

Deadlines to Spend Current Year Funds Fast Approaching

Deadline to Submit Demand Warrants – May 16, 2012

We are concerned that many Neighborhood Councils are not spending down their funds quickly enough to meet the deadlines for processing payment with current year funds. The Department's website has been updated to provide Neighborhood Councils with the balance of fiscal year 2011-2012 funds as of April 2, 2012. Please review the expenditures and contact us if there are any discrepancies. The information does not take into account Request for Demand Warrant (DW) forms, including Neighborhood Purpose Grant (NPG) applications, or direct billing charges for services under contract currently being reviewed and processed.

Neighborhood Councils must submit complete DW forms with all required documentation by **May 16, 2012** if payment should be made with current year funds. Any incomplete submissions will not be paid with current year funds and will be returned to the NC.

Purchasing Card Use for End of Year Expenses

Most Neighborhood Council expenses that occur after the May 16, 2012 deadline can be paid the Purchasing Card (P-Card). The P-Card can be used for operational expenses such as office supplies and copies, outreach expenses such as food for meetings and events and flyers, or for supplies needed to conduct community improvement projects such as clean-ups.

The P-card is not to be used to buy items for a third party, such as books for the library, supplies for a school, or sponsorship of the Little League or other items for a non-profit. The approved and legal process is the NPG application, which allows Neighborhood Councils to grant funds to 501(c)(3) organizations and public schools; or the DW to transfer funds to a City agency. In addition, the P-card cannot be used to pay for services. The DW process must be used and, if it is for a recurring service or over \$1,000, a contract may be required.

The year-end can be a stressful time for everyone. Neighborhood Councils should not wait until May 16, 2012 to submit DW requests. Neighborhood Councils may not be able to spend remaining funds through the P-Card. Near the end of the 2010-2011 fiscal year, many Neighborhood Councils, that did not submit DW requests by the April 15 deadline, were allowed to make purchases with the P-Card that exceeded the \$2,500 single-purchase limit, or were granted authority to use vendors whose merchant codes were blocked by the Department. Unfortunately, many of the purchases made violated the Neighborhood Council Funding Program guidelines (see page 27 in the Treasurer Handbook).

The occasional waiver of P-Card rules should not be expected or taken lightly. Many Neighborhood Councils have already experienced the additional scrutiny the Department is conducting before increasing the single-purchase limit or unblocking a merchant code. If the request for the waiver is not an emergency and is for a purchase that can be completed using the DW process, or that requires a NPG application, Neighborhood Councils are being asked to follow the approved process. Therefore, Neighborhood Councils should plan accordingly and submit all requests via the DW, and utilize the P-Card for expenditures that will not necessitate a waiver. Remember, staff will be extremely busy reviewing and processing DWs, which will have a higher priority than P-Card waivers.

If you are not certain whether the P-Card can be used, or if a DW request should be submitted, or if an NPG application is needed, call the Neighborhood Councils Funding Program staff at (213) 978-1551 or e-mail done.funding@lacity.org.