



AGENDA MEMO
8/02/2016 Agenda

TO: Honorable Mayor and City Council

FROM: Thomas W. Tvardzik, Director of Finance

SUBJECT: Resolution adopting Financial Management Policies

BACKGROUND:

City Council last approved and adopted the City of University Park Financial Management Policies via resolution on August 18, 2015.

While there is no state requirement (unlike for Investment Policies) mandating a yearly review or adoption of Financial Management Policies, the Government Finance Officers Association ("GFOA") recommends (as part of 161 "Best Practices" for governments) that financial management policies be reviewed and adopted as part of the budget process.

Accordingly, it is the practice of the City to refer the Financial Management Policies to the Finance Advisory Committee for review, revision and recommendation on a yearly basis. Once adopted by resolution, the policies will be effective for the coming fiscal year.

In short, the policies function as a framework, guiding the fiscal management of the City. The policies address the following areas of financial management within the City:

- Annual budgets and transfer authority,
- Commitment to Generally Accepted Accounting Principles,
- Financial reporting and auditing,
- Revenue and expenditure policies,
- Capital projects, internal controls, long-term financial planning and cash management.

The Finance Advisory Committee met on June 16, 2016 to consider the proposed Financial Management Policies. Acting on the recommendation of staff, the Committee added the following language to the revenue section of the policy:

"One-Time Revenues - It is the general policy of the City to use one-time revenues to fund capital improvements or reserves. The use of one-time revenues to fund ongoing expenditures is discouraged."

The Committee then recommended approval of the policies.

RECOMMENDATION:

City staff and the Finance Advisory Committee recommend approval and adoption of the proposed City of University Park Financial Management Policies.

ATTACHMENTS:

- Resolution renewing and adopting Financial Management Policies
- City of University Park Financial Management Policies