



MEMORANDUM

DATE: April 28, 2010

TO: All Departments and Divisions

FROM: Richard Miranda
Deputy City Manger

Sean McBride
Assistant City Manager

SUBJECT: Updated Expense Management Procedures

Recall that in December 2008, new expenditure oversight approvals and processes were implemented with our organization. These measures were intended to provide stringent oversight and management of City expenditures and have remained in place. As we all are aware, the economic conditions that precipitated original implementation of these approvals and processes have continued and, in fact, management of the City's finances has become more challenging since 2008 as the national economy has struggled further since then.

As a reminder to all departments of required expenditure approvals and processes, the attached matrix is provided. Note that the matrix has been updated to reflect a new policy of Deputy or Assistant City Manager approval for expenditures of any kind that will be \$10,000 or more. This new procedure is already in effect. The attached matrix is a succinct update of the prior version of this document, and has been revised to reflect input that was gathered from all areas within our organization.

Your ongoing diligence with expenditure oversight continues to be of critical importance. Please contact Budget Administrator Joyce Garland at 837-4091, or Procurement Director Mark Neihart at 837-4106 with any questions.

RM/SM:MN

Attachment – Expenditure Approvals and Processes Matrix, 04/23/10 update

c: Marie Nemerguth, Budget and Internal Audit Director
Joyce Garland, Budget Administrator
Kelly Gottschalk, Finance Director
Silvia Amparano, Deputy Finance Director
Mark Neihart, Procurement Director
Marcheta Gillespie, Deputy Procurement Director

EXPENDITURE OVERSIGHT TEAM (EOT) APPROVAL MATRIX

Effective immediately, the following written approvals must be provided to Procurement or Finance (as applicable) in advance of any expenditure. Approvals should be obtained in the order listed below and emailed approvals are acceptable. Approval Requests must contain complete and detailed information sufficient for the Approvers review. All other Procurement and Finance rules and approvals shall apply (e.g. OEOP review, Change Order Review Process, DA-23 Process, pCard policies, travel orders, etc.).

Expenditure Amount	1 st Department Director Approval Required	2 nd Budget Analyst Approval Required	3 rd Assigned Assistant or Deputy City Manager Approval Required
Expenditures \$0-\$4,999	At Director's Discretion	No	No
Expenditures \$5,000-\$9,999	At Director's Discretion	Yes (except pCard)	No
Expenditures \$10,000 or More	Yes	Yes	Yes

Expenditures: Shall include:

1. Purchase Requisitions
2. New Solicitations (e.g. IFB, RFQ, RFP, Quotations)
3. Renewal of Contracts or Blanket Purchase Orders
4. Individual Orders Against a Blanket P.O. (Direct Releases/"DR", non-DR Purchases, Phone Orders, Online Orders)
5. Change Orders
6. Contract Amendments
7. pCard Transactions
8. DA-23
9. Print Services (Reprographics) Work Orders

Exceptions: The following items are exempt from the Budget Analyst and CMO approval requirements.

1. Water Stores and Fleet Stores Inventory Requisitions
2. Expenditures Against a Balance Sheet
3. Refunds Against Revenue Accounts
4. Purchases by the Counter Narcotics Alliance (CNA)
5. Construction and Professional Design Services Pay Estimates (Previously Approved via the Expenditure Approval below)
6. Partial Pay Requests (Previously Approved via the Expenditure Approval)
7. Revenue Generating Contracts (Must be Strictly Revenue Generating – No Expenditure of Funds)

No other exemptions shall apply.

Fixed Assets: All fixed asset purchases shall be made and reported in accordance with A.D. 4.01-3.

Funding: These approvals apply to ALL acquisitions and payment requests regardless of funding source (RTA and Rio Nuevo included).

Travel Orders: **ALL** travel orders must have prior approval by the City Manager's Office regardless of dollar amount. Day trip forms must be approved by the Director but do not require City Manager approval.

***If you have any questions, please contact the Procurement, Budget or Finance Departments.
Thank you for your assistance.***

Revised April 23, 2010