

- I. Managing the Dignity Fund
 - a. Moving toward a four year planning and contracting cycle
 - b. Each year there are built in annual increases
 - c. Next part is handling the carryforward funds

- II. Carryforward funds have two parts
 - a. Unencumbered allocations from the prior year – addressed in the early part of the FY
 - b. Unspent encumbered funds from the prior year or contract savings.

- III. Contract savings
 - a. Contract savings are funds that are encumbered in grants in a fiscal year but not spent for various reasons.
 - b. Contract savings are normal in city finance.
 - c. Generally contract savings are returned to the city general fund or carried forward into the next year.
 - d. Savings returned to the city general fund are used to cover various budget items.
 - e. Contract savings are one time funding and not ongoing funding.

- IV. Carryforward funds are unspent funds moved from one fiscal year to the next.
 - a. In order to be carried forward, there has to be justification and approval.
 - b. Justifications include:
 - i. Incomplete invoicing.
 - ii. Ongoing or late started projects.
 - iii. Certain restricted funds or mandated rollover.
 - c. Contract savings and carryforwards are usually finalized by the Controller's Office around October or November following a fiscal year.

- V. Rollover of Dignity Funds
 - a. The Dignity Fund was set up automatically carryforward funds into the next year.
 - b. When the DF was established, it was assumed that the SF would have a carryforward of at least \$1.2 million.

- VI. FY 17/18 unspent encumbered funds or contract savings
 - a. There was approximately \$2.6 million out \$67.4 in unspent contracts funds from FY 17/18. This is about 4%.
 - b. This may be a little high because the processes for the dignity fund are being established and there was a sizable increase (\$6 million) in the first year.

- VII. Plan for this year's carryforward
 - a. \$966,000 will be used to fund the intergenerational grants over the next three years.
 - i. This will allow DAAS to fund three additional programs for a total of six.
 - ii. The cost will be \$322,000 annually for three years.
 - b. \$1,608,560 will be used for one-time-only costs.

- VIII. One time only costs
 - a. Historically, DAAS and HSA would fund one time needs out of contract savings, left over carryforward funds, or other reserves.
 - b. These funds are used for one-time costs such as emergency costs, equipment repairs, or one time additional services increases.
 - c. These would normally be determined in the latter half of the year.

- IX. OTO For FY 18/19
 - a. 34 requests for a total of \$1,608,560
 - b. General areas (not finalized)
 - i. Equipment (6 requests)
 - ii. Vehicles (3 requests)
 - iii. Capital/repairs (10 requests)
 - iv. Service enhancements (15 requests)

- X. Future years
 - a. Will explore if there is a way of budgeting the larger portion of this in the annual budgeting process.
 - b. Will continue to use some for one time only costs