



Legislation Details (With Text)

**File #:** 29770      **Version:** 1      **Name:** Allocating funds appropriated in the 2013 Operating Budget for prior year encumbrances.

**Type:** Resolution      **Status:** Passed

**File created:** 4/9/2013      **In control:** BOARD OF ESTIMATES (ended 4/2017)

**On agenda:** 4/30/2013      **Final action:** 4/30/2013

**Enactment date:** 5/3/2013      **Enactment #:** RES-13-00310

**Title:** Allocating funds appropriated in the 2013 Operating Budget for prior year encumbrances to match actual carry forward encumbrances in various departmental accounts and increasing the Contingent Reserve by \$11,712.

**Sponsors:** Paul R. Soglin

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
4/30/2013	1	COMMON COUNCIL	Adopt	Pass
4/22/2013	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
4/16/2013	1	COMMON COUNCIL	Refer	Pass
4/9/2013	1	Finance Department	Referred for Introduction	

**Fiscal Note**

The adopted 2013 Operating Budget includes \$400,000 for prior year encumbrances. Since actual encumbrances at the end of 2012 totaled \$388,288, the difference of \$11,712 could be used to increase the Contingent Reserve. The 2013 adopted budget included a \$1.2 million contingent reserve. This resolution would increase the total Contingent Reserve to \$1.212 million. Expenditures from the contingent reserve associated with previously approved and pending resolutions will reduce that balance to \$927,952. There is no impact on the tax levy or State Expenditure Restraint Program eligibility limits.

**Title**

Allocating funds appropriated in the 2013 Operating Budget for prior year encumbrances to match actual carry forward encumbrances in various departmental accounts and increasing the Contingent Reserve by \$11,712.

**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 must be 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. By including an appropriation for the estimated amount of prior-year encumbrances in the adopted budget, the need for an additional appropriation at a later date is substantially reduced. Any difference between the estimated and actual carry forward encumbrances can be appropriated from, or returned to, the Contingent Reserve.

For fiscal year 2011, actual prior-year encumbrances were more than the \$400,000 budgeted, and the Contingent Reserve balance was decreased by \$53,302. For fiscal year 2012, actual prior-year encumbrances were less than the \$400,000 budgeted, and the Contingent Reserve balance was increased by \$153,234.

WHEREAS, the 2013 Adopted Budget includes an appropriation for estimated Prior-Year Encumbrances of \$400,000 and actual carry forward encumbrances at the end of 2012 totaled \$388,288;

NOW, THEREFORE, BE IT RESOLVED, that \$388,288 be allocated from Prior-Year Encumbrances in the 2013 Adopted Budget to the following departmental budgets to fund expenditures for actual encumbrances carried forward:

\$113,007	Fire (supplies and purchased services)
\$56,887	Engineering (Sustain Dane and Dane County Clean Air Contracts)
\$28,196	Parks (service contracts and supplies)
\$61,906	Planning Division (neighborhood & arts grants)
\$31,442	Emerging Neighborhoods (uncompleted contracts)
\$96,850	Performing Arts Study
<u>\$388,288</u>	TOTAL

BE IT FURTHER RESOLVED, that the remaining \$11,712 budget for Prior-Year Encumbrances be reallocated to increase the available 2013 Contingent Reserve.