



Welcome !

department of
**neighborhood
empowerment**
LOS ANGELES

**Neighborhood Council
Funding Orientation**

Staff

Program Administrator

Kevin McNeely – (213) 485-1810

Program Coordinator

Steve Baule – (213) 473-5383

Program Coordinator

Milena Albert – (213) 473-5115

Purpose of Funding

- **General Operation of Neighborhood Council**
- **Community Improvements**
- **Outreach Events**

Funding Basics

Funding: \$50,000 annually

Allocated: \$12,500 quarterly

(\$ 6,250 uploaded into commercial prepaid card)

*****NOTE: A Neighborhood Council can request more than \$12,500 per quarter only by documenting the need for more funds in that particular quarter, and by approval of the General Manager of DONE.***

\$ State \$

City General Fund

\$ City Taxes \$

DONE

85 Disbursements – 8.7 million

(Budget: \$50,000 every Fiscal Year + Rollover)

City Account

Demand Warrants

**via funding requests
(max \$6,250)**

Card

< \$1,000 Per Purchase

< \$500 per month

Petty Cash

**Reconciliations to
DONE**

Program Enrollment Required Documents

- 1. NC Approved Budget**
- 2. Documentation of Funding Decision**
- 3. Request for Neighborhood Council Funding**
- 4. Letter of Acknowledgement**
- 5. Confidential Cardholder Account Application**
- 6. Commercial Prepaid Card Agreement of Responsibilities**

Documentation of Funding Decision

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EXAMPLES:

- Meeting Minutes
- Board Resolution

SAMPLE #1

[NC LOGO/LETTERHEAD]

“SAMPLE NAME” NEIGHBORHOOD COUNCIL

“SAMPLE”
BOARD RESOLUTION

[DATE]

The [NAME] Neighborhood Council has voted, approved, and adopted the prop budget for the period [quarter/annual time period] in accordance with the Neighbor Council bylaws and within the guidelines set forth by the City of Los Angeles and Department of Neighborhood Empowerment.

Signed,

John Doe
Treasurer

Jane Smith
President

SAMPLE #2

“SAMPLE NAME” NEIGHBORHOOD COUNCIL

Stakeholders' Meeting

[DATE]

[TIME]

MINUTES

Call to Order:

Roll Call:

Minutes of Previous Meeting:

Officers' Reports:

Treasurer – (Budget proposal, discussion, and vote)

Committee Reports:

Special Reports:

Old Business:

New Business:

Public Comment:

Announcements:

Adjournment

Minutes prepared by: John Doe
[NC Board Title]

Sample 2 - Meeting Minutes

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Request for Neighborhood Council Funding

Two Authorized Signatures



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Required Document

NEIGHBORHOOD COUNCIL
FUNDING PROGRAM
**REQUEST FOR NEIGHBORHOOD
COUNCIL FUNDING**

334-B E. 2nd Street
Los Angeles, CA 90012
ATTN: FUNDING PROGRAM
(866) LA HELPS

Fax: (213) 485-4608
E-mail: ncfunding@mailbox.lacity.org
Website: www.lacityneighborhoods.com

Supporting documents required for all funding requests, such as original receipts, invoices, copies of accounting records, or description/cost of items and services requested and/or purchased, may be delivered to DONE at the address listed above. All funding requests, including the first request, must be accompanied by written evidence (such as meeting minutes or voting results) that the specific use of the funds has been agreed upon through a decision made as an official action of the Governing Body of the Neighborhood Council.

Date of Request: _____ Total Amount of Request: \$

Name of Neighborhood Council: _____

REQUIREMENTS

Funding Program Enrollment/Initial Request	Subsequent Funding Request
<p>A. Completion of DONE Orientation session regarding participation in the Funding Program by NC Treasurer and 2nd Signatory</p> <p>B. The following six (6) documents must be submitted:</p> <ol style="list-style-type: none"> 1. Letter of Acknowledgement 2. Confidential Cardholder Account Application 3. Commercial Prepaid Card Agreement of Responsibilities 4. Request for Neighborhood Council Funding Form 5. Proposed Work Plan/Budget 6. Documentation of Funding Decision by NC Board 	<p>A. Submission of all documentation of previous quarter spending including <u>original</u> receipts, payment records, bank statements, etc.</p> <p>B. Completion and approval of DONE audit.</p> <p>C. Revised budget (<i>if applicable</i>)</p> <p>D. Documentation of Board approval of revised budget (<i>if applicable</i>)</p>

