (a) the City shall release part of the retention to the contractor so that the amount held in retention by the City, after release to the contractor, is reduced to an amount not less than 5 percent of the total value of the labor and materials furnished, and the City shall proceed to retain 5 percent of any subsequent progress payment under the contract; or (b) the City shall continue to hold the already withheld retention amount, up to 5 percent of the total contract price, and shall not deduct further retention from progress payments.

(3) The Department head shall authorize the release of retention, in whole or in part, for work completed by sub-contractors certified by the HRC as LBEs. The Department head shall do so only upon a written request by the contractor certifying (i) the work by the certified LBE sub-contractor is completed and satisfactory in accordance with the plans and specifications for the project; (ii) the total amount paid to the certified LBE sub-contractor by the contractor as of the date of the written request and the total amount of the subcontract; and (iii) the amount of retention associated with the work performed by the

certified LBE sub-contractor. Following a release of such retention, and in order to calculate retention and retention withholding from further progress or milestone payments, the City will reduce the total retention required under the foregoing paragraphs (1) and (2) by the amount paid to the certified LBE sub-contractor(s) for whom the City released the retention. The release of retention under this subparagraph shall not reduce the responsibilities or liabilities of the contractor or its surety under the contract or applicable law. For any contract awarded under this Chapter prior to the enactment of this subparagraph, a Department head may in his or her sole discretion incorporate this subparagraph by change.

(4) The Department head shall authorize the release of retention, in whole or in part, for work completed by sub-contractors under any public work contract awarded under this Chapter with a construction duration of more than two years. The Department head shall do so only upon a written request by the contractor certifying (i) the work by the sub-contractor is completed and satisfactory in accordance with the plans and specifications for the project; (ii) the total amount paid to the sub-contractor by the contractor as of the date of the written request and the total amount of the subcontract; and (iii) the amount of retention associated with the work performed by the sub-contractor. The City may issue or authorize the release of retention within six months of the date of the request. Following a release of such retention, and in order to calculate retention and retention withholding from further progress or milestone payments, the City will reduce the total retention required under the foregoing paragraphs (1) and (2) by the amount paid to the sub-contractor(s) for whom the City released retention. The release of retention under this subparagraph shall not reduce the responsibilities or liabilities of the contractor or its surety under the contract or applicable law. For any contract awarded under this Chapter prior to the enactment of this subparagraph with a construction duration of more than two years, a Department head may in his or her sole discretion incorporate this subparagraph by change order.

(5) Retention shall be withheld solely for the benefit and protection of the City.

(6) When the Department head responsible for the public work determines that the contract is 98 percent or more complete, the Department head may reduce retention funds to an amount equal to 200 percent of the estimated value of work yet to be completed, plus any amount necessary to cover offsets by the City for liquidated damages, defective work, stop notices, forfeitures, and other charges. The City shall release retention to the contractor upon the following conditions: (a) the contractor has reached final completion under the contract terms and conditions and (b) the contract is free of offsets by the City for liquidated damages, defective work and the like, and is free of stop notices, forfeitures, and other charges.

(7) For all contracts awarded under this Chapter, in no event shall the City be liable for interest or charges arising out of or relating to the date the City issues any progress, milestone or other payment or the date the City releases all or part of the retention, except that the City will pay interest at the legal rate, as set forth in section 685.010(a) of the California Code of Civil Procedure as that section may be amended from time to time, on any improperly withheld amounts commencing no earlier than 90 days after the date the City should have made any progress payment or released all or part of the retention. Under no circumstances shall the legal rate of interest paid by the City under this provision exceed 10

percent per annum. The payment of interest under this provision is the limit of the City's liability with respect to any claim for interest on improperly withheld amounts.

(8) For contracts entered into between January 1, 2012 and the effective date of this Ordinance, upon the written request of the contractor, the Department head responsible for the public work shall have the discretion to reduce retention to 5 percent, pursuant to one of the two options set forth in subparagraph (2).

(K) **Inspection and Acceptance of Completed Work; Final Payment.** The Department head authorized to execute any contract for public works or improvements shall be responsible for the inspection and acceptance of such work on completion. Such acceptance shall be in writing and shall include the certificate of the Department head concerned that the work covered by the contract has been fully and satisfactorily completed in accordance with the plans and specifications therefor. Receipt of copy of such acceptance in writing shall constitute the Controller's authority to complete any payments due the contractor under the contract; provided that the Controller may make such additional investigation or inspection as is provided by *Administrative Code*, Section 10.07.

(L) **Termination for Convenience.** In all contracts for the construction of any public work or improvement, the Department head authorized to execute any contract for any public work or improvement may include in the specifications setting forth the terms and conditions for the performance of the contract a provision that the City and County may terminate the performance of work under the contract whenever the Department head shall determine, with the approval of the Mayor, the Mayor's designee or the Board or Commission concerned, that such termination is in the best interest of the City and County. Any such termination shall be effected by delivery to the contractor of a notice of termination specifying the extent to which performance of work under the contract is terminated and the date upon which such termination becomes effective. The Department head is hereby authorized to include within such construction contract the appropriate language to implement this subsection.

(M) **Articles Not to be Prison Made.** No article furnished under any contract awarded under the provisions of this Chapter shall have been made in a prison or by convict labor except for articles made in prisons or by convicts under the supervision and control of the California Department of Corrections and limited to articles for use by the City and County's detention facilities.

(N) **Employment of Apprentices.** All construction contracts awarded under this Chapter shall require the Contractor to comply with the requirements of the State Apprenticeship Program (as set forth in the California Labor Code, Division 3, Chapter 4 [commencing at Section 3070] and Section 1777.5), as it may be amended from time to time, and shall require the Contractor to include in its subcontracts the obligation for sub-contractors to comply with the requirements of the State Apprenticeship Program.

(O) **Safety.** All construction contracts awarded under this Chapter shall require the Contractor and all of its sub-contractors to abide by the applicable Occupational Safety and Health statutes and regulations.

Additionally, all construction contracts awarded under this Chapter shall require the Contractor and all of its sub-contractors to abide by the requirements of *Administrative Code*, Section 64.1, prohibiting masonry-dry cutting and masonry dry-grinding, with exceptions.

(P)   **Claims.** The City shall consider only those claims for additional payment under a public work contract that are certified and that conform to the contract requirements for claims, pricing, and schedule.

(1)   **Claims by Contractors.** The contractor shall certify under penalty of perjury that (a) the claim is made in good faith; (b) the supporting data are accurate and complete to the best of Contractor's knowledge and belief; and (c) the amount request accurately reflects the Contract adjustment for which the Contractor believes the City is liable. An individual or officer authorized to act on behalf of the Contractor shall execute the certification.

(2)   **Claims by Sub-contractors.** Sub-contractors at any tier are not third-party beneficiaries of any Contract awarded under this Chapter. The City shall not consider a direct claim by any sub-contractor. A Contractor presenting to the City any claim on behalf of a sub-contractor must certify the sub-contractor's claim in the same manner the Contractor would certify its own claim under the foregoing paragraph (1).

(Q)   **Contractor Prompt Payment.** All construction contracts under this Chapter shall require the contractor to pay its sub-contractors within seven calendar days after receipt of each progress payment from the City, unless otherwise agreed to in writing in advance by both contractor and sub-contractor. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from a contractor to a sub-contractor, the contractor may withhold the disputed amount but shall pay the undisputed amount.

Any contractor who violates this subsection shall pay to the sub-contractor a penalty of 2% of the amount due per month for every month or portion thereof that payment is not made. This subsection is enforceable in a court of competent jurisdiction, and is not intended to create a private right of action against the City and County of San Francisco.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 153-00, File No. 000805, App. 6/30/2000; Ord. 237-00, File No. 001207, App. 10/20/2000; Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 208-02, File No. 021221, App. 10/18/2002; Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 107-05, File No. 050215, App. 6/10/2005; Ord. 131-06, File No. 060444, App. 6/22/2006; Ord. 119-08, File No. 080277, App. 7/11/2008; Ord. 19-10, File No. 091163, App. 2/10/2010; Ord. 23-10, File No. 091233, App. 2/11/2010; Ord. 311-10, File No. 101311, App. 12/23/2010; Ord. 79-11, File No. 110330, App. 5/19/2011, Eff. 6/18/2011; Ord. 225-12, File No. 120750, App. 11/1/2012, Eff. 12/1/2012; Ord. 27-13 , File No. 121200, App. 2/19/2013, Eff. 3/21/2013; Res. 80-14, File No. 140091, App. 3/21/2014; Ord. 32-14 , File No. 140090, App. 3/27/2014, Eff. 4/26/2014, Oper. 6/25/2014; Ord. 85-14 , File No. 140151, App. 6/19/2014, Eff. 7/19/2014, Oper. 9/17/2014 (part)*)

* **Editor's Note:**

Section 3 of Ord. 85-14 provides as follows: "Section 1 of this ordinance [amending various provisions of Sec. 6.22(G)] shall become operative sixty (60) days after the effective date. Section 2 of this ordinance [amending various provisions of Sec. 6.22(E)] shall become operative on the compliance date listed in California Labor Code section 1782 subsection (f)." All of the amendments made by Ord. 85-14 have been incorporated into the version of this section as currently published herein.

17.5.2.4 | SEC. 6.23. PUBLIC WORKS TO BE PERFORMED BY THE CITY; BIDS BY CITY
DEPARTMENTS; PROCEDURE UPON REJECTION OR FAILURE OF BIDS

(A)   **Public Works Less Than or Equal to the Threshold Amount.** Any public work or improvement estimated to cost less than or equal to the Threshold Amount may be performed by the employment of the necessary labor and purchase of the necessary materials and supplies directly by the City and County.

(B)   **Bids by City Departments.** Appropriate City and County departments may file sealed bids for the execution of any work to be performed under a contract and shall not be required to furnish security or submit information relative to financial qualifications as provided in this Chapter. Any bid submitted by a department of the City and County, if it is the lowest bid, must be approved by the Controller before the award of contract. If the bid of a City and County department, as investigated and approved by the Controller, is the lowest, the contract shall be awarded to the department which shall record accurate unit costs of all direct and indirect charges incurred under any such contract. Such unit costs shall be reported to and audited by the Controller monthly and on completion of the work.

The Controller shall maintain records of bids filed by departments in relation to the total direct and indirect cost of each such work and shall report thereon periodically to the Mayor. The Controller may refuse to approve contracts with a department shown to be repeatedly underbidding on contract work and failing to complete same within the contract price or time.

(C)   **Procedure Upon Rejection or Failure of Bids.** When bids have been advertised pursuant to the required procedures and no bids are received, or only one responsive bid is received from a responsible bidder, the Department Head shall take the following actions, as appropriate:

(1)   **No Bids Received.** If no bids are received, the Department Head shall determine (a) whether further outreach efforts would result in contractors submitting bids and/or (b) whether removal or modification of certain requirements in the contract would result in contractors submitting bids, provided that such requirements are not required by statute or law and their removal or modification would not compromise the interests of the City and County. If the Department Head determines that steps (a) and/or (b), above, would likely result in contractors submitting bids, then the Department Head shall re-bid the work. If the Department Head determines that neither step (a) nor (b), above, would likely result in contractors submitting bids, then the Department Head, with the approval of the Mayor, the Mayor's designee, or the board or commission concerned, as appropriate, may negotiate with any qualified contractor or may order the work to be executed by the City and County.

(2)   **One Responsive Bid Received; No Other Bids Received.** If only one responsive bid is received from a responsible bidder, and no other bids are submitted for the same work, the Department Head may recommend the award of a contract to the sole bidder at the bid price received, provided that the bid price does not exceed the engineer's estimate for the work. If the bid price received exceeds the engineer's estimate, the Department Head shall determine (a) whether further outreach efforts would result in more than one bid and/or (b) whether removal or modification of certain requirements in the contract would result in more than one bid, provided that such requirements are not required by statute or law and their removal or modification would not compromise the interests of the City and County. If the Department Head determines that steps (a) and/or (b), above, would likely result in more than one bid at

bid prices substantially lower than the bid price received, then the Department Head shall re-bid the work. If the Department Head determines that neither step (a) nor (b), above, would likely result in more than one bid at bid prices substantially lower than the bid price received, then the Department Head, with the approval of the Mayor, the Mayor's designee, or the board or commission concerned, as appropriate, may negotiate with the sole bidder or any qualified contractor, or may order the work to be executed by the City and County. The cost of negotiated work or the cost of work executed by the City and County shall not exceed any bid price received for the same work.

(3) **One Responsive Bid Received; Other Nonresponsive Bids Received.** If only one responsive bid is received from a responsible bidder and other, nonresponsive bids and/or bids by nonresponsible bidders are submitted for the same work, the Department Head may recommend the award of a contract to the sole responsive, responsible bidder at the bid price received, provided that the bid price does not exceed the engineer's estimate for the work. If the responsive bid price received exceeds the engineer's estimate, the Department Head shall determine (a) whether the qualifications for bidders were too onerous and not necessary for the work and/or (b) whether one or more of the nonresponsive bids could be easily cured and whether the bidders that submitted such bids are still interested in bidding on the work. If the Department Head determines that the steps (a) and/or (b), above, would likely result in more than one responsive bid by responsible bidders, at bid prices substantially lower than the bid price received, then the Department Head shall re-bid the work. If the Department Head determines that neither step (a) nor (b), above, would result in more than one responsive bid by responsible bidders at bid prices substantially lower than the bid price received, then the Department Head, with the approval of the Mayor, the Mayor's designee, or the board or commission concerned, as appropriate, may negotiate with the sole responsible bidder or any qualified contractor, or may order the work to be executed by the City and County. The cost of negotiated work or the cost of work executed by the City and County shall not exceed any bid price received for the same work.

