

EDUCATION AND NEIGHBORHOODS and BUDGET AND FINANCE COMMITTEES' REPORT relative to various actions regarding the Neighborhood Council Funding Program.

Recommendations for Council action, pursuant to Motion (Krekorian - Koretz):

1. INSTRUCT the Department of Neighborhood Empowerment (DONE), with assistance from the Controller to report back in 90 days on the status of the Neighborhood Funding Program and DONE's efforts to (a) clarify the encumbrance process; (b) standardize financial templates, forms, and reporting; (c) streamline approvals and management of the program; and (d) increase accountability.
2. ADOPT a policy that requires all Neighborhood Councils to utilize the budget and reconciliation templates provided by DONE and adhere to all budget and reconciliation deadlines.
3. ADOPT a policy that requires all Neighborhood Councils to conform to the accounting system prescribed by DONE.
4. ADOPT a policy that empowers the General Manager and Board of Neighborhood Commissioners to freeze funds if a Neighborhood Council does not comply with Council policy and DONE mandates, or if any of the following circumstances exist: (a) the Neighborhood Council has failed to submit a budget in a timely manner; (b) an audit of the Neighborhood Council is past due; (c) the Neighborhood Council has made prohibited or inappropriate purchases; (d) the Neighborhood Council is not in compliance with training requirements; (e) the Neighborhood Council Board does not have a Treasurer; or (f) the Neighborhood Council Board is deemed dysfunctional.
5. CONTINUE a policy to prohibit the rollover of unencumbered funds and DIRECT DONE, with assistance from the City Administrative Officer (CAO), Chief Legislative Analyst (CLA), and City Attorney, to report back on alternative funding models, including a grant based funding system.
6. DIRECT the DONE, with assistance from the CAO, CLA, City Attorney, Controller, and Board of Neighborhood Commissioners, to report back in 90 days with a mechanism for Neighborhood Councils to request rollover funds on a project by project basis and as deemed appropriate by the Board of Neighborhood Commissioners or a committee comprised of representatives from the CLA, CAO, and DONE that (a) defines the types of projects that will qualify for rollover funds; (b) details the application and approval process; and (c) establishes deadlines to complete an approved project.
7. DIRECT the DONE, with assistance from the CAO, CLA, City Attorney, and Controller, to report back in 90 days on equipment purchases made by Neighborhood Councils in fiscal year 2010-11 for city and proprietary departments and guidelines to maximize the benefit to the department and the Neighborhood Council.
8. DIRECT the DONE, with assistance from the CAO, CLA, and the Information Technology Agency, to report back in 180 days on the feasibility of developing an electronic system for the Neighborhood Council Funding program that will (a) integrate purchase card and FMIS data for real time tracking of expenditures and fund balances; (b) accept electronic submission and approval of budgets, demand warrants and reconciliations; and (c) provide an interface to track and create financial statements and treasurer reports for the board.
9. DIRECT the DONE, upon adoption of these policies, to immediately notify all Neighborhood Councils of the changes to the policies and procedures that govern the Neighborhood Council Funding Program, and to report back in 90 days on their outreach efforts. Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report. Community Impact Statement

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