DECLARATION

The undersigned do hereby declare that, as a result of an official action of the Governing Body of the Neighborhood Council named above: (1) they are authorized to make this request for City funding, (2) this funding request is exclusively intended for the Neighborhood Council named above, and (3) all reasonable precautions shall be exercised by the undersigned to safeguard and account for use of the funds, including use of the Commercial Prepaid Card. **Note: The names and signatures of the Neighborhood Council Treasurer and Second Signatory are required.**

Treasurer: _____ (Print Name) Second Signatory: _____ (Print Name)

Signature: _____ Signature: _____

Phone: _____ Phone: _____

(BELOW THIS LINE FOR DONE USE)

Previous Balance	Previous Balance Card	Previous Balance Check	Approval	Date
Approved Amt	Card Load Amt	Check Encumbrance Amt	Approval	Date
New Balance	New Balance Card	New Balance Check		

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CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

Required Document 1
DEPARTMENT OF
NEIGHBORHOOD EMPOWERMENT

334 B E. Second Street
LOS ANGELES, CA 90012
TELEPHONE: (213) 485-1000
TOLL-FREE: (866) LA-HELPS
FAX: (213) 485-4608
E-MAIL: ncfunding@cityoflosangeles.gov

GREG NELSON
GENERAL MANAGER

BOARD OF NEIGHBORHOOD COMMISSIONERS

- RONALD STONE
PRESIDENT
- JIMMIE WOODS GRAY
VICE-PRESIDENT
- BILL CHRISTOPHER
- PAT HERRERA DURAN
- MARY LOUISE LINDORIA
- TONY LUCENTE
- DAVID TRUJILLO

NEIC

LETTER OF ACKNOWLEDGMENT / NEIGHBORHOOD COUNCIL FUNDING PROGRAM PAGE 3

PROGRAM SUMMARY

This letter will serve as evidence of an Department of Neighborhood Empowerment City funding for expenses and activities election of a Governing Body, is eligibl operating expenses, primarily through th herein also referred to as ("the Card"). T use of the funds are provided below.

Neighborhood Councils, after becoming including a Treasurer, to represent the ir asked to attend a training and orientation developed and coordinated by the Depa of the Neighborhood Council, as well a Acknowledgment. In addition, the Trea Administrator, which is required in orde Council's individual funding account. Ap will personally receive a plastic card, s embossed on the card. This card is call routine Neighborhood Council needs. Fi of payment, the City Controller has deve In most cases, a printed check ("demand of the check request by DONE.

Neighborhood Councils will be eligibl quarter with permission of the Genera Neighborhood Council by two methods: with a "pre-loaded" dollar amount attache funds will be divided equally for use thr Program develops, the percentage of fur In addition, a petty cash system, allowing during the training session, will be availa amounts of cash are needed to take car per every 30 calendar days to be withdr Card with a confidential PIN.

Use of the Commercial Prepaid Card is r viewing of expenses incurred, balances r may result in cost savings to the Ne improvement activities. The Departmen Citywide System of Neighborhood Counc

REQUESTING FUNDS

Upon receipt by DONE of a written fur quarterly maximum installment of \$12,50 be loaded for the NC by the City into the of the requested allocation, in an accoun make a purchase. The NC should norma Prepaid Card, Neighborhood Councils Funding" form ("Funding Request Form") 485-4608 or by e-mail to: ncfunding@mail

DECLARATION

The undersigned do hereby declare that, as a result of an official action of the Governing Body of the Neighborhood Council named below: (1) they are authorized to request City funding to support NC general operations, (2) all items or services described or included in any related funding requests are exclusively intended to further the goals and objectives of the Neighborhood Council, and (3) that all reasonable precautions shall be exercised by the undersigned to fully safeguard, control and account for all use of the funds. Proper accountability of all City funds is critical to the success of the NC Funding Program.