(4)   All contracts awarded under this subsection 6.23(C), including negotiated contracts, shall require that the substitution of sub-contractors be in accordance with California Public Contract Code section 4107.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; Ord. 119-08, File No. 080277, App. 7/11/2008)

17.5.2.5 | SEC. 6.24. OFFICE OF LABOR STANDARDS ENFORCEMENT; PREVAILING WAGE
            REQUIREMENTS

(A)   Subject to the approval of the Mayor and Director of the Department of Administrative Services, the Labor Standards Enforcement Officer shall develop and administer a plan for the enforcement of the prevailing wage requirements and other labor standards imposed by the Charter and this Chapter on public work contractors. The Labor Standards Enforcement Officer shall coordinate his or her activities with federal and state labor standards agencies. The Labor Standards Enforcement Officer shall direct the City's enforcement of the prevailing wage requirements and other labor standards imposed by the Charter and this Chapter on public work contractors as directed by the Mayor, and to this end all City departments shall cooperate with the Labor Standards Enforcement Officer. The Labor Standards

Enforcement Officer has the authority to seek for violations of prevailing wage, working conditions and apprenticeship requirements all of the penalties imposed by this Chapter, including the authority to file charges, in the same manner and to the same extent as a Department Head, which may lead to the debarment of the contractor under Article V of this Chapter. The Labor Standards Enforcement Officer shall oversee the training of City personnel in the area of labor standards enforcement. In accordance with applicable law, the Mayor may enter into a contract for investigative and monitoring services to further the purposes of this section. In evaluating the qualifications of persons seeking that contract, the Mayor shall consider, among other relevant factors, the experience of those persons in monitoring and investigating labor standards compliance.

(B)   Subject to the fiscal and budgetary provisions of the Charter, the Office of Labor Standards Enforcement is authorized to receive from departments awarding public work contracts the amount reasonably calculated to pay for the costs, including litigation costs, of enforcing the City prevailing wage requirements and other labor standards for contracts awarded by those departments. The Labor Standards Enforcement Officer shall supervise the expenditure of all funds appropriated for enforcement of prevailing wage requirements and other labor standards imposed by the Charter and this Chapter on public works contractors.

(C)   The Labor Standards Enforcement Officer shall establish an administrative procedure to address allegations of labor standards violations in connection with any public work contract under this Chapter. The Labor Standards Enforcement Officer shall have sole authority over the administration of this complaint procedure. The complaint procedure shall include but need not be limited to the following: (1) any person may file a complaint, written or oral, alleging one or more violations of any labor standards requirement imposed by this Chapter on public work contractors; (2) before beginning to investigate the complaint, the Labor Standards Enforcement Officer shall determine if the allegations of the complaint are sufficient and based on that assessment shall determine to either dismiss it or proceed with an investigation; (3) if the Labor Standards Enforcement Officer at any time determines that the allegations contained in the complaint are without merit, the Labor Standards Enforcement Officer shall notify the complainant; and (4) if the Labor Standards Enforcement Officer finds that any allegations in a complaint have merit, the Labor Standards Enforcement Officer shall proceed in accordance with the enforcement procedures under Section 6.22 of this Chapter. This complaint procedure is applicable to allegations of labor standards violations in connection with any public work contract under this Chapter, but is not applicable to those matters under the administrative jurisdiction of the San Francisco Human Rights Commission. This procedure shall not preclude the Labor Standards Enforcement Officer from initiating or proceeding with an investigation on his or her own authority. All public work contractors and departments engaged in public work shall cooperate fully with the Office of Labor Standards Enforcement in connection with any investigation of any complaint filed in accordance with this complaint procedure. The Labor Standards Enforcement Officer may interview, either at the worksite or elsewhere, any witness who may have information relative to a complaint.

(Added by Ord. 237-00, File No. 001207, App. 10/20/2000; amended by Ord. 208-02, File No. 021221, App. 10/18/2002; Ord. 8-03, File No. 021856, App. 1/31/2003; Ord. 5-06, File No. 051652, App. 1/20/2006)

17.5.2.6 | SEC. 6.25. CONTRACT REQUIREMENTS FOR CLEAN CONSTRUCTION

   (a)   All work performed on a Major Construction Project, as defined in Environment Code Section 2503, shall be carried out in compliance with the Clean Construction requirements of Environment Code Chapter 25. The Department Head or officer calling for bids for contracts for work to be performed on a Major Construction Project shall specify in the Advertisement for Bids that Clean Construction is required for the performance of all work unless a waiver of all or part of the requirements of that Chapter has been granted under Sections 2505 or 2507.

   (b)   Every contract for work to be performed on a Major Construction Project shall contain provisions, in a form to be approved by the City Attorney: (A) requiring that the contractor comply with Chapter 25 of the Environment Code, (B) authorizing waivers as set forth in Environment Code Sections 2505 and 2507, and (C) specifying liquidated damages in the amount of $100.00 per day per each piece of off-road equipment and each off-road engine utilized to complete work on the project in violation of Environment Code Chapter 25.

(Added by Ord. 70-07, File No. 061432, App. 4/2/2007; amended by Ord. 28-15 , File No. 140805, App. 3/19/2015, Eff. 4/18/2015)

17.5.3 | Article III: Professional Services Contracting

Sec. 6.40. Competitive Procurement of Professional Services for Public Work Projects.

Sec. 6.41. Requests for Competitive Proposals or Qualifications.

Sec. 6.42. Professional Services Contract

17.5.3.1 | SEC. 6.40. COMPETITIVE PROCUREMENT OF PROFESSIONAL SERVICES FOR PUBLIC
             WORK PROJECTS

   Notwithstanding any other provision of this *Administrative Code*, when a department is seeking outside temporary professional design, consultant or construction management services for a public work project, where the fee for such services shall exceed the minimum competitive amount, as defined below, the department shall procure such services through a competitive process based on qualifications.

   (A)   **Minimum competitive amount.** The minimum competitive amount for temporary outside professional service contracts shall be $100,000. On January 1, 2015, and every five years thereafter, the Controller shall recalculate the minimum competitive amount to reflect any proportional increase in the Urban Regional Consumer Price Index from January 1, 2010, rounded to the nearest $1,000.

   (B)   **Selection Process.** For professional services contracts in excess of the minimum competitive amount, the Department Head for the department empowered to contract for the public work shall designate one or more panels to review proposals and interview and rate respondents with respect to a request for proposals or qualifications for a professional services contract. A panel shall consist of not fewer than two persons. The Department Head may establish a multi-tier selection process whereby, for example, a technical panel recommends a shortlist of qualified respondents and a second panel ranks the shortlist.

The Department Head shall ensure that all panel members are impartial and that all respondents are treated fairly. The panel members rating the respondents shall do so according to their independent assessment of the respondent's qualifications for the public work project; questions relating to a respondent's expertise, qualifications and experience shall remain within the sole purview of the panel members.

Any rating sheet completed by any panel member may be considered a matter of public record, but the names of the individual panel members shall not. Any name appearing on a rating sheet produced in accordance with the Public Records Act or the San Francisco Sunshine Ordinance shall be redacted.

(C) **Negotiation.** Following the selection process outlined above, and should the department concerned desire to enter into a contract, the Department Head shall invite the highest-ranked qualified respondent to negotiate a professional services agreement. In the event that the Department Head determines, in the Department Head's sole discretion, that negotiations are unfruitful, the Department Head shall terminate negotiations in writing and may then invite the next-ranked respondent to negotiate a contract. In such event, the Department Head shall as soon as practicable make a report to the Mayor, board or commission as appropriate to the department.

(Amended by Ord. 324-00, File No. 001919, App. 12/28/2000; Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 19-10, File No. 091163, App. 2/10/2010)

17.5.3.2 | SEC. 6.41. REQUESTS FOR COMPETITIVE PROPOSALS OR QUALIFICATIONS

All requests for competitive proposals or qualifications for temporary design, consultant or construction management services shall conform to and at a minimum require the following:

(A) **Evaluation Criteria.** The Department Head authorized to execute the contract shall determine the criteria by which the design, consultant or construction management service professionals shall be evaluated, on a project-by-project basis. Such criteria shall be included as a part of any request for proposals or qualifications. The criteria shall be based primarily on qualifications and experience relevant to the services needed for the project. Except as prohibited by law, the Department Head, in his/her sole discretion, may determine that, in the best interests of the City and County of San Francisco, a consultant who participated in the master plan, conceptual phase or other preliminary work for a project, may compete to provide professional services in future phases of such project. In such event, the consultant may not use, nor may the selection panel consider, the consultant's prior work on the project to establish its experience or qualifications in the competitive process.

(B) **Reservation of Rights to Reject or Cancel the Request for Proposals in Whole or Part.** The Department Head authorized to execute the contract, upon approval of the Mayor, the Mayor's designee or the board or commission, as appropriate, may reject any or all proposals, in whole or in part, received in response to a request for proposals or qualifications. The right to reject shall be reserved in any request for proposals or qualifications, but the failure to include such reservation shall not abrogate the rights of the Department Head under this section or give rise to any right by any respondent.

(C) **Award and Certification Required.** All requests for proposals or qualifications shall contain the following language [wording in brackets should be chosen as appropriate to the department]:

In accordance with San Francisco *Administrative Code* Chapter 6, no proposal is accepted and no contract in excess of [the Threshold Amount] is awarded by the City and County of San Francisco until such time as [(1) for departments with boards or commissions, (a) the Department Head recommends the contract for award and (b) the board or commission then adopts a resolution awarding the contract; or [(2) for departments under the Mayor, (a) the Mayor or the Mayor's designee approves the contra-ct for award and (b) the Department Head then issues and order of award]. Pursuant to Charter Section 3.105, all contract awards are subject to certification by the Controller as to the availability of funds.

Failure of a department to include such language in a request for proposals or qualifications does not give rise to a contract right by a respondent or contractor outside of the requirements of the Charter or *Administrative* Code of the City and County of San Francisco.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 58-05, File No. 041571, App. 4/1/2005)

17.5.3.3 | SEC. 6.42. PROFESSIONAL SERVICES CONTRACT TERMS

All contracts for temporary design, consultant and construction management services ("professional services") shall contain the following minimum terms and conditions:

(A)   **Guaranteed Maximum Costs.** Professional service contracts shall provide for a Guaranteed Maximum Cost, including fees, travel and related expenses as necessitated by the project. Any modification to the Guaranteed Maximum Cost must be approved by the Department Head in writing and approved by the Mayor, the Mayor's designee or the board or commission concerned, as appropriate, and the Controller.

(B)   **Insurance.** Notwithstanding any other provisions of this Chapter, all professional service contracts must conform to the insurance requirements established by the Risk Manager. The Risk Manager shall develop uniform insurance requirements for City contracts subject to this Chapter and shall publish such requirements in the Risk Manager's Manual. The Risk Manager shall review and update such insurance requirements on an annual basis.

(C)   **Indemnification.** All professional services contracts awarded under this Chapter shall require that the contractor fully indemnify the City and County to the maximum extent provided by law, such that each contractor must save, keep, bear harmless and fully indemnify the City and County and any of its officers or agents from any and all liability, damages, claims, judgments or demands for damages, costs or expenses in law or equity that may at any time arise.

This indemnification requirement may not be waived or abrogated in any way for any contract without the recommendation of the City's Risk Manager and the express permission and approval of the Board of Supervisors.

(D)   **Assignment.** No contract shall be assigned except upon the recommendation of the Department Head concerned and with the approval of the Mayor or the Mayor's designee, relative to the department under the Mayor's jurisdiction or the approval of the board or commission concerned for departments not under the Mayor.

(E)   **Modifications.** Professional service contracts may be modified only by written instrument, granted and approved by the City and County in the same manner the underlying contract was awarded.

(F) **Contractor Prompt Payment.** All professional services contracts under this Chapter shall require the contractor to pay its sub-contractors within seven calendar days after receipt of each progress payment from the City, unless otherwise agreed to in writing in advance by both contractor and sub-contractor. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from a contractor to a sub-contractor, the contractor may withhold the disputed amount but shall pay the undisputed amount.

Any contractor who violates this subsection shall pay to the sub-contractor a penalty of 2% of the amount due per month for every month or portion thereof that payment is not made. This subsection is enforceable in a court of competent jurisdiction, and is not intended to create a private right of action against the City and County of San Francisco.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 23-10, File No. 091233, App. 2/11/2010; Ord. 27-13, File No. 121200, App. 2/19/2013, Eff. 3/21/2013)

17.5.4 | Article IV: Exemptions from and Alternatives to Competitive Bidding

17.5.4.1 | SEC. 6.60. EMERGENCY REPAIRS, WORK AND CONTRACTS

(A) **Declaration of Emergency.** The Board of Supervisors may declare an emergency and may direct any Department Head to perform any repair or other emergency work in any manner the Board determines to be in the best interests of the City and County of San Francisco.

(B) **Other Determinations of Emergency.** In an actual emergency as defined or described below, the repair, reconditioning or other work or contract necessitated by the emergency may be executed by the

Department Head responsible for such work in the most expeditious manner, in accordance with the procedures set forth below.

(C) **Emergency Defined.** For purposes of this Chapter, an "actual emergency" means a sudden, unforeseeable and unexpected occurrence involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of or damage to, life, health property or essential public services. An "actual emergency" shall also mean the discovery of any condition involving a clear and imminent danger to public health or safety, demanding immediate action. Examples of an actual emergency may include, but are not limited to, the following:

(1)   Weather conditions, fire, flood, earthquake or other unforeseen occurrences of unusual character; or

(2)   The breakdown or imminent breakdown of any plant, equipment, structure, street or public work necessitating immediate emergency repair or reconditioning to safeguard the lives or property of the citizens; or the property of the City and County; or to maintain the public health or welfare; and

(a)   Including the installation, repair, construction and alteration of crossings and switch work and special work in connection therewith at street and other railway crossings and at street intersections when the same is to be done by or for the Municipal Transportation Agency; or

(b)   Including the installation, repair, construction and alteration of the fire alarm, police communication and traffic signal systems, when the same is to be performed by or for the Department of Technology or the Municipal Transportation Agency; or

(c)   Including the work of making connections, installing gate valves, installing or transferring services and performing such other work therewith to existing water pipes when the same is to be done by or for the Public Utilities Commission and when such work will leave one or more fire hydrants or water consumers without water; or

(3)   Unforeseen occurrences of unusual character resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City and County without required hospital or medical services.

(D) **Approvals Required.** If the estimated cost of the emergency work is less than or equal to $250,000 the Department Head may proceed with the work without additional approvals. If the estimated cost of the emergency work exceeds $250,000, the Department Head prior to authorizing the commencement of the work, must first secure the approval in writing of the Mayor or the Mayor's designee or the president of the board or commission concerned as appropriate to the department. For all cases where the cost of the emergency work exceeds $250,000 the Department Head shall also obtain the approval of the Board of Supervisors.

If the emergency does not permit the required approvals to be obtained before work is commenced or the contract entered into, such approvals shall be obtained as soon thereafter as it is possible to do so. In such event, the Department Head concerned shall notify the Controller immediately of the work involved or the contract entered into and the estimated cost thereof and shall notify the Board of Supervisors not more than seven days after work has been commenced.

