

### OMF 4.01.01 Financial Reporting Procedures

#### **Purpose**

The purpose of these procedures is to provide guidelines for the financial reporting of OMF funds.

#### **Objectives**

The objectives are to determine the types, content, and schedules of regular financial reporting for Office of Management and Finance (OMF).

#### **Report Contents**

##### Accounting Period Reports

OMF Business Operations will prepare financial status reports for OMF funds, divisions, and bureaus after the close of each accounting period (AP), typically beginning with the close of AP 3. For the Internal Service Fund, these reports will be tailored to the individual needs of the funds, divisions and bureaus. For the General Fund, these reports will include a consistent cover page along with supporting documents that meet the reporting manager's needs. The individual OMF General Fund reports will be combined to produce a Rollup, a summary document consistent for the entire OMF General Fund, beginning with AP 3. These reports have, at a minimum, two basic components:

1. Budget, actuals, and projection information at the various levels of the organization.
2. Narrative addressing some of the following:
  - Assumptions used in forecasting
  - Potential financial and budget issues
  - Budget adjustments to be included in the next Budget Monitoring Process (BMP) report
  - Rate and interagency agreement issues to be addressed the next time rates and interagency agreements are prepared
  - The results of revenue and expense projections through year-end.

OMF Business Operations maintains work instructions for the preparation of these accounting period reports on its common drive.

OMF Business Operations staff will meet with managers, as needed, each accounting period to review the reports.

##### BMP Reports

OMF Business Operations will prepare and submit these reports on behalf of OMF, in compliance with the requirements issued by the City Budget Office (CBO). Prior to submission, OMF Business Operations staff will review the reports with fund, division, and bureau managers and a summary with the CAO in order to gain their approval to submit the reports. Following the

## **OMF PROCEDURES: Finance**

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submission, OMF Business Operations staff will file and archive a copy of the BMP submission and appropriate supporting documentation.

The City appropriates the budget at the fund, bureau, and appropriation category. Appropriation categories are bureau program expenses (personnel services, external materials and services, internal materials and services, and capital), debt service, inter-fund cash transfers, and contingency. An over-expenditure occurs if spending is in excess of appropriation category budget.

OMF's current practice to comply with CBO direction requires each OMF General Fund Division to end the fiscal year with a positive balance at each major object code (personnel services, external materials and services, internal materials and services, and capital). The General Fund Rollup summary referenced in the Accounting Period Reports assists staff in monitoring the balance of each object code for the divisions to ensure compliance. Appropriation moves may be requested during the BMP process to maintain a positive balance at the major object code level.

### Annual Report

After the fiscal year is closed, OMF Business Operations Internal Service Funds will prepare financial analyses on the funds for the past year. These analyses include:

- Fund balance analyses. This includes how much of the ending balance is dedicated to projects and activities, to equipment replacement or major maintenance accounts, and to reserves or future life-cycle replacements. The report details how and why reserve levels changed during the fiscal year.
- Rate or program analyses. These are done to determine the accuracy of the rate methodologies for covering the actual cost of the program, service, or project.
- Replacement account balances. This shows the final balances of equipment replacement or major maintenance accounts by customer bureau.
- Identification of rate, budget, and financial issues to address in the upcoming budget cycle.
- Actuarial studies for the self-insurance components of the Workers' Compensation and Insurance and Claims funds.

The annual reports reside in the Business Operations shared drive.

OMF Business Process Owner:      Business Operations  
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