THEREFORE, by the signature(s) below, and on behalf of the Neighborhood Council named below, WE HEREBY AGREE to the terms and conditions as set forth in this Letter of Acknowledgment and all related documents as provided by the City, agree to expend funds in accordance with any applicable City rules, policies or procedures, and specifically agree to expend monies received by DONE solely for public purposes relating to the goals and purposes of the Neighborhood Council named below, consistent with the scope and authority under the City Charter, the Plan for a Citywide System of Neighborhood Councils and any implementing ordinances. We have attended and participated in the City-provided training related to the Funding Program.

WE FURTHER ACKNOWLEDGE and WE AGREE to comply with any requirements regarding use of the Commercial Prepaid Card, including appropriate use and petty cash withdrawals. WE AGREE to use all reasonable methods to secure any Personal Identification Numbers (PIN) issued in order to use the Card. We will provide NC financial reports and supporting documentation to DONE as requested and agree that DONE and other City representatives may make on-site visits to inspect and review all NC financial records, upon providing reasonable advance notice to the NC Treasurer or designated representative.

A NEW LETTER OF ACKNOWLEDGMENT MUST BE FILED IF THERE IS ANY CHANGE OF PERSONS WHO ARE AUTHORIZED TO APPROVE EXPENSES OR TO REQUEST FUNDING.

NEIGHBORHOOD COUNCIL NAME: _____ DATE: _____

Neighborhood Council Authorized Representative Names and Signatures (minimum of two):

(1) SIGNATURE OF TREASURER _____ (2) SIGNATURE OF SECOND SIGNATORY _____

(1) PRINT NAME OF TREASURER _____ (2) PRINT NAME OF SECOND SIGNATORY _____

Questions? Contact the DONE Funding Program toll-free at (866) LA HELPS.

REV051304

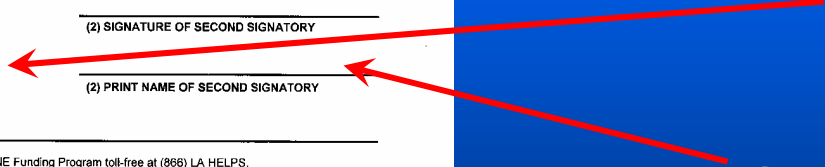
Letter of Acknowledgement

DECLARATION

Page 3

Treasurer Signature

Second Authorized Signatory



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Confidential Cardholder Account Application



CONFIDENTIAL

Neighborhood Council Commercial Prepaid Card Cardholder Account Application Form

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Upon completion of Neighborhood Council Funding Program training session, deliver this completed Application and signed Letter of Acknowledgement to:
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT, C/O NC
FUNDING/STORED VALUE CARD ADMINISTRATOR.

- New
- Change (Complete fields to be changed only)
- Delete/Close

Cardholder Account # _____

CITY OF LOS ANGELES - NEIGHBORHOOD EMPOWERMENT

Primary Cardholder (NC Treasurer) Information (Important: * = Required Information)

Card Line 1: Neighborhood Council Name* _____ **Treasurer Social Security #*** _____
(19 characters maximum)

Treasurer Name* _____ **Date of Birth*:** ___/___/___

Treasurer Address* _____ **Home Phone*** () - _____
Work Phone: () - _____

City* Los Angeles **State*** CA **Zip Code*** _____

E-mail address* _____

(For DONE Program Administrator Use Only)

Fund No. _____ Dept # _____ APPR Acct _____ Object _____ DONE File # _____

Reporting Hierarchy	Level 1	Level 2	Level 3	Exceptions or Other (specify)

**Treasurer to
Complete
Top Section Only**

Cardholder Controls

*** Single Purchase Limit _____ \$1,000

Transactions Per Cycle _____ 30

Petty Cash Limit Per Month _____ \$500

Cardholder Approvals

Signature: _____ Date: _____

Signature: _____ Date: _____

DONE USE ONLY

Account Number _____

Signature Verified: _____ Date: _____ Initials: _____ Mgt: _____

*** Exception requires approval of DONE General Manager

General Manager Exception Approval _____ Date: _____

REV 12/9/02

Commercial Prepaid Card



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**NEIGHBORHOOD COUNCIL FUNDING PROGRAM
COMMERCIAL PREPAID CARD AGREEMENT OF RESPONSIBILITIES**