(E) **Exemptions.** Contracts awarded in accordance with this section under emergency circumstances as described and defined above are exempt from the requirements of this Chapter and Chapters 12A, 12B,

12C and Chapter 14B. However, the Department Head must comply with the certification requirement of *Administrative Code* Chapter 14B. It is, however, the policy of the Board of Supervisors for contracting departments to make every effort to comply with the provisions of Chapters 12A, 12B, 12C and Chapter 14B. In order to effectuate this policy, the Department Heads authorized to enter into construction contracts and their staff members shall collaborate with the HRC Director and HRC staff members periodically to create a list of responsible contractors qualified to perform various types of emergency work, making every effort to include qualified, responsible, and certified LBE contractors on that list. The HRC shall be responsible for outreach efforts to make sure that certified LBE contractors are aware of the opportunity to be considered for the list. The contract awarding departments or commissions shall be responsible for evaluating and determining whether contractors are responsible and qualified to perform the various scopes of work. The Department Heads of departments authorized to execute construction contracts shall report quarterly to the Board of Supervisors regarding LBE inclusion on the list of responsible and qualified contractors for emergency contracts, a description of each emergency contract awarded, the reason why the work was performed under these emergency procedures, and whether the emergency contract was awarded to an LBE contractor. Such reports shall be referred to a Board committee for public hearing.

(F)   **Indemnification For Emergency Contracts.** Department heads responsible for any emergency work are hereby authorized to (a) waive any requirement that a contractor performing such emergency work indemnify the City and County and/or (b) enter into a contract which provides that the City and County indemnify such contractor, except that the City and County shall in no event indemnify a contractor for the contractor's gross negligence or willful misconduct.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 19-10, File No. 091163, App. 2/10/2010)

17.5.4.2 | SEC. 6.61. DESIGN-BUILD

The Department Heads authorized to execute contracts for public work projects are authorized to seek proposals from qualified private entities ("design-builders") for design-build construction and/or financing of public work projects under the following conditions:

(A)   Before the request for qualifications is issued, the Department Head shall determine that a design-build program is necessary or appropriate to achieve anticipated cost savings or time efficiencies, or both, and that such a process is in the public's best interest.

(B)   If the proposed public work project is for the use or benefit of a department that is under the jurisdiction of a commission, then such commission shall first approve the solicitation of design-build and/or finance proposals. If the public work project is not for the use or benefit of a department under the jurisdiction of a commission, then the City Administrator must first approve this process.

(C)   **Pre-Qualification.** Department heads shall require that prospective design-builders be pre-qualified to submit proposals on a specific project. The procedure for pre-qualification is as follows:

(1)   The Department Head shall issue a request for qualifications inviting interested parties to submit their qualifications to perform the project. The request for qualifications shall include criteria by which the prospective design-builders will be evaluated during the qualification process. The evaluation criteria

shall be based on qualifications and experience relevant to the services needed for the project, including: (i) qualifications to design-build the proposed project; (ii) evidence of financial capacity; (iii) experience on similar projects; (iv) commitment to comply with the goals and requirements of *Administrative Code* Chapters 12 and 14; (v) ability to collaboratively and cooperatively deliver projects on time and on budget; (vi) liquidated damages for delay and other damages paid on prior projects, and prior litigation history; (vii) reputation with owners of prior projects; (viii) claims history with insurance carriers and sureties; and (ix) compliance with all of the requirements established in the request for qualifications and other criteria that the Department Head may deem appropriate. The Department Head shall set objective scoring criteria and incorporate the criteria into any scoring procedure.

(2)   The Department Head shall designate a panel to review pre-qualification responses and interview and rate respondents with respect to the request for qualifications. Only those respondents found to be qualified will be eligible to submit proposals. The list of pre-qualified respondents shall be valid for not more than two years following the date of initial pre-qualification.

(3)   The Department Head may establish a pre-qualification selection process whereby the panel ranks respondents and recommends a shortlist of no fewer than three (3) pre-qualified respondents. The Department Head may restrict bidding to short-listed respondents. The shortlist of pre-qualified respondents shall be valid for not more than two years following the date of initial pre-qualification.

(D)   **Request for Proposals.** The Department Head shall issue a request for proposals inviting pre-qualified design-builders to submit proposals for the project. The request for proposals shall include a criteria package describing preliminary design criteria and performance criteria for the project, as well as any other information deemed necessary to describe adequately the City's needs for the project.

(E)   **Final Selection Process.** The Department Head may recommend the award of a contract to the responsible bidder submitting the lowest responsive bid. If the award to that bidder is not made for any reason, the Department Head may recommend the award of a contract to the responsible bidder submitting the next lowest responsive bid, and so forth. The Department Head may, at his or her sole discretion, conduct any negotiations that are necessary to effectuate the award of a contract.

(F)   **Alternative Final Selection Process.** If the project seeks private financing proposals and/or the Department Head determines that it is in the public's best interest to consider qualifications and/or other subjective criteria (e.g., quality of design proposal) as part of the final selection process, the Department Head shall issue a request for proposals inviting pre-qualified design-builders to submit design-build proposals, which will be evaluated based upon qualifications and project and/or financing costs.

(1)   The Department Head may request design-builders to create partial designs, which will be evaluated as part of the final selection process. The Department Head may offer a reasonable stipend to short-listed design-builders to create partial designs. The receipt of a stipend shall be contingent upon a design-builder's proposal being responsive to the request for proposals.

(2)   The Department Head may require short-listed design-builders who are creating partial designs to participate in one or more confidential review meetings with City representatives and/or selection panel members during the proposal preparation period. The purpose of the review meetings will be to ensure that each design-builder's partial design is proceeding in a manner that is consistent with the

requirements of the City as set forth in the criteria package. Discussions during review meetings shall be limited to objective elements of the criteria package.

    (3)   Design-builders submitting private financing proposals shall provide evidence of the commitment of funds necessary to privately finance the proposed projects to completion.

    (4)   The Department Head shall designate a panel to evaluate design-build proposals and rank the proposals to determine which provides the overall best value to the City and County in regard to the following criteria: (i) plan for expediency in completing the proposed project; (ii) lifecycle cost to the City and County; (iii) qualifications to finance the proposed project; (iv) quality of design proposal; (v) compliance with the goals set by the Human Rights Commission and requirements of the *Administrative Code* Chapters 12 and 14; (vi) commitment to meet the City hiring goals (*e.g.*, CityBuild or First Source Hiring); (vii) if private financing is sought, commitment of funds, cost of funds and terms to the City; and (viii) compliance with all the requirements and criteria established by the Department head in the request for proposals. The cost criterion shall constitute not less than sixty-five percent (65%) of the overall evaluation.

   (G)   Subject to paragraph (K) below, the Department Head may recommend the award of a contract to the highest-ranked design-builder. If the award to the highest-ranked design-builder is not made for any reason, the Department Head may recommend the award of a contract to the next highest-ranked design-builder, and so forth. The Department Head may, at his or her sole discretion, conduct any negotiations that are necessary to effectuate the award of a contract.

   (H)   The City shall retain the absolute discretion to determine, at any time during the process, not to proceed with any proposed project, which right may be exercised without liability to design-builders for costs incurred during the entire pre-qualification, proposal and negotiation process, and such rights shall be reserved in all requests for qualifications and proposals.

   (I)   The competitive bid requirements of this Chapter shall not apply to the selection of design-builders under this Section 6.61.

   (J)   Design-builders shall comply with all applicable requirements set forth in San Francisco *Administrative Code* Chapters 12 and 14.

   (K)   All final contracts for a public work project that involve a design-build and/or finance program shall be subject to the award provisions of Article I of this Chapter. If the proposed contract involves a financing program, the Capital Planning Committee must review and report on the proposed project before the board, commission, Mayor or his/her designee takes any action with respect to award of the contract.

   (L)   **Procurement of Trade Sub-contractors.** Department heads may require the selected design-builder to procure trade work contracts through a pre-qualification and competitive bid process, as follows:

    (1)   **Pre-qualification.** The Department Head shall require the design-builder to pre-qualify all trade sub-contractors, subject to the approval of the Department Head. The design-builder shall attempt to establish a pool of no fewer than three pre-qualified sub-contractors for each trade package, subject to the approval of the Department Head.

(2)   **Competitive Bid.** The Department Head shall require the design-builder to receive sealed bids from the pre-qualified trade sub-contractors. The bid security provisions of Section 6.21 will not apply. The design-builder shall award a trade package subcontract to the responsible bidder submitting the lowest responsive bid, except that the design-builder may negotiate and award a portion of the trade package subcontracts as provided in paragraph (3), below. Only those *Administrative Code* provisions that normally apply to subcontracts will apply to the trade package subcontracts.

(3)   The Department Head may authorize the design-builder to negotiate subcontracts for trade work as appropriate for the project, up to an amount not exceeding seven and one-half percent of the total estimated subcontract costs. The Department Head shall establish a maximum dollar value for each negotiated trade subcontract as appropriate for the project.

(M)   All actions heretofore taken by a Department Head consistent with the provisions of this section are hereby approved.

(N)   All design-build projects that are substantially underway as of the effective date of this Subsection 6.61(N) that do not comply with the mandatory pre-qualification requirements of Subsection 6.61(C) are hereby approved, provided that the applicable Department Heads shall only consider proposals from qualified design-builders.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 153-00, File No. 000805, App. 6/30/2000; Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 18-07, File No. 060344, App. 2/9/2007; Ord. 119-08, File No. 080277, App. 7/11/2008; Ord. 75-14, File No. 140226, App. 5/28/2014, Eff. 6/27/2014)

17.5.4.3 | SEC. 6.62. JOB ORDER CONTRACTS

The job order contracting system ("JOC") provides for an indefinite quantity contract with a predefined set of bid items that are assigned on a periodic or task order basis for the performance of public work maintenance, repair and minor construction projects. The Department Heads authorized to execute contracts for public work projects are authorized to utilize JOC according to the procedures set forth below.

(A)   Each JOC contract is to be advertised for competitive bids in accordance with the procedures set forth in this Chapter and awarded to the responsible bidder who submits the lowest responsive bid.

(B)   The Advertisement For Bids shall include unit prices and detailed technical specifications for each construction task contemplated to be performed under the JOC contract. Each task item shall include direct costs for material, equipment and labor. Construction tasks shall be grouped by trade.

(C)   The Advertisement For Bids for a JOC contract shall contain the City's estimate regarding the percentage of work under the JOC contract that will be performed by each trade. The Advertisement For Bids shall also require the Contractor to commit to an LBE Participation Goal, as set by the Human Rights Commission, in the performance of service orders under the JOC Contract. Upon completion of the JOC Contract term, the Human Rights Commission shall verify compliance with the LBE Participation Goal under the provisions of *Administrative* Code Chapter 14B. Departments may designate specific JOC Contracts as limited set asides for Micro-LBEs as provided under Chapter 14B.

(D)   Contractor's bid shall include a sub-contractor list in conformance with Section 6.21A of this Chapter and Chapter 14B as appropriate. All requests for substitutions of sub-contractors shall be made and considered under Public Contract Code Section 4107, as may be amended from time to time. Notwithstanding this requirement, if a listed sub-contractor confirms in writing that it is not available to perform one or more work orders, the contractor may request to add without penalty a sub-contractor to perform under the work order(s) at no additional cost to the City. The aggregate value of the work performed by sub-contractors added to substitute for listed but unavailable sub-contractors shall not exceed 20% of the original contract amount. Specialty trade work unanticipated at the time of bid, requiring the addition of one or more sub-contractors, shall be considered the performance of a change order under Public Contract Code Section 4107(c). The addition of any sub-contractor under any circumstances or for any purpose shall be effected by change order or contract modification. Prior to any added sub-contractor performing any service order work, the awarding department shall confirm the license, insurance coverage, and other qualifying criteria as required by law.

(E)   Contractors submitting bids on the JOC contract shall state in their bids an adjustment on a percentage basis either increasing or decreasing the unit prices for all construction tasks set forth in the bid documents. There may be a single adjustment factor that applies to all tasks. For example, an adjustment factor of 25% below the unit prices stated in the bid documents would be bid as .75. All of the contractor's profit, overhead and indirect costs shall be included in the adjusted unit prices.

(F)   The Advertisement For Bids and the contract specifications shall contain a maximum dollar amount of the JOC contract, which maximum amount shall not exceed five million dollars. The cumulative modifications to a JOC contract shall result in a contract sum not to exceed one hundred-fifty percent of the original contract amount.

(G)   JOC contracts shall provide for an expiration term of not more than five years, including all modifications. However, the Department Head shall not issue any new work orders under the JOC contract after three years from the date of award.

(H)   Projects will be assigned under the JOC contract on a work order basis at the sole discretion of the Department Head concerned. Each work order shall include a time certain for completion of the work and an appropriate sum for liquidated damages for delay. Each work order shall also include a list of the sub-contractors performing work under such order, with each sub-contractor's name, business address, San Francisco business tax registration number, contractor license number, scope of work, and data as may be required by the Human Rights Commission. The work order price shall be no more than the calculated unit prices and the bid adjustment factor. No work order shall exceed $400,000, including all modifications. A department may issue or modify any work order(s) to exceed the foregoing limit only upon the Department Head's written determination establishing the urgency of the work and the justification for proceeding under this Section 6.62 rather than by formal competitive process.

(I)   A contractor who enters into a JOC contract with a particular City department is not eligible during the term of such JOC contract to submit a bid on a subsequent JOC contract advertised by the same contracting department; however, a contractor may submit a bid on a subsequent JOC contract advertised by the same contracting department if the contractor's existing JOC contract will expire in

120 days or fewer of if the contractor has performed work valued by the City in an amount equal to or exceeding 90% of the maximum dollar amount of the existing JOC contract.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 324-00, File No. 001919, App. 12/28/2000; Ord. 58-05, File No. 041571, App. 4/1/2005; Ord. 19-10, File No. 091163, App. 2/10/2010)

17.5.4.4 | SEC. 6.63. HAZARDOUS MATERIALS ABATEMENT WORK

When the Director of Public Works (the "Director") determines: (1) that hazardous materials on public property must be expeditiously abated (the "work"); and (2) that there is inadequate time to advertise and competitively bid the work in accordance with this Chapter, then the work may be performed in accordance with the following procedures:

(A) The Department of Public Works shall advertise for and receive proposals from hazardous materials abatement contractors, which proposals shall address the qualifications of the contractors to perform the abatement work. The proposals shall be evaluated according to the requirements of this Chapter and Chapters 12B, 12C and 12D.A, relevant to professional services contracts.

