



## Legislation Text

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**File #:** R-1819-36, **Version:** 1

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**RESOLUTION R-1819-36:** A RESOLUTION OF CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROPRIATING \$6,953,449 FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND BALANCE TO CLOSE OUT YEAR END ACCOUNTING ENTRIES FOR FYE 2018.

**BACKGROUND:** At the end of each fiscal year (June 30<sup>th</sup>), the Finance Department posts all year-end accounting entries. In order to help with this process, some division's categories of expenses require a transfer to cover negative balances in line-item accounts. Oklahoma statutes require that each fund be balanced at the object category of expenditures, which include: salaries and benefits; materials and supplies; services and maintenance; and capital equipment ("capital outlay"). City of Norman policy requires the City Manager's approval for transfers within a City fund, or of funds between departments; from salary and benefit category accounts; and transfers from operating accounts to capital equipment accounts. The City Manager has already approved needed year-end transfers under his authority on recommendation from Finance Department staff. In some cases, however, some expenses cannot be covered from available allocations within the same fund and require an appropriation of fund balance. Oklahoma Statutes require that all appropriations of fund balance be approved by the City Council (governing body).

**DISCUSSION:** At fiscal year-end (FYE) 2018, the Community Development Block Grant Fund lacked the needed funds within existing appropriations to cover expenses made during the year, due to the timing of deposits. Adequate fund balance exists in the CDBG fund to cover the recommended appropriation.

In the CDBG Fund, \$6,953,449 needs to be appropriated/transferred from the Community Development Block Grant - Disaster Recovery Grant (CDBG-DR) revenue account due to receiving the CDBG Disaster Relief Program 2013 funds, which need to be reimbursed to the Capital Fund for up-fronting the expenses.

**STAFF RECOMMENDATION:** Staff recommends that **\$6,953,449 be appropriated from CDBG-DR Grant Revenue** (account number 021-0000-331.13-77) to Capital Project Fund Inter-fund Transfer (account 021-3090-491.80-50), for deposit to the Capital Fund balance (account number 050-0000-253.20-00).