This document outlines the responsibilities that I, as Treasurer of the Neighborhood Council named below, have as primary custodial holder of a City of Los Angeles Neighborhood Council (NC) Commercial Prepaid Card (formerly known as the "Stored Value Card") and also referred to herein as ("the Card"). My signature indicates that I have read and understand these responsibilities, and further, that I agree to adhere to the guidelines established by the Department of Neighborhood Empowerment (DONE) and approved by the City Controller for use of City funding related to the NC Funding Program.

I agree to the following regarding use of the **Commercial Prepaid Card** on behalf of the Neighborhood Council named below:

1. I understand that the City of Los Angeles Neighborhood Council Commercial Prepaid Card is intended to facilitate the purchase and payment of materials required for the conduct of official Neighborhood Council business only.
2. I understand that under no circumstances will I use the Card to make personal purchases, either for myself or for others. The Card is issued in the name of the Neighborhood Council and I serve as the Card custodian.
3. Uses of the Card not authorized By DONE can be considered misappropriation of City funds. This could result in (a) immediate and irrevocable forfeiture of the Card, and/or (b) potential de-certification action. I understand that the Card must be surrendered upon termination of my official position with the Neighborhood Council to which the card is issued. I agree to maintain the Card with appropriate security whenever and wherever I or any other authorized person may use the Card. If the Card is stolen or lost, I agree to immediately notify DONE.
4. I understand that since the Card is the property of Bank of America and authorized for issue by the City of Los Angeles, I am required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the Card to validate its existence and account number and produce receipts and statements to audit its use.
5. I understand that I will have access to a statement via the Internet. I understand that I am required to obtain a copy of the cash register receipt or packing slip and keep it until I perform my monthly reconciliation and verify the receipt(s) to the online statement. I will print

and sign the online statement and have it approved by a second authorized individual before forwarding my documentation to DONE.

6. I understand that all transactions on the Card will reduce the prepaid value that has been provided by the City of Los Angeles. I understand that the Bank will not accept any value load from me directly. Therefore, any transactions on the prepaid card that are personal will be deducted from the City of Los Angeles and will be considered misappropriation of funds.
7. I agree to make only those purchases consistent with the type of purchases authorized by DONE.
8. I understand that the Card is not provided to all Neighborhood Council Governing Body or Board members. Assignment of the Commercial Prepaid Card is based on the understanding that I need to purchase materials required for the conduct of Neighborhood Council business. I understand that custodial possession of the Card is not an entitlement nor reflective of title or position.
9. I have signed and received a copy of the Letter of Acknowledgement regarding the Neighborhood Council Funding Program, have attended and completed the training regarding the Program and the Card, and I understand the requirements and limitations regarding the Card's use.
10. I agree that should I willfully violate the terms of this Agreement and use the Card for personal use or gain, that I will reimburse the City of Los Angeles for all incurred charges and any fees related to the collection of those charges.

Neighborhood Council Treasurer Name (Printed)

Second Authorized [Reviewer] Name (Printed)

Neighborhood Council Treasurer Name (Signed)

Second Authorized [Reviewer] Name (Signed)

Date Signed

Date Signed

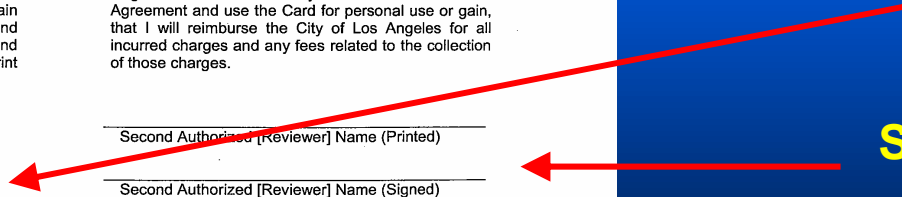
NEIGHBORHOOD COUNCIL NAME: _____

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Commercial Prepaid Card Agreement of Responsibilities