(B) The Department of Public Works shall select a sufficient number of qualified contractors to perform the amount of hazardous materials abatement work anticipated to be required in the upcoming one or more years and enter into master agreements on an "if- and as-needed" basis with those contractors. Each master agreement shall state the maximum total dollar value of work each contractor is authorized to perform during the contract period.

(C) The Department shall seek price quotations for performance of the work from at least three of the contractors with master agreements. The contract for the work will be awarded to the contractor submitting the lowest quotation, except as otherwise provided herein. The Department shall keep a record of such quotations and a register of all awards made thereunder. In the event that the Department is unable to obtain three quotations, the Director shall base the award on the quotation or quotations received. If the Director believes that the public interest would best be served by accepting other than the lowest quotation, he or she is hereby authorized to accept the quotation that in his or her discretion will best serve the public interest. The Director may reject any and all quotations and request new quotations.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.4.5 | SEC. 6.64. AS-NEEDED CONTRACTS

A Department Head authorized to execute public work and professional service contracts may issue an Advertisement For Bids for construction services or a request for proposals or qualifications for professional services on an as-needed basis, with definite or indefinite quantities of work. Work shall be assigned on a contract service order basis. None of the requirements of this Chapter or *Administrative Code* Chapters 12B, 12C or 12D.A are waived for as-needed contracts.

All as-needed contracts shall provide for a not-to-exceed price and an expiration term of not more than five years, including all modifications. However, the Department Head shall not issue any new

contract service order after three years from the date of award. Additionally, the cumulative modifications to an as-needed contract shall result in a contract sum not to exceed one hundred-fifty percent of the original contract amount. Before any item of work is commenced under an as-needed contract, the cost of such work must be certified by the Controller as to the availability of funds. No contract service order or multiple contract service orders for any single public work, whether in one phase or multiple phases, shall cumulatively exceed $200,000, including all modifications. For departments with capital programs over $1 Billion, no contract service order or multiple contract service orders, as described above, shall cumulatively exceed $400,000, including all modifications. A department may issue or modify any contract service order(s) to exceed the foregoing limits only upon the Department Head's written determination establishing the urgency of the work and the justification for proceeding under this Section 6.64 rather than by formal competitive process.

The Department Heads authorized to execute public work and professional service contracts shall report quarterly to the Board of Supervisors regarding the department's use of as-needed contracts and the actual amount of participation of MBE and WBE sub-contractors or sub-consultants that were listed on prime contractors' bid(s) or proposal(s) to determine whether MBE/WBE subcontracting participation goals are being met on as-needed contracts. Such reports shall be referred to a Board committee for public hearing.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 58-05, File No. 041571, App. 4/1/2005)

17.5.4.6 | SEC. 6.65. CONTRACTING FOR ELEVATOR, ESCALATOR, SECURITY, FIRE PROTECTION OR FIRE ALARM SYSTEMS INSPECTION, MAINTENANCE AND REPAIR WORK

Department heads who are authorized to execute public work contracts under this Chapter are hereby authorized to award contracts for the inspection, maintenance and repair services of existing elevator, escalator, security, fire protection or fire alarm systems ("special services") in accordance with the following procedures:

(A) The department shall award master agreement contracts, on an "if-and-as-needed" basis to special service providers who can establish experience, expertise, and quality of work. A potential special service provider may apply for a master agreement under this section by providing the department with a statement of its experience and qualifications and other information as requested by the department. Within 60 days of receiving such information, the department shall advise the applicant of its eligibility for an award of a master agreement. Master agreements for special services shall conform to the insurance, indemnification and prevailing wage requirements of Section 6.22 of this Chapter. Master agreements shall provide for an expiration term of not more than five years from the date of award, including all modifications.

(B) For performance of specific tasks, the department shall seek price quotations from at least three of the special service providers with master agreements. The department shall issue a contract service order for the work to the provider submitting the lowest quotation, except as provided below. In the event that the department is unable to obtain three quotations, the Department Head shall base the issuance of the contract service order on the quote or quotes received. If the Department Head believes that the public

interest would best be served by accepting other than the lowest quotation, he or she is hereby authorized to accept the quotation that in his or her discretion will best serve the public interest. The Department Head may reject any and all quotations and request new quotations.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 58-05, File No. 041571, App. 4/1/2005)

17.5.4.7 | SEC. 6.66. CONVENTION FACILITY PUBLIC WORKS

When construction work is required for the City-owned convention facilities, such services may be procured in accordance with the following procedures:

(A)   Bids will be requested from not fewer than three bidders for a construction contract. The contract will be awarded to the responsible bidder with the lowest responsive bid. A record of all bids received and a register of all awards made under this subsection shall be maintained. In the event three bids cannot be obtained, the award shall be based on the bid or bids received. Any or all bids may be rejected and new bids may be requested.

(B)   Authority to undertake the contracting process and enter into contract directly with the contractor may be delegated to the operator/manager of the convention facilities. In such event, the City Administrator or his or her designee shall first review the propriety of the process and shall approve the award of any contract.

(C)   In no event shall the award of contracts by the procedures set forth in this subsection exceed the cumulative sum of three million dollars ($3,000,000) in any fiscal year.

Except as provided herein, any contract awarded under this subsection must comply with this Chapter and with Chapters 12B, 12C and 12D.A.

All of the contracts awarded and work performed under this subsection shall be reported to the Board of Supervisors on a quarterly basis.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.4.8 | SEC. 6.67. CLEAN CONSTRUCTION IN BIDDING

The Clean Construction requirements of Section 6.25 and Environment Code Chapter 25 are mandatory for public works to be performed within the City and estimated to require twenty (20) or more days of work to complete. For other public works, Department Heads are encouraged to require the use of off-road equipment and off-road engines that meet or exceed the standards in Chapter 25, or to use bid criteria that favor the use of such equipment and/or engines. Department heads are particularly encouraged to do so wherever the project is located within 500 feet of a Sensitive Site, as defined in Health Code Section 3804.
(Added by Ord. 70-07, File No. 061432, App. 4/2/2007; amended by Ord. 28-15 , File No. 140805, App. 3/19/2015, Eff. 4/18/2015)

City & County of San Francisco – Office of the Controller

ACCOUNTING POLICIES & PROCEDURES

17.5.4.9 | SEC. 6.68. INTEGRATED PROJECT DELIVERY

Integrated project delivery is an approach to the procurement of construction services whereby a construction manager/general contractor ("CM/GC") is retained during the design process to review and provide comments as to the constructability of the Architect/Engineer's design within the established budget. The Department heads authorized to execute contracts for public work projects are authorized to seek proposals from qualified CM/GCs for construction of public work projects using an integrated project delivery under the following conditions:

(A)   Before the request for qualifications is issued, the Department head shall determine that an integrated project delivery is necessary or appropriate to achieve anticipated cost savings or time efficiencies, or both, and that such a process is in the public's best interest.

(B)   If the proposed public work project is for the use or benefit of a Department that is under the jurisdiction of a commission, then such commission shall first approve the solicitation of integrated project delivery proposals. If the public work is for the use or benefit of a Department not under the jurisdiction of a commission, then the City Administrator must first approve this process.

(C)   **Pre-qualification.** Department heads shall require that prospective proposers be pre-qualified to submit proposals on a specific project. The procedure for pre-qualification is as follows:

(1)   The Department head shall issue a request for qualifications inviting interested parties to submit their qualifications to perform the project. The request for qualifications shall include criteria by which the prospective proposers shall be evaluated. The evaluation criteria shall be based on qualifications and experience relevant to the services needed for the particular project. The list of criteria may include, but is not limited to the following: (i) ability to perform required pre-construction and construction phase services; (ii) evidence of financial capacity; (iii) experience on projects of similar size and complexity; (iv) commitment to comply with the goals and requirements of *Administrative Code* Chapters 12 and 14; (v) ability to collaboratively and cooperatively deliver projects on time and on budget; (vi) liquidated damages for delay and other damages paid on prior projects, and prior litigation history; (vii) reputation with owners of prior projects; (viii) claims history with insurance carriers and sureties; and (ix) compliance with all of the requirements established in the request for qualifications and other criteria that the Department head in consultation with the Human Rights Commission may deem appropriate. The Department head shall set objective scoring criteria and incorporate the criteria into any scoring procedure.

(2)   The Department head shall designate a panel to review pre-qualification responses and interview and rate respondents with respect to the request for qualifications. Only those respondents found to be qualified will be eligible to submit proposals. The list of pre-qualified respondents shall be valid for not more than two years following the date of initial pre-qualification.

(D)   **Request for Proposals and Selection Process.** The Department head shall issue a request for proposals inviting pre-qualified CM/GCs to submit competitive cost proposals for the project. The request for proposals shall include information describing the scope of pre-construction and construction phase services for the project. The request for proposals shall request the following minimum cost information from each proposer: (i) fees for pre-construction services and (ii) fees for construction phase services,

including overhead, profit and general conditions, and (iii) the qualitative criteria as described in (1) below.

(1)   The Department head shall designate a panel to evaluate integrated project delivery proposals and rank the proposals to determine which provides the overall best value to the City with respect to non-cost and cost criteria. The list of non-cost criteria may include but is not limited to the following: (i) plan for expediency in completing the proposed project; (ii) quality of proposal; (iii) commitment to comply with the goals set by the Human Rights Commission and requirements of *Administrative Code* Chapters 12 and 14; (iv) commitment to meet City hiring goals (*e.g.* City Build or First Source Hiring); and (v) compliance with all the requirements and criteria established by the Department head or HRC in the request for proposals. The Department Head shall set objective scoring criteria and incorporate the criteria into any scoring procedure. The cost criterion shall constitute not less than sixty-five percent (65%) of the overall evaluation.

(2)   The Department head shall set forth in the request for proposals and in the contract liquidated damages to be assessed against the successful CM/GC in the event it fails to fulfill the commitments made in its proposal.

(3)   The Department head may recommend the award of a contract to the highest-ranked CM/GC whose total proposed fee is not more than twenty percent (20%) greater for contracts the estimated cost of which is $10 million or less, or is not more than ten percent (10%) greater for contracts the estimated cost of which is in excess of $10 million, than the total proposed fee of the lowest responsive bid. If award to such CM/GC is not made for any reason, the Department head may recommend the award of a contract to the next highest-ranked CM/GC whose total proposed fee is not more than ten percent (10%) greater than the total proposed fee of the lowest responsive bid, and so forth. In making the final determination, the Department head shall apply the LBE discount to proposals submitted by LBEs, in accordance with *Administrative Code* Chapter 14B.

(E)   **Alternate Request for Proposals and Selection Process.** If the Department Head determines that it is in the City's best interest to exclude consideration of non-cost criteria as part of the final selection process, the Department head shall issue a request for proposals inviting pre-qualified CM/GCs to submit integrated project delivery proposals, which will be evaluated based upon project costs only. If the proposed public work project is for the use or benefit of a Department that is under jurisdiction of a commission, then such commission shall approve the use of this alternate process. If the public work is for the use or benefit of a Department not under the jurisdiction of a commission, then the City Administrator must approve the use this alternate process.

(F)   The City shall retain the absolute discretion to determine, at any time during the process, not to proceed with any proposed project, which right may be exercised without liability to CM/GCs for costs incurred during the entire pre-qualification, proposal and negotiation process, and such rights shall be reserved in all requests for qualifications and proposals.

(G)   The bid security and sub-contractor listing requirements of section 6.21 will not apply to the selection of CM/GCs under this section 6.68. Any resulting contract with a CM/GC shall comply with section 6.22.

(H)   **Procurement of Trade Sub-contractors.** Department heads shall require the selected CM/GC to procure trade work contracts through a pre-qualification and competitive bid process, as follows:

(1)   **Pre-qualification.** The Department Head shall require the CM/GC to pre-qualify all trade sub-contractors, subject to the approval of the Department head. The CM/GC shall attempt to establish a pool of no fewer than three pre-qualified sub-contractors for each trade package, subject to the approval of the Department Head.

(2)   **Competitive Bid.** The Department head shall require the CM/GC to receive sealed bids from the pre-qualified trade sub-contractors. The bid security provisions of section 6.21 will not apply. The CM/GC shall award a trade package subcontract to the responsible bidder submitting the lowest responsive bid, except that the CM/GC may negotiate and award a portion of the trade package subcontracts as provided in paragraph (3), below. Only those *Administrative Code* provisions that normally apply to subcontracts will apply to the trade package subcontracts.

(3)   The Department head may authorize the CM/GC to negotiate subcontracts for trade work as appropriate for the project, up to an amount not exceeding seven and one-half percent of the total estimated subcontract costs. The Department head shall establish a maximum dollar value for each negotiated trade subcontract as appropriate for the project.

(J)   All actions heretofore taken by a Department Head consistent with the provisions of this section are hereby approved.

(Added by Ord. 119-08, File No. 080277, App. 7/11/2008; amended by Ord. 96-10, File No. 100332, App. 5/13/2010)

17.5.4.10 | SEC. 6.69. DEPARTMENT OF PUBLIC HEALTH PUBLIC WORK

For public work necessary to maintain or repair health facilities under the jurisdiction of the Health Commission, the Department of Public Health (DPH) may award master agreement contracts, for work to be performed on an "if-and-as-needed" basis, to qualified construction contractors in conformance with the following procedures:

(A)   **Contract Award.** The Director of DPH may award master agreement contracts, on an "if-and-as-needed" basis to construction contractors who can establish all of the licensing, qualifications, experience, and certifications, as required by the Director of DPH. A contractor may apply for a master agreement under this Section by providing DPH with a statement of its experience and qualifications and other information as requested by DPH. Within 60 days of receiving such information, DPH shall advise the applicant of its eligibility for an award of a master agreement.

(B)   **Contract Terms.** Master agreements awarded under this Section shall conform to the requirements of Section 6.22 of this Chapter and shall conform to *Administrative Code* Chapter 14B, as applicable. Master agreements shall provide for an expiration term of not more than three years from the date of award, including all modifications. All master agreements shall provide for a maximum total dollar value of work each contractor is authorized to perform during the contract period. No master agreement may be modified to exceed 150% of the original contract amount. Master agreements shall contain no minimum dollar amount. Master agreements shall provide that DPH may assign work on a task order basis, "if-and-as-needed, " through competition among master agreement contractors.

