Legislation Details (With Text)

File #:	06212	**Version:**	1	**Name:**	Appropriate Funds for 2007 Carry Forward Encumbrances
Type:	Resolution			**Status:**	Passed
File created:	4/16/2007			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	5/15/2007			**Final action:**	5/15/2007
Enactment date:	5/18/2007			**Enactment #:**	RES-07-00545

Title: Allocating funds appropriated in the 2007 Operating Budget for prior-year encumbrances to match actual carry-forward encumbrances in various departmental accounts and decreasing the Contingent Reserve by $59,930 to fund these appropriations.

Sponsors: David J. Cieslewicz

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Date	Ver.	Action By	Action	Result
5/15/2007	1	COMMON COUNCIL	Adopt	Pass
5/7/2007	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
5/1/2007	1	COMMON COUNCIL	Refer	
4/17/2007	1	Comptroller's Office	Referred for Introduction	
4/16/2007	1	Comptroller's Office	Fiscal Note Required / Approval	
4/16/2007	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	

Fiscal Note

The adopted 2007 Operating Budget includes $400,000 for prior year encumbrances. Since actual encumbrances at the end of 2006 totaled $459,930, the difference of $59,930 must be appropriated from the Contingent Reserve. Following adoption of this resolution, the available Contingent Reserve balance is expected to total $885,070. There is no impact on the tax levy or State Expenditure Restraint Program eligibility limits.

Title

Allocating funds appropriated in the 2007 Operating Budget for prior-year encumbrances to match actual carry-forward encumbrances in various departmental accounts and decreasing the Contingent Reserve by $59,930 to fund these appropriations.

Body

PREAMBLE

In governmental accounting terminology, encumbrances are outstanding purchase orders and other contractual commitments for expenditures that have been incurred but not yet paid. Any encumbrances that remain open at the end of the budget year are paid and charged to expense in the subsequent year. Governmental accounting rules require that such expenses be charged against the adopted budget when prior year encumbrances are paid.

The City of Madison currently includes a $400,000 appropriation for prior year encumbrances as part of the annually adopted budget. Any difference between the estimated and actual carry forward of encumbrances can be appropriated from, or returned to, the Contingent Reserve.

For fiscal years 2003, 2004 and 2006, actual prior-year encumbrances were less than the $400,000 budgeted, and the Contingent Reserve balance was increased by approximately $24,000, $42,000 and $126,220 respectively for those

years. In 2005, the remaining prior-year encumbrances were higher than budgeted, and an additional amount of $101,100 was drawn from the Contingent Reserve to cover actual carry-forward encumbrances.

A total of $459,930 of encumbrances remained open at the end of 2006. Thus, $59,930 must be drawn from the Contingent Reserve in 2007 to fund the amount of actual encumbrances in excess of the $400,000 included in the originally adopted 2007 budget.

WHEREAS the 2007 Adopted Budget includes an appropriation for estimated prior-year encumbrances of $400,000 and actual carry-forward encumbrances at the end of 2006 totaled $459,930;

NOW THEREFORE BE IT RESOLVED that $400,00 be allocated from prior-year encumbrances and that an additional $59,930 be appropriated from the Contingent Reserve to the following departmental adopted budgets to fund expenditures for the 2006 year-end actual carry-forward encumbrances:

Fire $294,689
Police $22,227
Public Health $11,821
Engineering $7,029
Parks $11,823
Streets $958
Traffic Engineering $7,741
Community and Economic Development - $50,000
EOC $32,700
Miscellaneous/Legal Fees $20,264
Information Services $328
Senior Center $350

TOTAL $459,930

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