Treasurer Signature

Second Authorized Signatory



ADDITIONAL FUNDING REQUESTS

- 1. Complete Demand Warrant Form**
- 2. Approved amounts depend on current balance of funds**
- 3. Demand must be for budgeted expenditure**
- 4. Request requires backup documentation**

Accessing Funds

Three methods to access funds:

- 1. Commercial Prepaid Card (CPC)**
- 2. Check Request**
- 3. Petty Cash (Withdrawn from CPC)**


Commercial Prepaid Card


Important Points

1. \$1,000 limit per transaction
2. No split transactions
3. \$500 limit ATM withdrawal for petty cash; 1 transaction every 30 calendar days
4. Accessing account online: www.mysvcard.com
5. Merchant Category Codes (MCC)

Demand Warrant

(City Check and Funds Transfer Request)





DEMAND WARRANT

NEIGHBORHOOD COUNCIL FUNDING PROGRAM -- REQUEST FOR NEIGHBORHOOD COUNCIL PAPER CHECK
 334-B E. 2nd Street, Los Angeles, CA 90012, (866) LA HELPS Website: www.lacityneighborhoods.com
 Mail or submit this request via: Fax: (213) 495-4608 or E-mail: nfunding@mailbox.lacity.org ATTN: FUNDING PROGRAM

Date of Check Request: _____ Amount of Check Request: \$ _____

If the requested check is for an amount of \$5,000 or higher, the Treasurer and Second Signatory signing below declare that the expenditure received Board approval in a public meeting held on _____ (date).

Name of Neighborhood Council: _____

Budget Category/Item: _____

The City Council approved the Neighborhood Council Funding Program with the understanding that the City funds reserved for the Program would be used by Neighborhood Councils for three purposes: (1) operating expenses, (2) outreach and communication, and (3) neighborhood improvement projects. Please check the corresponding box below that applies to this funding request. If the "Neighborhood Improvement Project" box is checked, please provide a description of the proposed project and explain how it will provide a clearly visible benefit to your community.

Operational Expense
 Neighborhood Improvement Project
 Outreach

(Please explain below and/or attach additional supporting information)

Make check payable to: _____

Vendor Address: _____

Mailing Address: _____

<p>A: Check One:</p> <p><input type="checkbox"/> First-time request for this vendor. (CONTINUE to section B) →</p> <p><input type="checkbox"/> Required documents on file with DONE. (STOP, sign Declaration)</p>	<p>B: For a corporation, individual, sole proprietor, or partnership submit all required applicable documents:</p> <ul style="list-style-type: none"> • Original Invoice(s) • Business Tax Registration Certificate Number (BTRC) <i>(enter below)</i> • Employer Identification Number (EIN) or Social Security Number (SSN) • IRS Form W-9 <p>SSN: _____</p> <p>BTRC: _____</p> <p>EIN: _____</p>	<p><input type="checkbox"/> Check here if this is a request for reimbursement of NC Board member.</p> <p>• Submit Original receipt(s)</p>
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DECLARATION

The undersigned do hereby declare that, as a result of an official action of the Governing Body of the Neighborhood Council named above: (1) they are authorized to make this request from donated funds, (2) this funding request is exclusively intended for the Neighborhood Council named above, (3) all reasonable precautions shall be exercised by the undersigned to safeguard and account for use of the funds, and (4) the amount of the check requested will be deducted from the total available balance in my Neighborhood Council Funding Program account. Issuing the check may also result in a reduced balance available in the Commercial Prepaid Card. **Note: The names and signatures of the Neighborhood Council Treasurer and Second Signatory are required.**

Treasurer: _____ Second Signatory: _____
 Signature: _____ Signature: _____
 Phone: _____ Phone: _____

(BELOW THIS LINE FOR DONE USE)

Vendor Code	Acct. #	Approval	Date
BFY Line		Approval	Date

Two Authorized Signatories

Petty Cash

- 1. Up to \$500 withdrawal every 30 calendar days. Only 1 transaction.**
- 2. Original receipts**
- 3. Treasurer to create sign out procedure**