(C) **Task Order Competitive Solicitation.** To assign work under master agreement contracts, DPH shall solicit quotations from no fewer than three qualified master agreement contractors. Solicitations shall conform to Section 6.21 of this Chapter, except that neither a published advertisement nor a bid bond shall be required. Solicitations shall include a description of the proposed task order scope of work, including plans or specifications, if any, and may include provisions for liquidated damages for delay if and as appropriate to the particular project. Responsive quotations must include sub-contractor listing, if any, in conformance with Section 6.21(A)(9).

(D) **Task Order Award.** The Director of DPH shall award a task order for the performance of work under a master agreement to the contractor submitting the lowest responsive quotation. In the event that DPH is unable to obtain three quotations, the Director of DPH shall base the award on the quotation or quotations received. If the Director of DPH believes that the public interest would best be served, by accepting other than the lowest quotation, he or she is hereby authorized to accept the quotation that in his or her discretion will best serve the public interest.

(E) **Task Order Terms.** No task order or multiple task orders for any single public work, whether in one phase or multiple phases, shall cumulatively exceed $400,000.00, including all modifications. The Director of DPH may issue or modify a task order to exceed the foregoing imitation only upon the Director's written determination establishing the urgency of the work and the justification for proceeding under this Section, rather than through the Department of Public Works, in conformance with Section 6.2 of this Chapter.
(Added by Ord. 224-08, File No. 081084, App. 10/15/2008)

17.5.4.11 | SEC. 6.70. REAL ESTATE DIVISION PUBLIC WORK

For public work necessary to maintain or repair facilities and real property under the jurisdiction of the Real Estate Division ("RED"), RED may award master agreement contracts for special services under *Administrative Code*, Section 6.65, or may award master agreement contracts for work to be performed on an "if-and-as-needed" basis, to qualified construction contractors in conformance with the following procedures:

(A) **Contract Award.** The Director of RED may award master agreement contracts, on an "if-and-as-needed" basis to construction contractors who can establish all of the licensing, qualifications, experience, and certifications, as required by the RED Director. A contractor may apply for a master agreement under this Section by providing RED with a statement of its experience and qualifications and other information as requested by RED. Within 60 days of receiving such information, RED shall advise the applicant of its eligibility for an award of a master agreement.

(B) **Contract Terms.** Master agreements awarded under this Section shall conform to the requirements of Section 6.22 of this Chapter and shall conform to *Administrative Code* Chapter 14B, as applicable. Master agreements shall provide for an expiration term of not more than three years from the date of award, including all modifications. All master agreements shall provide for a maximum total dollar value of work each contractor is authorized to perform during the contract period. No master agreement may be modified to exceed 150% of the original contract amount. Master agreements shall contain no

minimum dollar amount. Master agreements shall provide that RED may assign work on a task order basis, "if-and-as-needed," through competition among master agreement contractors.

(C)   **Task Order Competitive Solicitation.** To assign work under master agreement contracts, RED shall solicit quotations from no fewer than three Qualified master agreement contractors. Solicitations shall conform to Section 6.21 of this Chapter, except that neither a published advertisement nor a bid bond shall be required. Solicitations shall include a description of the proposed task order scope of work including plans or specifications, if any, and may include provisions for liquidated damages for delay if and as appropriate to the particular project. Responsive quotations must include sub-contractor listing, if any, in conformance with Section 6.21(A)(9).

(D)   **Task Order Award.** The Director of RED shall award a task order for the performance of work under a master agreement to the contractor submitting the lowest responsive quotation. In the event that RED is unable to obtain three quotations, the Director of RED shall base the award on the quotation or quotations received. If the Director of RED believes that the public interest would best be served by accepting other than the lowest quotation, he or she is hereby authorized to accept the quotation that in his or her discretion will best serve the public interest.

(E)   **Task Order Terms.** No task order or multiple task orders for any single public work, whether in one phase or multiple phases, and whether under this Section or for Special Services under Section 6.65. shall cumulatively exceed $400,000, including all modifications. The Director of RED may issue or modify a task order to exceed the foregoing limitation only upon the Director's written determination establishing the urgency of the work and the justification for proceeding under this Section, rather than through the Department of Public Works, in conformance with Section 6.2 of this Chapter.
(Added by Ord. 309-08, File No. 081286, App. 12/16/2008)

17.5.4.12 | SEC. 6.71. PIER REPAIR WORK

(A)   The Port is authorized to use the Port's Maintenance Division employees and equipment to perform demolition, repair and replacement work on piers under the jurisdiction of the Port Commission, including pile-supported pier structures, substructures, aprons, wharves, decks, fenders and associated utilities. The competitive bid requirements of Sections 6.20(A) and 6.23(B) shall not apply to the Port's self-performance of such pier demolition, repair and replacement work.

(B)   All actions previously taken by the Port consistent with this section are hereby approved.

(C)   Nothing in this Section 6.71 shall prohibit the Port from using the procedures described elsewhere in this Chapter for the performance of pier demolition, repair and replacement work.
(Added by Ord. 124-12, File No. 120560, App. 6/29/2012, Eff. 7/29/2012)

17.5.5 | Article V: Violations of *Administrative Code* Chapter 6; False Claims; Procedures for Debarment; Monetary Penalties

Sec. 6.80. Violations and False Claims; Debarment and Monetary Penalties.
Sec. 6.81. Collusion in Contracting.

17.5.5.1 | SEC. 6.80. VIOLATIONS AND FALSE CLAIMS; DEBARMENT AND MONETARY PENALTIES

Any contractor, sub-contractor, supplier, consultant or sub-consultants who fails to comply with the terms of its contract with the City and County; or who violates any provision of *Administrative Code* Chapter 6; or who fails to abide by any rules and/or regulations adopted pursuant to *Administrative Code* Chapter 6; or who submits false claims; or who has violated against any government entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of a contract with the City and County, may be declared an irresponsible bidder or an unqualified consultant and debarred according to the procedures set forth in Chapter 28 of this *Administrative Code*. Additionally, any contractor, sub-contractor, supplier, consultant or sub-consultant who submits a false claim to the City and County may also be subject to monetary penalties, investigation and prosecution as described below.

In the event that such a violation of this Chapter, including the submission of one or more false claims, comes to the attention of a board or commission or Department Head responsible for public work, the Department Head must investigate the matter. The Department Head must report the findings of any such investigation by letter to the Board of Supervisors within 30 days of the completion of the investigation. The investigation letter to the Board of Supervisors must state the name of the contractor, sub-contractor, supplier, consultant or sub-consultant; the nature of the violation; the results of the investigation; and the Department Head's plan for addressing the violation, if any. A hearing shall also be called in the Audit Committee of the Board of Supervisors to report on this investigation.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 324-00, File No. 001919, App. 12/28/2000; Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 8-04, File No. 031503, App. 1/16/2004)

17.5.5.2 | SEC. 6.81. COLLUSION IN CONTRACTING

If, at the determination of the Mayor, the Department Head who executed the construction or professional services contract or the board or commission who awarded such contract, and pursuant to the debarment procedures set forth below, any party or parties to whom a contract has been awarded has been guilty of collusion with any officer or representative of the City and County, or any other party or parties, in the submission of any bid or in preventing of any other being made, or in knowingly receiving preferential treatment by any officer or an employee of the City and County, then any contract so awarded, if not completed, may be declared null and void by the Board of Supervisors on the recommendation of the Mayor, Department Head or the board or commission concerned, and no recovery shall be had thereon. The Department Head concerned may then readvertise for bids for the uncompleted portion of the work. The matter may also be referred to the City Attorney for such action as may be necessary. Any party or parties guilty of such collusion shall not be permitted to participate in or to bid on any future public work, improvement or purchase to be made by the City and County.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

17.5.5.3 | SEC. 6.82. PROCEDURES FOR ADMINISTRATIVE DEBARMENT

Notwithstanding and not exclusive or preclusive of any pending or contemplated legal action, any contractor, sub-contractor, supplier, consultant or sub-consultant directly or indirectly subject to the provisions of this Chapter may be determined irresponsible and disqualified from contracting with the City and County of San Francisco in accordance with the provisions of Chapter 28 of this *Administrative Code*.
(Added by Ord. 286-99, File No. 991645, App. 11/5/99; amended by Ord. 7-02, File No. 011675, App. 1/25/2002; Ord. 8-04, File No. 031503, App. 1/16/2004)

17.5.5.4 | SEC. 6.83. ASSESSMENT OF MONETARY PENALTIES FOR FALSE CLAIMS: INVESTIGATION AND PROSECUTION

Notwithstanding and not exclusive or preclusive of any other administrative or legal action taken by the City and County, a contractor may be assessed monetary penalties for submitting false claims. The Department Head responsible for the public work may withhold such penalties from amounts due or retained under the contract. Notwithstanding and not exclusive or preclusive of any administrative or other legal action, the City Attorney may investigate and prosecute in a civil action any submission of a false claim.

The submission of a false claim occurs when a contractor, sub-contractor, supplier, consultant or sub-consultant commits any of the following acts enumerated below. In such event, the contractor, sub-contractor, supplier consultant or sub-consultant shall be liable to the City and County for (1) three times the amount of damages which the City and Count sustains because of the act(s) of that contractor, sub-contractor, supplier, consultant or sub-consultant; and (2) the costs, including attorney's fees of a civil action brought to recover any of those penalties or damages. Such contractor, sub-contractor, supplier, consultant or sub-consultant may also be liable to the City and County for a civil penalty of up to $10,000 for each false claim.

(1)   Knowingly presents or causes to be presented to an officer or employee of the City and County a false claim or request for payment or approval;

(2)   Knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City and County;

(3)   Conspires to defraud the City and County by getting a false claim allowed or paid by the City and County;

(4)   Knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City and County;

(5)   Is a beneficiary of an inadvertent submission of a false claim to the City and County, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City and County within a reasonable time after discovery of the false claim.

Liability under this section shall be joint and several for any act committed by two or more persons.

For purposes of this section "claim" includes any request or demand for money, property or services made to any employee, officer, or agent of the City and County, or to any contractor, sub-contractor, grantee or other recipient, whether under contract or not, if any portion of the money, property, or services requested or demanded issued from, or was provided by, the City and County.

For purposes of this section, "knowingly" means that a contractor, sub-contractor, supplier, consultant or sub-consultant with respect to information does any of the following: (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. Proof of specific intent is not required and reliance on the claim by the City and County is also not required.

(Added by Ord. 286-99, File No. 991645, App. 11/5/99)

18 | INDEX*

DEPARTMENT OF PUBLIC HEALTH
Fiscal – Grants Unit

Grants Accounting Manual

Revised May 2013

DPH – PHP Grants Accounting Manual

DPH – PHP Grants Accounting Manual

INTRODUCTION

Fiscal-Grants Unit developed this manual to provide accountants and program staff with a better understanding of the grant accounting cycle. As a reference material, this manual also gives relevant information in the grants management process and the application of grant regulations to ensure compliance with program and reporting requirements.
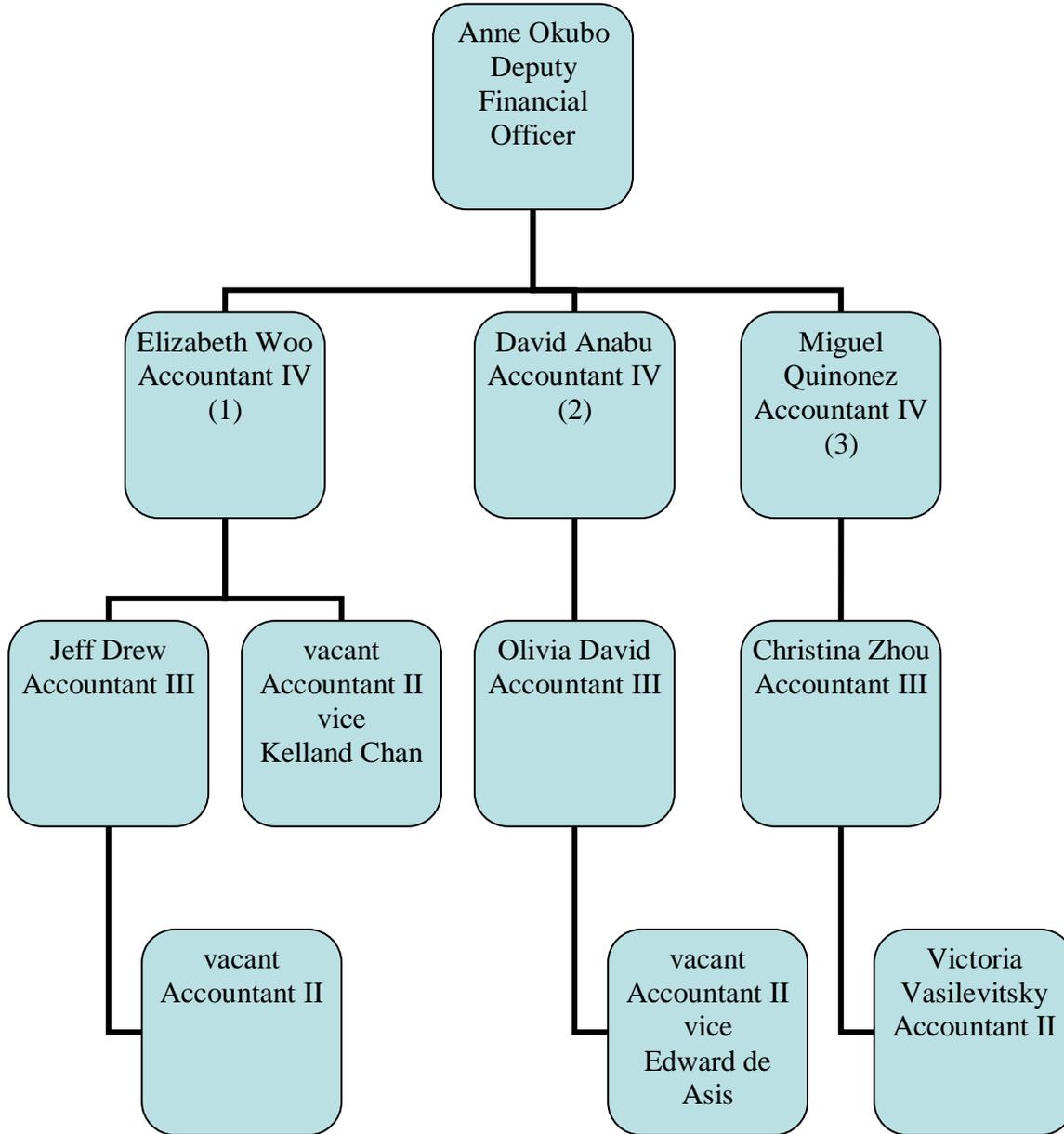
GOALS OF THE GRANTS UNIT

The overall goal of Grants Unit is to promote efficient and effective grants accounting and management and ensure compliance with regulations, in assisting programs with protecting and promoting the health of all San Franciscans. In providing accounting support, Grants Unit strives to present accurate fiscal and financial information essential in maximizing the use of grant-funded resources. Below are examples of various functions the unit seeks to accomplish in order to attain those goals.

