

CITY COUNCIL AGENDA MEMO

To: Mayor Lioneld Jordan and Fayetteville City Council

From: Paul Becker, Finance Director

Date: August 30, 2013

Subject: Authorization for the Finance and Internal Services Director (City Chief Financial Officer) to Temporarily Advance Cash to Reimbursable Grants when necessary.

PROPOSAL: From time to time the City enters into grant agreements with Federal or State agencies that provide for expense reimbursements. To operate these grants the City must first pay an expense and then file for a reimbursement with the granting agency. Thus, there is a need to cash flow these necessary expenditures prior to filing for a reimbursement. This request is to authorize the Finance and Internal Services Director(Chief Financial Officer of the City) to advance the necessary cash from the General Fund to the grant fund until the cash reimbursement is received and at that time repay the advance to the General Fund.

I am requesting this authorization be added to Chapter 34 of the City code.

RECOMMENDATION:

Staff recommends approval of an ordinance requesting the council to approve this ordinance change to the City code.

BUDGET IMPACT:

The approval of this ordinance will provide for cash advances to grant funds and the repayment of those advances when reimbursements are received by the Direction of the Finance and Internal Services Director (City Chief Financial Officer).

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 34: FINANCE AND REVENUE OF THE FAYETTEVILLE CODE TO ENACT §34.10 TEMPORARY CASH TRANSFERS RELATED TO REIMBURSEABLE GRANTS TO PROVIDE A CASH FLOW MECHANISM FOR REIMBURSEABLE GRANTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby enacts §34.10 Temporary Cash Transfers related to Reimbursable Grants in Chapter 34: Finance and Revenue of the Fayetteville Code, which shall read as follows:

“34.10 Temporary Cash Transfers related to Reimbursable Grants

The Finance Director may make temporary cash transfers to Reimbursable Grant Funds from the General Fund when necessary to cash flow grant-related expenditures and grant-related temporary cash advances. Said transfers shall be promptly repaid to the General Fund by the Finance Director upon the receipt of reimbursement funding from a granting agency.”

PASSED and APPROVED this 17th day of September, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