AUDITS

Important Points

- 1. Submitted and reconciled quarterly**
- 2. One quarter “grace” period for funding requests**
- 3. ORIGINAL receipts**
- 4. Reconciliations (Card account and Petty Cash)**
- 5. Bank statements**
- 6. All other supporting documentation**

Commercial Prepaid Card Handbook



NEIGHBORHOOD COUNCIL

COMMERCIAL PREPAID CARD

HANDBOOK

(FORMERLY THE “STORED VALUE CARD”)



AP

Neighborhood Council
Funding Program

COMMERCIAL PREPAID CARD SYSTEM

ACCEPTABLE PURCHASE CATEGORIES

The Commercial Prepaid Card System was developed for Neighborhood Councils as an easy and convenient way to obtain items and/or services required for Neighborhood Council operations. The card has been electronically coded to accept a wide variety of purchases and includes valuable information provided to the Department of Neighborhood Empowerment by Neighborhood Councils.

Below is a list of acceptable purchase categories with Neighborhood Council funds, including the card. This list will change as Neighborhood Councils need changes. Certain items require advance approval from the Department. NOTE: Gasoline may be purchased in *reasonable amounts* for Neighborhood Council business by using your petty cash fund. Make sure a receipt is obtained from the gas station. Forward the original receipt to the Department with your other receipts for audit purposes.

If you have any questions regarding any of the items on the list, please contact the Funding Program at (866) LA HELPS.

ACCEPTABLE COMMERCIAL PREPAID CARD PURCHASE CATEGORIES:

BUSINESS SERVICES

- Automobile Parking Lots and Garages
- Employment Agencies, Temporary Help Services**
- Equipment Rental
- Furniture Rental
- Photographic Developing, Photofinishing Laboratories, Studios
- Postal Services
- Quick Copy, Reproduction and Blueprint Services
- Stenographic and Secretarial Support Services**
- Tool Rental

COMMUNICATIONS SERVICES

- Telecommunication Equipment
- Telecommunication Service

FINANCIAL SERVICES

- Automated Cash

PROFESSIONAL SERVICES

- Associations, Civic, Social and Fraternal
- Colleges, Universities, Professional Schools
- Organizations, Charitable and Social Service
- Schools, Elementary and Secondary

REPAIR SERVICES

- Electronic Repair Shops
- Furniture Repair, Refinishing and Reupholstery Shops
- Small Appliance Repair Shops

RETAIL SERVICES

- Books, Periodicals, Newspapers
- Building Materials, Lumber Stores
- Candy, Nut, Confectionery Stores
- Caterers
- Computers, Computer Peripheral Equipment, Computer Software
- Computer Software Stores
- Department Stores
- Discount Stores
- Drug Stores, Pharmacies
- Eating Places, Restaurants
- Electronics Stores
- Fast Food Quick Payment Service Restaurants
- Florist Supplies, Nursery Stock and Flowers
- Glass, Paint, Wallpaper Stores
- Grocery Stores, Supermarkets
- Hardware Stores
- Home Supply Warehouse
- Lawn and Garden Supply Stores
- Music Stores
- Office and Commercial Furniture
- Office, Photographic and Photocopy
- Paints, Varnishes and Supplies
- Record Shops
- Second Hand Stores, Used Merchandise Stores
- Stationery, Office Supplies, Printing
- Variety Stores
- Wholesale Clubs

TRANSPORTATION SERVICES

- Bus Lines
- Courier Services, both Air and Ground
- Freight Forwarders
- Truck and Utility Trailer Rental

**NOTE: Requires approval in advance from the Department of Neighborhood Empowerment.

Acceptable Purchases



UAP

Neighborhood Council
Funding Program

UNACCEPTABLE PURCHASES

Below is a list of unacceptable purchases using City funds, including both the Commercial Prepaid Card and paper checks. It is the responsibility of the Neighborhood Council to obtain prior approval on all questionable items that are not listed here or on the Acceptable Purchase Categories list.

If you have any questions, please contact your Project Coordinator or the Neighborhood Council Funding Program, toll-free, at (866) LA HELPS.