- Perform accurate accounting of grants
- Provide tools in effectively and efficiently managing grants
- Comply with Federal OMB (Office of Management and Budget) Circulars, grant guidelines, administrative policies and procedures
- Monitor and reconcile grant accounts
- Analyze grant revenues and expenditures on a periodic basis
- Recover maximum eligible costs on time
- Accomplish grant audits successfully
- Improve coordination with Program, other DPH units and the Controller's office
- Provide fiscal support to grant-funded programs

ORGANIZATION CHART, FISCAL-GRANTS UNIT

```
                    Anne Okubo
                    Deputy
                    Financial
                    Officer

    Elizabeth Woo      David Anabu       Miguel
    Accountant IV      Accountant IV     Quinonez
        (1)                (2)           Accountant IV
                                             (3)

Jeff Drew     vacant        Olivia David    Christina Zhou
Accountant III Accountant II Accountant III  Accountant III
              vice
              Kelland Chan

         vacant            vacant           Victoria
         Accountant II     Accountant II    Vasilevitsky
                           vice             Accountant II
                           Edward de
                           Asis
```

Program assignments:

1. Substance Abuse, Maternal Health, WIC, Housing, OES, Bioterrorism, Health Education, Epidemiology
2. AIDS Office - Health Services, Research, Surveillance, HIV Epidemiology; Environmental Health
3. AIDS Office - Prevention; Health Education; Mental Health; TB; STD

For DPH Organization Chart, go to:
http://www.sfdph.org/dph/comupg/aboutdph/insideDept/DPH_OrgChart_112712.pdf

Grants are financial assistance received by DPH from Federal, State and private agencies either as an advance payment or on a cost-reimbursement-basis. Ranging from simple to complex and anywhere from a few thousands to millions of dollars, Grants are restricted to specific projects or programs. In FAMIS (Financial Accounting and Management Information System), grants are classified according to funding source.

Types of Grants

- F – Federal direct
- S – State
- T – Federal pass-through State/Other
- P – Private
- L – Local
- M – Mixed

Recipients must follow the terms and conditions stipulated in the grant agreement. There are a number of authorities that govern grant awards. Some terms refer to Executive Orders or Federal OMB circulars. Four (4) authorities generally affect recipients and their grant agreements, namely in order of precedence:

- Legislation
- Program Regulations
- Administrative Regulations
- Grant Agreement Terms and Conditions

GRANT SETUP IN FAMIS

A grant award can be single or multi-year. Multi-year awards typically have project periods that ranges from two to five years. For multi-year grants, only the current fiscal year portion of the grant award is set up in FAMIS. The accounting process starts when Grants Unit receives the following documents:

- Notice of Grant Award or signed agreement from the funding agency -
  This is the official document that notifies DPH when a grant is awarded. The accountant
  reviews the document to determine the following information:

  o grant title and funding agency
  o award amount and budget period
  o cost sharing or matching requirements
  o terms and conditions
  o reporting requirements
  o CFDA number for federal and federal pass-through grants
  o payment method
  o audit requirements and record retention

- Accept & Expend resolution from the Board of Supervisors (for new and renewal grants not included in the annual budget). Effective June 2012, departments only need Board approval to "accept and expend" grants of $100K or more (including City matching funds). If subsequent increases to a grant raise the cumulative amount to $100K or more, an accept and expend resolution is required. If a grant had been previously approved by the board, the department may accept and expend supplemental funds of less than $50K without further Board action. All grants that create new positions must be approved by the Board through an ordinance amending the Annual Salary Ordinance (ASO).

- Grant Resolution Information Form, including the Disability Access Checklist

- Grant budget

- Special provisions and requirements

- Cost sharing matching information if applicable - funding agency requirements may stipulate that grant recipients contribute nonfederal cost-sharing or matching funds expressed as a percentage of total grant costs. The program can provide their cost-sharing/matching contributions in any of the following ways:

  o cash contributions – nonfederal cash funds extended by individuals and organizations.

  o in-kind contributions – by applying the value of nonfederal third party non-cash contributions made directly to the grant project including donated time and effort, real and non-expendable personal property, goods and services.

  o program income – by applying program income generated through grant activities as permitted by agency regulation or grant agreement.

New Grants Upon receiving the accept and expend authority or grant resolution information form (for grants less than $100K) along with the required documents mentioned earlier, Grants Unit prepares a journal entry to set up the grant budget, establishing estimated revenues and appropriations.

Recurring /renewal grants in AAO Recurring grants are usually included in the annual budget using estimates and advance information received by the program. When approved in the AAO, the budget interfaces to FAMIS and serves as interim budget for the grants. If the final grant award is different from the estimate in the AAO and has no other changes, Board approval is not needed and the Controller has the authority to adjust the grant budget to reflect the final award amount. Grants unit should prepare a journal entry to update the AAO budget in FAMIS to match the award.
For grants budgeted in the AAO, Ordinance 265-05 requires grants of $5,000,000 or more to submit a resolution articulating the grant application to the Board of Supervisors at least 60 days prior to the grant deadline for review and approval.

Recurring /Renewal Grants not in AAO Recurring or renewal grants that are not included in the annual budget will require the approval of the Board of Supervisors in the same manner new grants are handled.

For approval of grant budget setup and supplemental awards, Grants Unit provides copies of the award documents to the Controller's office. For initial award setup, the journal entry notepad must include the following information:

- Name of funding agency, federal pass-thru agency if applicable
- Grant type (federal, state, federal pass-through, private, etc.)
- CFDA number, if applicable
- Grant award amount and grant period
- Board resolution # or ordinance #
- Required matching/in-kind amount
- CFDA #, if applicable
- Reporting requirements and due dates
- Audit requirements and due dates

Grants Unit notifies the program when the budget is set up and available for use.

FAMIS ACCOUNTING CODES

Grant Code is a 6-digit code used to identify grant revenues and expenditures in FAMIS. It is used to account for grant funds and demonstrate compliance and fiscal accountability for restricted funds. Each grant is assigned a different grant code. The first 2 characters identify the department, the next 2 identify the program or section administering the grant, and the last 2 are sequentially assigned. So for example a new grant from AIDS Office would be assigned grant code HCAOxx.

Example: HC<u>AO</u>52 – Ryan White Part C

Grant detail - 2- and/or 4-digit codes used to classify grant transactions by budget period or activity. The first 2 digits identify the fiscal year in which the grant period started. So a grant with a budget period of 4/1/13 – 3/31/14 will be assigned grant detail 13 for fiscal 2012-13. When 4 digit codes are used a separate detail is created for revenue transactions.

Example: 13<u>AA</u> – Ryan White Part C


```
FAML5070 V5.1          CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/31/2013
LINK TO:                              GRANTS                              5:16 PM
                                                                     PAGE 1 OF 4

GRANT                 : HCAO52        RYAN WHITE PART C
GRANT DETAIL          : 13AA          RYAN WHITE PART C
TITLE                 : RYAN WHITE PART C
LOWER LVL REQUIRED    : N
    GRANT TYPE        : T             FEDERAL GRANT - PASS-THROUGH STATE OR OT
    CONTYP /FNDS CTL: GY    Y         DONOR FUNDING FY
    CCSF FILE NMBR    :
    RESP DEPARTMENT   : DPH-HC&HM      PUBLIC HEALTH-RESPONSIBLE DEPT FOR GRANT
    DONOR AGENCY      : PCCC          SF COMMUNITY CLINIC CONSORTIUM
    CCSF APPROVAL     :
    FEDERAL CATALOG   : 93918         OUTPATIENT SERVICES FOR HIV DISEASE
    CLOSING DATE      :
    INT DIST BY GRT   :
PLAN DATES   START : 07/01/2012      END : 06/30/2013      IDC REIMBURSE : Y
ACTUAL DATES START : 05/09/2012      END : 06/30/2014      GRACE PERIOD  : N
CREATE DATE : 05/09/2012             STATUS IND  : A
UPDATE DATE : 05/09/2012             STATUS DATE : 05/09/2012
```

Index code is used to classify revenue and expenditures by fund, cost center, and program. It provides information about the source of the funding and organization in charge of the grant. For example, index code HCHIVRSRCHGR is used for HIV Research Special Revenue Funds under Community Health Prevention program.

```
FAML5300 V5.1           CITY AND COUNTY OF SAN FRANCISCO--NFAMIS        05/14/2013
LINK TO:                              INDEX CODES                          3:21 PM

INDEX CODE        : HCHIVRSRCHGR      HIV RESEARCH
FUND TYPE         : 2S                SPECIAL REVENUE FUNDS
FUND              : CHS               COMM HEALTH SVS SPEC REV FD
SUBFUND           : GNC               GRANTS, NON-PROJECT, CONTINUING
PROGRAM           : DPC               COMM HLTH - PREVENTION - AIDS
DEPT. ACTIVITY    :
ORGANIZATION      : DPHPHHVPHRS       HIV RESEARCH
PROJ     PJDTL    :
GRANT    GR DTL   :
USER CD           :
SUB-OBJECT        :
ALLOTMENT CTL     : 85                SFD/DEPT/GRANT/DETL1/CHAR
SPEND PLAN CTL    : 85                SFD/DEPT/GRANT/DETL1/CHAR
CASH CTL TYPE     : GG                GRANT
COST DISTR        :     PSC% :    0.00  TAX REBATE% :    0.00  EXTERN RPT REQ :
START/END DATES   : 07/01/1992 / 06/30/2999  FUTURE YEAR INDEX  :
CREATE DATE       : 12/02/2011        STATUS IND  : A
UPDATE DATE       : 12/02/2011        STATUS DATE : 12/02/2011
```

Subobject is used to classify expenditures according to the type of items purchased or services obtained. For example, subobject 04951 is used for office supplies.

Grant Budget

A grant budget is typically broken down into major expenditure categories such as Personnel Costs, Travel, Supplies Contractual Costs, Other Costs, and Indirect Costs. Budgets may vary according to program needs and delivery of services. The budget in FAMIS should match the approved budget by the granting agency. To set up new grant budget, go to FAMIS screen 4000 - Financial Processing, then select GB or GM for RIMS and enter the appropriate transaction codes and information on the required fields. To revise a grant budget, use the same procedures except select GE or GR for rims for the document type.

BUDGET REVISIONS AND SUPPLEMENTAL AWARD

To meet the changing needs of the program, budget revisions and transfer of funds may be necessary. In general, grantees are allowed to rebudget up to a certain percentage of the approved budget. In other cases, prior written approval is required. For example, CDC allows rebudgeting up to 25% of the total approved budget or $250K whichever is less. On the other hand, the agency requires grantees to obtain prior written approval for certain post award changes: contracting out to a third party, purchase of equipment, transfer of funds to a line item that was previously denied or cut.

Budget revisions that create new positions or additional FTEs not previously approved in the ASO require prior approval of the Board of Supervisors. For grant awards of $100K or more, Board approval is required for supplemental awards of $50K or more. If any line item in the Federal or State grant is modified or increased by more than 15% and copies of such modification are required to be

submitted to the agency, Grants Unit shall notify the Board of Supervisors of such modification. The above procedures must be performed prior to the expiration of the grant.
A sample memo to notify the board follows.

```
Date:

To:          Clerk of the Board of Supervisors

CC:          Controller's Office Operations Unit

From:

Subject:     Grant Budget Revision

             Grant name:

In accordance with Administrative Code Section 10.170-1(F), this memo serves
to notify the Board of Supervisors of a Federal or State grant line item budget
revision in excess of 15% requiring funding agency approval.

We have attached a copy of budget revision documentation submitted to the
funding agency.

Attachment:  Budget revision documentation
```

DOCUMENT PROCESSING

The Grant Accountant reviews expenditure documents to ensure availability of funding and appropriate documentation. As a general rule, expenditures must be in the approved budget and incurred within the budget period. Expenditures must be reasonable, allowable, and conform to grant requirements and established policies. The accountant initials the document, indicates the grant end date and files a copy in the grant binder. The approved document is forwarded to Accounts Payable for processing. If a problem is encountered, the accountant should notify the initiator to resolve the issue. If the issue is not corrected after 2 days, the document should be returned to the initiator.

Deadline for Submission of Documents Fiscal Imposes a 7-working day deadline for programs to submit all encumbrance documents to Grants Unit for processing before the grant expires. This deadline applies to accounting documents such as contracts, requisitions for supplies, equipment & services, interdepartmental work orders. The purpose of the deadline is to allow sufficient time to process, approve and post the documents in FAMIS prior to the expiration of the grant. Any request submitted after the deadline may be rejected without further processing.

Requisition for Supplies, Equipment, & Services The form is used to request supplies, equipment, and routine professional services (except for contractual services). In addition to procedures mentioned above, the accountant reviews the supporting documentation and checks for the approval of the Program Manager. When approved, the requisition is forwarded to Accounts Payable Procurement for further processing.

DPH – PHP Grants Accounting Manual

Contracts Grant accountants review the following items and sections in the contract prior to certification:

- The contract is budgeted and approved by the granting agency
- Contract term is within the grant budget period
- Sections on compensation, method of payment, disallowance and maintenance, audit and examination of financial records are clearly stated
- Exhibits A, B & C are consistent with the contract and award provisions
- Contract detail budget agrees with the approved grant budget
- Contractor is not debarred or suspended in SAM (Single Award Management)
- Contractor has a valid DUNS number if funded by federal direct grant
- FAMIS accounting codes are valid

Grant funded contracts may be encumbered for the interim period (e.g. last six month period of an 18-month contract) without a revised Budget (Exhibit B) or Invoice Template (Exh. C). This change in procedure recognizes that the interim period is a continuation of the annual contract terms and conditions. Any changes to contract rates or compensation that occur in the subsequent contract renewal can be reconciled and retroactively adjusted on future invoices. The only exception (when grant funds cannot be encumbered) is for non-reoccurring grants that will terminate during the interim period. In this case, grant funds may be encumbered through the term of the initial grant period that has been funded. However, funds may <u>not</u> be encumbered for the subsequent grant period in which the grant will terminate.

