MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing the Executive Director to Enter into a Memorandum of Understanding between the San Francisco Office of Community Investment and Infrastructure and the City and County of San Francisco Controller’s Office for financial systems, accounting and audit support, in an amount not to exceed $175,000 for Fiscal Year 2014-15

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure as Successor to the San Francisco Redevelopment Agency ("OCII") staff seeks to enter into a Memorandum of Understanding ("MOU") through the Controller’s Office of the City and County of San Francisco to provide specialized services to OCII to provide financial systems, accounting and audit support for OCII during Fiscal Year 2014-15. The MOU services are allowable within Redevelopment Dissolution Law and the proposed amount is consistent with the approved Fiscal Year 2014-15 OCII budget, and with the administrative allowances included in Department of Finance-approved ROPS 14-15A.

DISCUSSION

OCII uses the City of San Francisco’s Financial Accounting and Management Information System ("FAMIS") to approve and document financial transactions. Sharing a financial information system with the City is beneficial as it eases the transfer of funds between OCII and the City by journal entry, and facilitates flow of information between OCII and our City partners, including the Controller’s Office, Mayor’s Office of Housing and Community Development, and the Treasurer’s Office.

Under this MOU, services to be provided by the Controller’s Office include:

- Access to the City’s Financial Analysis and Management Information System ("FAMIS"), Executive Information System data warehouse ("EIS") and budget system ("Budget System"), along with associated system support and maintenance services.
- Financial transaction review services by Controller accounting staff for selected transactions that may include journal entries, vendor set-up requests, and other entries processed through FAMIS, as determined by agreement between the
Controller’s Office and the OCII Deputy Executive Director for Finance and Administration. These review services are intended to ensure an additional level of fiscal controls to ensure that financial transactions are properly carried out within approved budgets and in accordance with OCII policies and procedures. OCII will be responsible for providing Controller review staff with documentation to establish the budgetary controls, policies and procedures to be applied during the review of financial transactions.

- Limited term accounting staff support during especially high workload periods at OCII (such as during year-end close) or staffing shortage due to an extended absence or vacancy affecting OCII’s fiscal staff resources.

- Procurement of independent audit services to support completion of OCII’s Comprehensive Annual Financial Audit (CAFR). Since OCII uses the City’s Financial System (FAMIS), there are significant economies of scale for OCII to use the same independent financial auditor as the City so that the testing of the financial system can be accomplished for both Agencies at the same time. The Controller shall work with the contractor and OCII to include the scope and cost of OCII’s CAFR within its contract with the independent auditor.

The services are allowable under Redevelopment Dissolution Law pursuant to Health and Safety §34177.3(b), which authorizes successor agencies to create enforceable obligations for operations, including hiring staff, acquiring necessary professional administrative services and procuring insurance. Enforceable obligations are defined to include “[c]ontracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition, and agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.” Cal. Health & Safety Code § 34171 (d)(1)(F).

The not-to-exceed budgets in this MOU are consistent with amounts contained in the approved Fiscal Year 2014-15 OCII budget, and with the administrative allowances included in Department of Finance-approved ROPS 14-15A.

Staff requests and seeks the Commission’s authorization and approval of a Memorandum of Understanding with the San Francisco Controller’s Office to provide financial systems, accounting and audit support for an amount not to exceed $175,000 for Fiscal Year 2014-15.

(Originated by Leo Levenson, Deputy Director, Finance and Administration)

Tiffany Boklee
Executive Director