The Department of Neighborhood Empowerment has created the Funding Program based on a good faith relationship with the Neighborhood Councils. It is assumed that Neighborhood Council purchases will reflect this assumption of good faith and will adhere to the prohibitions described below. To assist the Neighborhood Councils, the Department retains fiscal controls to minimize mistakes or monetary abuses by the Neighborhood Councils. The Department is able to monitor Neighborhood Council purchases through real-time online access to the Bank of America and the City Financial Management Information System (FMIS) databases and reports. If fiscal mistakes or abuses occur, the Department may use a sanction process to correct the situation.

UNACCEPTABLE PURCHASE CATEGORIES AND ITEMS

- Any purchases made without the authorization of the Neighborhood Council governing body, and any purchases that are not identified by category in the approved budget or spending plan of the Neighborhood Council
- Transactions completed without obtaining an original invoice, receipt, written quote, or written estimate
- All costs or expenses incurred prior to the date of enrollment in the Funding Program
- Renting or leasing of office space without prior approval of the Department (*This is a contracting issue that requires adherence to specific guidelines*)
- Long-term contract in excess of 12 months or one full funding cycle without approval of the General Manager and City Attorney (*contracts require adherence to specific guidelines because of liability concerns*)
- Gifts, grants, and donations of money or goods to individuals or groups without a clearly identified and tangible benefit to the Neighborhood Council, and without a receipt from the recipient individuals or groups. (*State law prohibits public funds from being given as a gift, contact your Project Coordinator or the Funding Program for more information*)
- Gift Cards, Flowers to Neighborhood Council members or any other individual or group (*State law prohibits public funds from being given as a gift*)
- Airfare and any other travel expenses including hotel/motel facility expenses without prior Department approval. (*The City Controller must approve all travel-related expenses for City departments, and the Department of Neighborhood Empowerment must approve travel by Neighborhood Councils, in advance*)
- Alcohol, tobacco, firearms, and adult entertainment products (*this should be obvious*)
- Funding to third party individuals or groups without either an approved contract for goods or services or a receipt from a vendor for goods or services received (*There must always be a closed transaction with either a contract or receipt acknowledging the funds the Neighborhood Council is spending. There cannot be a third party intermediary that receives Neighborhood Council funds without written acknowledgment for the Neighborhood Council and Department records*)
- Hiring staff or securing the services of temporary employees, except through an approved contract between the Department and PDQ Temporary Services, Inc., a City-approved temporary employment agency (*This is a contract that requires adherence to specific guidelines*)
- Retaining janitorial, custodial, security, or any other professional services without an approved contract for services (*This is a contracting issue that requires adherence to specific guidelines*)
- Supporting or opposing ballot measures or candidates, filing lawsuits against the City or City agency, filing appeals against any discretionary decisions made by any City agency, political forums or debates, unless following City Attorney guidelines

Unacceptable Purchases

Accountability & Technical Assistance Policy

NEIGHBORHOOD COUNCIL FUNDING PROGRAM Accountability & Technical Assistance Policy

The following information details the Department of Neighborhood Empowerment's general guidelines for Neighborhood Councils with respect to Funding Program accountability. NOTE: The General Manager reserves the right to immediately implement any of the six steps described below and without necessarily engaging in the order listed below if the General Manager believes the financial or other potential risk to the City warrants such action.

Three-Element Control System

The Department of Neighborhood Empowerment may monitor Neighborhood Council purchases and uses of City fund through several types of review:

1) On-Line Review

Funding Program employees perform online review of Commercial Prepaid Card/City check use. Information reviewed includes the date, vendor, and dollar amounts of each transaction. Staff will review for inappropriate vendors, large purchases, and "warning signs" such as multiple purchases at a single vendor on the same day, etc.

2) On-Site Monitoring

Department of Neighborhood Empowerment staff will conduct on-site reviews of Neighborhood Council records and receipts to verify vendors, transactions, and fiscal controls.

3) Quarterly Audit

Funding Program staff will conduct a formal review of all records and receipts prior to release of additional funds.