Travel Authorization and Travel Expense Voucher DPH requires employees to complete a Travel Authorization (TA) Form to request approval for travel, training and conferences. All travel outside CCSF and all travel that requires payment for registration and conference fees require prior written authorization. The Grants Unit reviews the TA and supporting documentation and issues a TA number from the logbook to certify funds are available for payment of travel expenses. A TA number is not required if airfare is not included. Request for reimbursement of travel expenses must be made within thirty (30) days following completion of the travel. For DPH travel guidelines, go to
http://www.sfdph.org/dph/files/PoliciesProcedures/F$C1_TravelGuidelines.pdf.
For Controller's travel guidelines, visit
http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2174.

All airfare are paid by the Controller's office and subsequently billed to departments through GF index codes. Grants Unit submits abatement entries to move charges to the grant after reconciling those charges to the Travel Authorization Book.

Memorandum of Understanding MOU is an agreement between DPH sections to provide program, ancillary or support services. Grants accountants check the information below before certifying funding availability:

- MOU is an approved item in the grant budget.
- MOU term is within the budget period of the grant.
- Accounting codes such as index code, grant code and grant detail are correct.

- Amount allocated, funding requirement, fiscal provisions and modifications are clearly stated in the boilerplate.
- Exhibits A, B & C are consistent with the contract and award provisions.
- Indirect costs are reasonable and adequately supported.

Contracts and MOUs are assembled in the COOL system prior to encumbrance/accounting processing.

Work Orders These are services provided by one city department to another on a cost-reimbursement basis. In general services and fees are specified in an agreement or job order and an encumbrance is set up in FAMIS. After services are rendered, the performing department bills DPH for services rendered, with supporting documentation. The program has to approve the billing before charges are processed by the Grants Unit in FAMIS.

Reproduction is an example of interdepartmental services. At the beginning of each fiscal year, a work order is set up in DPH general fund for all grant-funded services. Grants keeps a record of all job orders and distributes the charges to the respective grants when billed.

MONITORING PROCESS

The key to effective and efficient grants accounting and management is being able to apply tools and implement procedures in monitoring the progress of the grant. Obtaining updated information on revenue and expenditure items as well as spending level in a reasonable time assists the fiscal unit and the program in maximizing grant reimbursements within established parameters. Aside from the regular updates given to program managers throughout the grant period, Grant accountants must provide programs a summary of budget and expenditures to allow timely review of unused balances. As a rule of thumb, grant expenditures must be:
- allowable and allocable under federal/state/private provisions
- necessary and reasonable for the effective performance and administration of the grants
- authorized and in compliance with federal/state and local laws
- obligated and/or incurred within the budget or grant period set by the funding agency

After certifying funding availability, the grant accountant monitors each expenditure document and verifies the charges are posted in FAMIS. Funding agencies generally require that funds be encumbered or obligated by the grant end date to be considered eligible expenditures. Therefore, all encumbrances need to be processed and posted in FAMIS by the grant end date. To assist the process, Fiscal policy imposes a 7-working day deadline before the expiration of the grant for programs to submit all encumbrance documents for processing. This is necessary to give other sections such as Accounts Payable, Purchasing and the Controller's Office sufficient time to perform their tasks.

Salaries and Fringes DPH personnel perform vital tasks in implementing and carrying out program services. A good position control should track changes in staffing level as well as funding.
1. Position Control - Grants Unit maintains an excel file of all grant-funded personnel showing budgeted position & FTE vs. actual & FTE. All changes in personnel are processed in HRIMs and approved by Grants. If an employee's funding changes, a labor code correction (LCC) must be submitted in HRIMS by the program manager for approval by Grants and Human Resources. All labor codes can be searched by employee, class or LCC number.

2. LDS database – Grants Unit uses a database query to update payroll charges in grants. The query is linked to grant files and automatically updates the S&F data whenever a new pay period is uploaded. This minimizes data entry errors and eliminates the labor intensive process of updating LDS data.

3. LDS on DPHNet – this application provides personnel charges by employee, pay period, fiscal year, index code, and organization. The information is used to review personnel costs charged to grants. To access LDS, go http://dphnet/, then select LDS Information from the application dropdown list.

Grant Expenditure Reports A spreadsheet is maintained for each grant to monitor budget and expenditures and other important information such as payroll data, invoice template, etc. The files are reconciled with FAMIS on a regular basis and when invoices are rendered.

Grants Database is used to keep track of all grants administered by DPH. It contains all relevant information for managing the grants and is used for ad hoc reports requested by managers and other DPH users. The database is also used to manage reporting deadlines and other grant requirements.

EIS Reports are used to monitor grant revenue and expenditures, budget, GL Account balances, & other information. For example, GL 431 transaction detail report is used to analyze expenditure transactions.

Logbook for Travel and Reproduction Grants Unit keeps a log all of all grant-funded travel in a shared network folder. The file is used to identify and reallocate airfare charges and agency fees. The unit also maintains al log for grant-funded job orders for reproduction services.

GRANT REVENUES

There are three different ways to request grant reimbursement, namely:

Payment Management System (PMS) DPH recovers most federal grant expenditures through Payment Management System administered by the Division of Payment Management, Program Support Center, and DHHS. DPH has two accounts with PMS: 7435G and 7435P. These accounts identify each federal grant by award number. It can be accessed via internet at www.dpm.psc.gov.

When preparing for a drawdown, an accountant verifies the expenditures for each grant using FAMIS screens 6220 and 6410 and updates the cash drawdown spreadsheet. The spreadsheet lists all grants under PMS and is used to compare the award amount, expenditures, and receipts to date for each grant. To determine the amount of drawdown for each account, the total expenditures is compared with the amount drawn to date. The difference is the amount for drawdown. DPH receives the funds through wire transfer to one of the City's bank account. An entry is submitted to distribute the funds to the respective grants when the wire is received.

As part of the reporting requirements for grants under PMS, Grants Unit submits the Federal Cash Transaction Report (form 425) on a quarterly basis. This report accounts for the federal drawdown

requests that reconcile to actual federal expenditures incurred by DPH in a given quarter. Failure to submit this report on time may result in PMS withholding future drawdown requests.

B. Voice Response System For a few federal grants that are not part of the PMS, DPH uses the direct dial-up access to the grant funds through a voice response system. The designated grant accountant calls the assigned toll-free number, enters the requested amount and then obtains a confirmation of the transaction. Requests are based on actual grant expenditures from FAMIS.

Both PMS and voice response system require USERID and passwords to access DPH accounts.

Since requests for drawdown are wired to the City in a relatively short period of time, there is no need to book grants receivable for the quarterly grants reconciliation. Grants Receivable is booked for year-end revenue accrual only.

C. Claim Reimbursement/Invoicing Most State, federal pass-through and private grants are on reimbursement basis. DPH pays for the expenditures first then recovers the funds through reimbursement claims. It is important to submit claims within a reasonable time to recover the City's cash promptly.

FINANCIAL REPORTING

Invoices and financial reports are submitted for allowable costs as stipulated in grant awards either monthly, quarterly, semi-annually or annually. Grants Unit uses as database to keep track of reporting deadlines and generates a list every month. The list is also used to keep track of receivables and identify receipts. Most federal awards require online submission of Federal Financial Reports (FFR) via eRa Commons within 90 days after the end of the budget period. As of 10/1/12, all CDC financial reports must be submitted using the electronic FFR system. Invoices for state and pass-through grants are submitted using invoice templates provided by the grantor. All financial reports are reconciled with FAMIS and supported by accounting records. The reports are reviewed by a supervisor and signed by a designated approverV.

GRANT RECONCILIATION

Grants are reconciled with FAMIS at least quarterly and when invoices are rendered. Grants Unit also provides grant status updates to the Controller's Office through the quarterly reconciliation of grants. In addition, grants are reconciled when preparing final billings to grantors to ensure total billing matches with FAMIS Expenditures. Receipts are compared with the claims to check for errors and outstanding claims. During year-end, claims are reconciled with FAMIS Expenditures and Revenues as part of the Single Audit.

YEAR-END TASKS

As part of the year-end process, grant accountants perform the following:
- Analyze expenditure and revenue accounts to identify unrecorded transactions, costs transfers, unpaid invoices from contractors, and other reportable transactions for the fiscal year

- accrue revenues and expenditures of $100K or more
- submit claims
- complete the Single Audit Questionnaire for federal programs
- provide the 3-column reconciliation of expenditures, revenues and claims
- identify inactive grants for closeout
- defer revenues if not collectible in 120 days

GRANT ESTIMATES FOR THE ANNUAL BUDGET

Between the months of October to December, Grants Unit prepares grant estimates for recurring and new grants for inclusion in the annual budget. The estimates which are based on the latest award information serve as the interim budget for the grant when approved in the AAO. If the actual grant award is different from the estimate in the AAO, the Controller has the authority to adjust the grant budget to reflect the actual award amount. The proposed budgets are forwarded to the DPH Fiscal - Budget Section for processing.

When a new grant is received during the annual budget process and is simultaneously undergoing the accept and expend approval, program managers should inform the Grants Unit whether the grant is recurring or multi-year so the grant can be properly included in the annual budget. Otherwise, the grant will require a separate accept and expend authority in the subsequent budget year.

GRANT CLOSEOUT

The last step in the grant cycle is the closeout of inactive grants. Inactive and expired grants can be closed when the final reimbursement is posted in FAMIS. Before closing the grant the accountant should:

- reconcile total billings and financial reports for the last time with FAMIS

- close any rounding off balances in Cash (GL 101) and Grants Receivable (GL 125) to general fund

- update the grant end date in FAMIS to prevent posting

- update grant status in database to "for closeout"

AUDITS

Audit is a systematic examination of transactions, accounting records, program and financial reports to determine whether transactions have been properly recorded in the accounting system, financial reports are accurately presented, resources are managed economically and efficiently, elements of internal control and applicable laws, regulations, and other grant terms have been complied with. Below are examples of audits commonly encountered by the Grants Unit.

DPH – PHP Grants Accounting Manual

- **Funding Agency Audit** This includes site visits and fiscal review to monitor the activities and ensure compliance with the terms of the award.

- **Controller's Post Audit** An annual audit to assess the department's compliance with City policies, grant requirements, accounting policies and procedures. The audit includes a review of accounting practices, internal control, and testing of selected documents and grants.

- **Single Audit** Single audit is required for all entities that expend $500,000 or more in federal awards in a fiscal year. The City is required to have a single audit every year and submit the audit report within 9 months after the end of the fiscal year. Grants Unit identifies and provides information on federal awards that DPH administers by completing a Single Audit Questionnaire for each federal program.

FAMIS SCREENS

Below are the most frequently-used FAMIS screens for grants:

- **6220 Grant Summary Inquiry** The screen allows users to view expenditure and revenue information by grant and grant detail. The user may inquire at any level in the grant/detail structure and may specify the level of object structure, funding period, and fund structure. The balance indicator defaults to "A" to show accumulated information for the grant. To display activities for the fiscal period, a "Y" is entered; "Q" for quarter; "M" for month.

- **6410 Grant Trial Balance Inquiry** Screen 6410 allows user to view the grant trial balance and drill down GL transactions by fiscal month. The balances shown for operating accounts (e.g. GL 431-Actual Uses and GL 411-Actual Sources) are for the selected fiscal year only.

- **5070 Grants** allows users to establish and maintain codes and narrative descriptions of the grant including title, grant type, donor agency, CFDA #, responsible department, plan and actual dates, status, etc. The data elements can be updated by designated DPH staff. Pages 2 – 4 are not used by DPH.

- **6300 Transaction Detail Inquiry** allows users to view financial information for a document.

- **6051 Document Inquiry** shows the summary financial information for a document. Useful for analyzing contract payments, purchase orders, and payment vouchers.

- **6860 Document Selection** allows users to view document selection inquiries. Useful for analyzing open encumbrances (GL 470) and pre-encumbrances (GL 460) on screen 6220.

- **6870 Detail Transaction Selection** allows users to filter transactions by entering criteria or key input elements. Provides users more flexibility when filtering monthly transactions.

- **6900 Document Summary by Subsidiary Inquiry** This allows users to view all documents with a balance associated with the specified general ledger or general ledger and subsidiary account combination.

- **8020 Document Authorization Tracking Active** allows users to view the status of a document in the approval path.

- **8025 Document Authorization Tracking Archive** allows users to view the approval activity for a posted document.

- **5400 – Transaction Codes** allows users to view transaction code data elements. For more information, refer to "Transaction Codes Presentation Version 06.pdf" in the Grants shared folder.

TRANSACTION CODES

Transaction code A 3-digit numeric code used to record an accounting transaction such as recording of a budget, revenue, and expenditures. It determines what general ledger accounts are updated and the financial files that are updated in FAMIS.

Listed below are the most commonly used transaction codes in grants.

