



**MEMORANDUM**

**DATE:** March 11, 2014

**TO:** Financial Planning and Analysis Committee

**FROM:** Sue Iverson, Director of Finance and Administrative Services  
Kyle Howard, Finance Analyst

**SUBJECT:** **Review of the Purchasing and Fund Balance Policy**

**Purchasing Policy**

The City's purchasing policy was originally drafted back in 2004. This policy has become outdated and parts were no longer in compliance with the current State Statutes. The area that was out of compliance was the Competitive Bidding process. Staff has revised the policy to comply with the State Statutes. Staff has also added a section that requires the department directors to code invoices related to their department as part of monitoring their budgets. A New Vendor section was also added to require directors to obtain w9's from new vendors they use. The last change to the Policy was updating employee titles.

**Fund Balance Policy**

The City's Fund Balance policy was last updated in November of 2011. Staff has reviewed the policy and has made a few changes. The first change authorizes the Director of Finance and Administrative Services to transfer the excess unassigned General fund balance over 50% to the Permanent Improvement Revolving Fund. The other items changed were related to consistency of titles throughout the document, mainly changing "Finance Director" to "Director of Finance and Administrative Services".

**Requested Action**

Review and Discussion.