



## Text File

**Introduced:** 3/25/2008

**Bill No:** 2008-0239, **Version:** 1

**Committee:** Committee on Finance and Law

**Status:** Defeated

Presented by Mr. Motznik

Resolution directing the City Controller to liquidate certain pre-encumbrances in the City Council and the City Clerk's Office Budget that are inconsistent with Generally Accepted Accounting Principles, transfer any savings to the Department of Public Safety, and further instituting an annual pre-encumbrance and encumbrance review process to improve government accountability.

**WHEREAS**, City Council and the City Clerk have made a practice of annually enacting pre-encumbering legislation which authorizes the use of budgetary resources which would in the normal course be returned to the General Fund at years end if not spent or formally committed for a specific purpose through a signed contract (encumbered); and

**WHEREAS**, such pre-encumbering legislation has not yet been used to encumber operating funds for the purchase of specific materials, supplies, and equipment for which a signed contract is in place for services that are committed but not yet rendered; and

**WHEREAS**, Governmental modified accrual accounting does not allow the encumbrance of annual contracts for services other than for construction and other capital purposes; and

**WHEREAS**, the amount of unallocated pre-encumbered money in prior year City Council and City Clerk's Office operating budgets pursuant to resolutions 707 of 2007, 805 of 2006, 961 of 2003, and 888 of 2001 now totals \$149,900; and

**WHEREAS**, the enactment of such pre-encumbering legislation and reservation of funds by City Council is not consistent with Generally Accepted Accounting Principles; and,

**WHEREAS**, the City's distressed status necessitates the prudent use of limited budgetary resources and these funds would more effectively be utilized for public safety purposes;

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** That the City Controller is hereby directed to liquidate any pre-encumbered general funds in the City Council and the City Clerk's Office Operating Budgets from prior years that are not reserved for specific purposes consistent with Generally Accepted Accounting Principles. This should include all operating funds for which a signed contract is not in place, including but not limited to the following resolution balances:

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<b>Resolution</b>	<b>Pre Encumbrance Balance</b>	<b>Fund</b>	<b>Org</b>	<b>Sub- Class</b>	<b>BY</b>
Res. 0707 of 2007	39,900.00	1000	101200	150	2007
Res. 0805 of 2006	5,000.00	1000	101100	150	2006
Res. 0805 of 2006	15,000.00	1000	101100	150	2006
Res. 0961 of 2003	6,383.03	1000	101200	120	2003
Res. 0961 of 2003	12,290.97	1000	101200	140	2003
Res. 0961 of 2003	6,326.00	1000	101200	400	2003
Res. 0888 of 2001	65,000.00	1000	101200	150	2001

The budgetary savings of \$149,900.00 from this reduction should be transferred to the Department of Public Safety - Bureau of Police, Equipment subclass (Org 230000, Sub 120, Account 543000, Budget Year 2008).

**Section 2.** The City Controller is hereby further directed, in coordination with the Office of Management and Budget, to annually review all general fund operating budget pre-encumbrances and encumbrances to determine their validity consistent with Generally Accepted Accounting Principles. Where the specific purchase of materials, supplies and equipment can be verified, these encumbrances should be allowed. However, any pre-encumbrance or encumbrance that is not appropriate shall be liquidated and those monies be reverted to the General Fund.