Budget

> **061/062** Other increase/decrease to Revenue Budget

> **072/073** Other increase/decrease to Expenditure Budget

Receipts/Initial deposit

> **701** Cash receipts deposited directly by department to City's Pooled Deposit Account; paired with the following transaction codes:

> **712** Unidentified cash receipts

> **718** Receipts increasing revenues

> **714** Receipts applied to Grants Receivable

> **716** Receipts applied as abatement/refund of expenditures

> **714** Receipts increasing Grants Received in Advance

Revenues

> **401** Adjustment to decrease Unidentified Receitps, used to reverse t/c 712

408/407 Adjustment to increase/decrease Revenue

446(R) To reclassify receipt and increase/decrease Grants Receivable

444 To reclassify receipt as an Advance

528/527 Increase/decrease Grants Receivable and Revenue

526/527 Increase/decrease Grants Received in Advance

Expenditures

405/406 To increase/decrease Expenditures

455/466 To increase/decrease direct interdepartmental charges

Year-end

665/666 Increase/decrease Expenditures and Accounts Payable, with automatic next period reversal; paired with t/c 626 for encumbered items

626 Reduce year-end encumbrance with next period reversal

667/668 Increase/decrease Expenditures and Interfund Payables, with automatic next period reversal

678/677 Increase/decrease Revenue and Grants Receivable or Interfund Receivables

671R Revenue deferral for Grants Receivable not collectible in 120 days (Oct 28)

USEFUL LINKS

DPH Grants Handbook - http://dphnet/grants

Controller's Office Financial Administration of Grants & Gifts - http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2189

Controller's Office Accounting Guidelines & Procedures - http://sfcontroller.org/index.aspx?page=437

CFR Title 45 Public Welfare - Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments - http://www.gpo.gov/fdsys/pkg/CFR-1999-title45-vol1/content-detail.html

Federal OMB Circulars - http://www.whitehouse.gov/omb/circulars/index-slg.html

System for Award Management - https://www.sam.gov/portal/public/SAM/

DPH – PHP Grants Accounting Manual

eRA Commons - https://public.era.nih.gov/commons/public/login.do?TYPE=33554433&REALMOID=06-1edb031f-46c7-44b3-b803-60b537de74d2&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=-SM-938PYmoLVb4VrDeXo04LZUDVDvc%2b3899ByInEAjuSUvWNIGfB2zRpWiCivYGCogG&TARGET=-SM-http%3a%2f%2fpublic%2eera%2enih%2egov%2fcommons

Catalog Of Federal Domestic Assistance (CFDA) - http://12.46.245.173/cfda/cfda.html

Federal Audit Clearing House - http://harvester.census.gov/sac/

HHS Grants Policy Statement - http://www.hhs.gov/grantsnet/docs/HHSGPS_107.doc

U.S. Department of Health and Human Services - http://www.hhs.gov/

San Francisco Administrative Code - http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1

Citywide Nonprofit Monitoring - http://www.sfcontroller.org/index.aspx?page=420

Board of Supervisors (Resolution/Ordinance Webpage) - http://www.sfbos.org/index.aspx?page=9505

Chart of Accounts - http://mission.sfgov.org/DocCenter/Docs/DC276.pdf

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Notice of Award

Award#   1 NU58DP007075-01-00
FAIN#   NU58DP007075
Federal Award Date: 09/13/2021

Recipient Information

1. Recipient Name

San Francisco Department of Public Health

101 GROVE ST

SAN FRANCISCO, CA 94102-4505

[NO DATA]

2. Congressional District of Recipient
12

3. Payment System Identifier (ID)
1946000417A8

4. Employer Identification Number (EIN)
946000417

5. Data Universal Numbering System (DUNS)
103717336

6. Recipient's Unique Entity Identifier

7. Project Director or Principal Investigator

Ms. Ayanna Benett

ayanna.bennett@sfdph.or

(510) 213-0302

8. Authorized Official

Dr. Naveena Bobba

Principal Investigator

naveena.bobba@sfdph.org

415-554-2769

Federal Agency Information
CDC Office of Financial Resources

9. Awarding Agency Contact Information

Ms. Emmanuella Lamothe

omy9@cdc.gov

404.498.5772

10. Program Official Contact Information

Claire Heiser

Lead Public Health Advisor

beq9@cdc.gov

770-488-5284

Federal Award Information

11. Award Number
1 NU58DP007075-01-00

12. Unique Federal Award Identification Number (FAIN)
NU58DP007075

13. Statutory Authority

Section 301(a) of the Public Health Service Act, 42 U.S.C. 241(a)

14. Federal Award Project Title
Closing the Gap with Social Determinants of Health Accelerator Plans

15. Assistance Listing Number
93.945

16. Assistance Listing Program Title

Assistance Programs for Chronic Disease Prevention and Control

17. Award Action Type
New

18. Is the Award R&D?
No

Summary Federal Award Financial Information

19. Budget Period Start Date 09/30/2021 **- End Date** 09/29/2022		
20. Total Amount of Federal Funds Obligated by this Action		$125,000.00
20a. Direct Cost Amount		$125,000.00
20b. Indirect Cost Amount		$0.00
21. Authorized Carryover		$0.00
22. Offset		$0.00
23. Total Amount of Federal Funds Obligated this budget period		$0.00
24. Total Approved Cost Sharing or Matching, where applicable		$0.00
25. Total Federal and Non-Federal Approved this Budget Period		$125,000.00
26. Project Period Start Date 09/30/2021 **- End Date** 09/29/2022		
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period		Not Available

28. Authorized Treatment of Program Income

ADDITIONAL COSTS

29. Grants Management Officer – Signature

Ms. Pamela Render

Grants Management Officer

30. Remarks

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Notice of Award

Award#   1 NU58DP007075-01-00
FAIN#   NU58DP007075
Federal Award Date: 09/13/2021

Recipient Information

Recipient Name

San Francisco Department of Public Health

101 GROVE ST

SAN FRANCISCO, CA 94102-4505

[NO DATA]

Congressional District of Recipient

12

Payment Account Number and Type

1946000417A8

Employer Identification Number (EIN) Data

946000417

Universal Numbering System (DUNS)

103717336

Recipient's Unique Entity Identifier

Not Available

31. Assistance Type

Project Grant

32. Type of Award

Other

33. Approved Budget
(Excludes Direct Assistance)

I.   Financial Assistance from the Federal Awarding Agency Only

II. Total project costs including grant funds and all other financial participation

a. Salaries and Wages	$0.00
b. Fringe Benefits	$0.00
c. Total Personnel Costs	$0.00
d. Equipment	$0.00
e. Supplies	$0.00
f. Travel	$0.00
g. Construction	$0.00
h. Other	$0.00
i. Contractual	$125,000.00
j. TOTAL DIRECT COSTS	$125,000.00
k. INDIRECT COSTS	$0.00
l. TOTAL APPROVED BUDGET	$125,000.00
m. Federal Share	$125,000.00
n. Non-Federal Share	$0.00

34. Accounting Classification Codes

FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	OBJECT CLASS	AMT ACTION FINANCIAL ASSISTANCE	APPROPRIATION
1-9390H1J	21NU58DP007075	DP	41.51	$125,000.00	75-21-0948

AWARD ATTACHMENTS

San Francisco Department of Public Health   1 NU58DP007075-01-00

1. Terms and Conditions

Incorporation: In addition to the federal laws, regulations, policies, and CDC General Terms and Conditions for Non-research awards at https://www.cdc.gov/grants/federal-regulations-policies/index.html, the Centers for Disease Control and Prevention (CDC) hereby incorporates Notice of Funding Opportunity (NOFO) number DP21-2111, titled Closing the Gap with Social Determinants of Health Accelerator Plans, and application dated July 6, 2021, as may be amended, which are hereby made a part of this Non-research award, hereinafter referred to as the Notice of Award (NoA).

Approved Funding: Funding in the amount of **$125,000** is approved for the Year 01 budget period, which is September 30, 2021 through September 29, 2022. All future year funding will be based on satisfactory programmatic progress and the availability of funds.

The federal award amount is subject to adjustment based on total allowable costs incurred and/or the value of any third party in-kind contribution when applicable.

Note: Refer to the Payment Information section for Payment Management System (PMS) subaccount information.

Financial Assistance Mechanism: Grant

BUDGET REQUIREMENTS:

Please provide the following information by submitting a grant note in Grant Solutions by November 1, 2021:

- **CONTRACTUAL –** Please provide all the contractual elements that are required according to the CDC Budget Preparation Guidelines.

FUNDING RESTRICTIONS AND LIMITATIONS

Notice of Funding Opportunity (NOFO) Restrictions:

- Recipients may not use funds for research.
- Recipients may not use funds for clinical care except as allowed by law.
- Recipients may use funds only for reasonable program purposes, including personnel,travel, supplies, and services.
- Generally, recipients may not use funds to purchase furniture or equipment. Any such proposed spending must be clearly identified in the budget.
- Reimbursement of pre-award costs generally is not allowed, unless the CDC provides written approval to the recipient.
- Other than for normal and recognized executive-legislative relationships, no funds may be used for:
  - publicity or propaganda purposes, for the preparation, distribution, or use of any material designed to support or defeat the enactment of legislation before any legislative body

- o the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before any legislative body
- See Additional Requirement (AR) 12 for detailed guidance on this prohibition and additional guidance on lobbying for CDC recipients.
- The direct and primary recipient in a cooperative agreement program must perform a substantial role in carrying out project outcomes and not merely serve as a conduit for an award to another party or provider who is ineligible.

Indirect Costs:

Indirect costs are not approved for this award, because indirect costs were not requested or an approved Indirect Cost Rate Agreement has not been established. To have indirect costs approved for this grant, submit an approved indirect cost rate agreement to the grants management specialist no later than November 1, 2021.

REPORTING REQUIREMENTS

Required Disclosures for Federal Awardee Performance and Integrity Information System (FAPIIS): Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the CDC, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award.   Disclosures must be sent in writing to the CDC and to the HHS OIG at the following addresses:

CDC, Office of Grants Services
Emmanuella Lamothe, Grants Management Officer/Specialist
Centers for Disease Control and Prevention
Branch 5 Supporting Chronic Diseases and Injury Prevention
2939 Flowers Road South
Atlanta, GA 30341-5507
Email: omy9@cdc.gov (Include "Mandatory Grant Disclosures" in subject line)

AND

U.S. Department of Health and Human Services
Office of the Inspector General
ATTN: Mandatory Grant Disclosures, Intake Coordinator
330 Independence Avenue, SW
Cohen Building, Room 5527
Washington, DC 20201

Fax: (202)-205-0604 (Include "Mandatory Grant Disclosures" in subject line) or
Email: MandatoryGranteeDisclosures@oig.hhs.gov

Recipients must include this mandatory disclosure requirement in all subawards and contracts under this award.

Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371. Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 and 376, and 31 U.S.C. 3321).

CDC is required to report any termination of a federal award prior to the end of the period of performance due to material failure to comply with the terms and conditions of this award in the OMB-designated integrity and performance system accessible through SAM (currently FAPIIS). (45 CFR 75.372(b)) CDC must also notify the recipient if the federal award is terminated for failure to comply with the federal statutes, regulations, or terms and conditions of the federal award. (45 CFR 75.373(b))

PAYMENT INFORMATION

The HHS Office of the Inspector General (OIG) maintains a toll-free number (1-800-HHS-TIPS [1-800-447-8477]) for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to hhstips@oig.hhs.gov or by mail to Office of the Inspector General, Department of Health and Human Services, Attn: HOTLINE, 330 Independence Ave., SW, Washington DC 20201. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous.

Payment Management System Subaccount: Funds awarded in support of approved activities have been obligated in a subaccount in the PMS, herein identified as the "P Account". Funds must be used in support of approved activities in the NOFO and the approved application.

The grant document number identified beginning on Page 2 of the Notice of Award must be known in order to draw down funds.

CDC Staff Contacts

Grants Management Specialist: The GMS is the federal staff member responsible for the day-to-day management of grants and cooperative agreements. The GMS is the primary contact of recipients for business and administrative matters pertinent to grant awards.

GMS Contact:
Emmanuella Lamothe, Grants Management Specialist
Centers for Disease Control and Prevention
Branch 5 Supporting Chronic Diseases and Injury Prevention
Telephone: 404-498-5772
Email: omy9@cdc.gov

Program/Project Officer: The PO is the federal official responsible for monitoring the programmatic, scientific, and/or technical aspects of grants and cooperative agreements, as well as contributing to the effort of the award under cooperative agreements.

Programmatic Contact:
Claire Heiser, Project Officer
Centers for Disease Control and Prevention
National Center for Chronic Disease Prevention and Health Promotion
Telephone: 770-488-5284
Email: beq9@cdc.gov

Grants Management Officer: The GMO is the federal official responsible for the business and other non-programmatic aspects of grant awards. The GMO is the only official authorized to obligate federal funds and is responsible for signing the NoA, including revisions to the NoA that change the terms and conditions. The GMO serves as the counterpart to the business officer of the recipient organization.

GMO Contact:
Pamela Render, Grants Management Officer
Centers for Disease Control and Prevention
Branch 5 Supporting Chronic Diseases and Injury Prevention
Telephone: 770-488-2712
Email: plr3@cdc.gov

San Francisco Department of Public Health,
Community Health Equity and Promotion (CHEP)
CDC-RFA-DP21-2111
Closing the Gap with Social Determinants of Health Accelerator Plans
Budget Justification
09/30/2021-09/29/2022

A. CONTRACTUAL   **$125,000**

Contractor	Total Cost
San Francisco Public Health Foundation	$125,000

1.Name of Contractor: San Francisco Public Health Foundation (SFPHF)
Method of Selection: Request for Proposals (RFP) RFP36-2017
Period of performance: 09/30/2021 – 09/29/2022
Scope of work
  (1) Service category: Closing the Gap with Social Determinants of Health Accelerator Plans
  (2) Award amount: $125,000
  (3) Subcontractors: TBD
  (4) Services provided: SFPHF will provide fiscal intermediary services to SFDPH and contractual oversight over consultants selected by Office of Health Equity.

Method of Accountability: Annual program and fiscal and compliance monitoring

Itemized budget with narrative justification: To be provided upon completion of contract negotiations.

A. Salaries $0
B. Fringe Benefits $0
C. Consultant Expenses $0
D. Equipment: $0
E. Materials and Supplies: $6,640

Item	Amount Requested
Material for Community Listening Events	3,320
Food for Community Listening Events	3,320

F. Travel $0
G. Other Expenses $0

H. Contractual $107,000

Consult/Subcontractor Name	Service Description	Cost
TBD	Participation of community members	6,000
TBD	Needs assessment and evaluation	38,000
TBD	Compensation for community agencies assisting in recruitment for community evaluation	36,000
TBD	Compensation for time for CBOs assisting in recruitment for community evaluation (3 @ $5,000)	15,000
TBD	Additional Compensation to CBO lead agency (1 at $125/hour for 8 additional hours per month)	12,000
	TOTAL	107,000

Total Direct Costs $113,640
Total Indirect Costs $11,360
(@ 10% of Modified Total Direct Costs)
Total Costs $125,000

TOTAL DIRECT COSTS: $ 125,000

B.   **INDIRECT COSTS** $ 0

TOTAL BUDGET: $ **125,000**

London N. Breed
        Mayor

TO:	**Angela Calvillo, Clerk of the Board of Supervisors**
FROM:	**Dr. Grant Colfax** **Director of Health**
DATE:	**2/28/2022**
SUBJECT:	**Grant Accept and Expend**
GRANT TITLE:	**Accept and Expend Grant - DP21-2111 Closing the Gap with Social Determinants of Health Accelerator Plans - $125,000**

Attached please find the original and 1 copy of each of the following:

☒   Proposed grant resolution, original signed by Department

☒   Grant information form, including disability checklist

☒   Budget and Budget Justification

☒   Grant application

☒   Agreement / Award Letter

☐   Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted resolution:

Name: Gregory Wong (greg.wong@sfdph.org)   Phone: 554-2521

Interoffice Mail Address: Dept. of Public Health, 101 Grove St # 108

Certified copy required Yes ☐   No ☒