Preventing Problems

If Neighborhood Councils are unsure whether a certain expense is unacceptable, they should seek clarification from the Department of Neighborhood Empowerment *before* the transaction is completed. The Department wants to assist Neighborhood Councils in order to avoid making mistakes. Making a mistake by making a purchase without asking the Department about the consequences can create a problem. The Department reviews all transactions for acceptability within the expenditure guidelines. Should an unacceptable purchase occur, the Department reserves the right to raise the issue of unacceptable purchases with, at a minimum, the treasurer of the Neighborhood Council, and to initiate corrective action as the Department determines to be appropriate.

FUNDING PROGRAM SUGGESTION #1: If unsure, ASK FIRST.

Consequences

If a Neighborhood Council makes a purchase with City funds that the Department of Neighborhood Empowerment determines to be an unacceptable purchase, the Department will issue a written warning that: identifies the unacceptable purchase or transaction; provides the reason why the transaction is unacceptable; and, depending on the type of transaction, explains the remedy or corrective action that the Department will take.

include: refusing to reimburse the Neighborhood Council for the cost to the Neighborhood Council without processing; suspending prepaid Card; reducing the amount of funding available to the Council to the amount of the unacceptable purchase; or, initiating any

agreements with Neighborhood Councils is much more flexible than the Department's.

Following these steps to correct inappropriate or unacceptable Neighborhood

If the Neighborhood Council treasurer, the "1" second financial officer on the council board, at the discretion of the General Manager, when the financial roles, responsibilities, and proper accounting controls and procedures on the council need to be strengthened. If the treasurer or other person on the council need training, the Department may suspend all access to funds until the treasurer, or until a new treasurer, etc., is installed for the Neighborhood

If the Department determines that the financial deficiencies on the council board may be required by the Department to formally develop and implement a plan to address concerns identified by the Department within 60 days of the Department. Failure to do so by the Neighborhood Council will result in the Department suspending all access to funds until the Neighborhood Council has

If the Department makes a determination that the financial deficiencies on the Council, and that the corrective action is warranted. Formal corrective measure, and will be implemented before the Department's direct management of their City funding. Failure to comply with the Department, may result in the Department suspending all access to funds until the Neighborhood Council until Step 4, below, is implemented by the

If the Department determines that the financial mismanagement within the Neighborhood Council, and that the consequences are so serious and severe that the Neighborhood Council has a liability to the Neighborhood Council and the City, the Department will take further action revoke all funding access and will assume direct management of the Neighborhood Council stakeholders for, until a subsequent

the formation of a new board, and until a new series of funding is available to the Neighborhood Council individuals.

If a reasonable Neighborhood Council budget is not approved by the Neighborhood Council board systematically refuses or is unable to pay for intervention by the Department is required, the Department will report the matter to the Board of Neighborhood Commissioners.

If the matter is alleged to be criminal in nature, the matter will be referred to the appropriate law enforcement agency.

If the Department has never charged the Department with the matter, the Department will charge the Department with the matter. Therefore, the Department actively attempts to control the funds, using the funds, maintaining the funds, and preventing inappropriate purchases.

: IF UNSURE, ASK FIRST.



FAQ

Questions Regarding Neighborhood Councils Funding Program (FAQ)

ANNUAL FUNDING

How much can we receive?

Upon enrollment in the Funding Program, your Neighborhood Council (NC) will be eligible to receive up to \$50,000 per fiscal year, which gets deposited into one city account. After that Treasurers can ask for city checks to be issued to vendors ("demand warrants"), or payments to be issued to other departments ("transfers"), or for uploads to the Bank of America commercial prepaid card.

Your initial funding period will commence the quarter of the fiscal year in which the NC is enrolled.

(Revised: 02/09/06)

Do we have to request \$ 50,000 per year?

No, if through the budgeting process your NC decides that you need less money, you can request that lesser amount. If funding needs change later, your NC will have to submit an approved request for additional funding.

(Revised: 02/09/06)

What if we spend our quarterly commercial prepaid card funds before the end of the quarter and need more funds?

You can submit a request for additional funds. Please note that it would be more efficient for your NC and our Department, if you submit a single request for the funds to cover the shortfall of the present quarter and the needed amount for the following quarter.

(Revised: 02/09/06)

FAQ

(Frequently Asked Questions)



Thank You !

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**neighborhood
empowerment**
LOS ANGELES

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(All forms located under "Funding")