



CITY OF PORTLAND
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TO: City Elected Officials

CC: Ken Rust, Jennifer Sims, Marty Scott, Andrew Scott

FROM: Casey Short, Financial Planning Manager

RE: **FY 2008-09 Minor Supplemental Budget Required by the Implementation of the Enterprise Business Solution.**

DATE: November 4, 2008

The design of the new enterprise business system (SAP) will require a change in the way the City budgets grants. Currently, the central Grants Fund receives all grant revenue, which is then transferred to the receiving bureau for expenditure. In SAP the Grants Fund will continue to receive all grant revenue, but all grant expenditures will now occur directly out of the Grants Fund. This change is purely technical and will not impact how grant funds are used.

The new process requires Council to amend the FY 2008-09 budgets for the Grants Fund and all operating funds that receive grants. The amendments related to the Grants Fund are included in the Grants Fund Major Supplemental Budget presented to Council in a separate ordinance. This ordinance includes all changes affecting the operating funds as detailed in exhibits 1a and 1b. The changes simply reduce grant-related expenditures and corresponding interfund transfer revenue in these funds. These changes must take effect on November 26, 2008.

Please do not hesitate to contact me or Doug Le at 823-6955 with any questions or concerns.