



**DEPARTMENT OF FINANCE**  
**Bureau of the Budget and Management Research**  
Andrew Kleine, Chief

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# City of Baltimore

## BBMR Management Research Project

**BBMR-13-04**

***IMPROVING CITY GRANTS MANAGEMENT***

**September 2013**



*The Bureau of the Budget and Management Research is an essential fiscal steward for the City of Baltimore. Our mission is to promote economy and efficiency in the use of City resources and help the Mayor and City agencies achieve positive outcomes for the citizens of Baltimore. We do this by planning for sustainability, exercising fiscal oversight, and performing analysis of resource management and service performance. We value integrity, learning and innovating, excellent customer service, and team spirit.*

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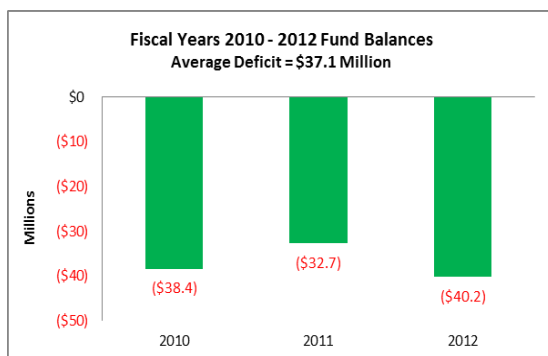
**BBMR Management Research Project**  
**Evaluating the Management of City Grants and Improving Grants Management Responsibilities**

**What BBMR Found**

The fund balance for the Grants Revenue Fund is a deficit of \$40.2 million based on the unaudited City's Comprehensive Annual Financial Report as of June 30, 2012. The deficit may be related to a timing lag with revenue receipts, overspending of grant dollars, and/or accounting transactional errors. A detailed audit is required for all grant accounts to determine the causes of the deficit.

The \$40 million grants deficit is a potential liability to the General Fund and has prompted the need for this management research project. The Bureau of Budget and Management Research's (BBMR's) review shows that the management practices for City grants are deficient, and include: 1) outdated policies; 2) inconsistent accounting procedures; and 3) poor budgeting and fiscal oversight.

This study shows that the City should improve the oversight and management of City grants by: 1) updating policies; 2) streamlining budgeting and accounting procedures; 3) allocating resources for the purchase and development of a database and; 4) dedicating personnel for overall fiscal oversight and monitoring of grants.



**Summary of the City's Risk and Recommendations**

Over the past three fiscal years the Grants Revenue Fund deficit balance has grown from \$38 to \$40 million. The actual impact on the General Fund is not known, as this would require a detailed accounting of over 245 grants valued at \$332 million. Nonetheless, the risk to City assets will continue to increase if current grant management practices are not improved to ensure the efficiency and effectiveness of grant programs.

This research reveals that creating a grants management unit and a database for the fiscal oversight and monitoring of City grants could improve the management of grant programs and reduce potential liability to the General Fund. The cost for additional personnel to support the new grants management unit would be an annual expense, which may be offset by a grants overhead fee. The cost for a new database would be a significant initial one-time upfront cost followed by minimal annual maintenance expenses. The functionality of the CityDynamics grants management module will be explored.

**Why BBMR Did This Study**

The management of City grants is primarily the responsibility of the various City agencies receiving the grants. The purpose of conducting this study is to identify ways to improve the overall management and fiscal oversight of City grants to ensure: 1) City assets are safeguarded; 2) anticipated grants support the Mayor's priority outcomes for the City of Baltimore; and 3) grant programs are managed efficiently and effectively.

**What BBMR Recommends**

To increase the overall management and fiscal oversight of City grants, BBMR recommends the following actions:

1. Reconcile all grant accounts to determine actual grant deficits and General Fund liability. Pg. 15.
2. Evaluate existing grants policies and procedures and update the Administrative Manual (AM) as appropriate. Pg. 17.
3. Instruct agencies in implementing new AM regulations. Pg. 18.
4. Update procedures to improve compliance. Pg. 19.
5. Develop procedures for sub-recipient monitoring. Pg. 19.
6. Develop a grants handbook to provide simplified guidance for agencies and the Finance Department. Pg. 20.
7. Update review of grant applications procedures. Pg. 22.
8. Update approval of grant applications procedure. Pg. 23.
9. Improve grant budgeting procedures to include grant budget training as part of Outcome Budgeting/General Fund training for agencies. Pg. 25.
10. Streamline grant accounting procedures. Pg. 29.
11. Dedicate personnel primarily responsible for grants management. Pg. 33.
12. Develop a grants management unit that will be supported by a director and grants budget analyst. Pg. 34.
13. Enhance the accounting bureau by creating 2 grants accounting analysts and a grants compliance analyst. Pg. 34.
14. Explore the feasibility of assessing a grants overhead fee to help offset the cost of the new grants management unit. Pg. 35.
15. Develop a grants management database to track grant applications, awards, appropriations, expenditures and revenues. Pg. 40.

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**Bureau of the Budget and Management Research**

Andrew Kleine, Chief

100 N. Holliday Street, Baltimore, MD 21202

September 26, 2013

The Honorable Mayor Rawlings-Blake,

The management of City grants is primarily the responsibility of various City agencies, with minimal oversight by the Department of Finance. As of June 30, 2012, the City's Comprehensive Annual Financial Report showed a deficit balance of \$40.2 million for the Grants Revenue Fund, which includes federal, state, and special grants. The deficit could be caused by overspending of grant dollars, budgeting and accounting transactional posting errors, and/or timing lag with revenue receipts. The portion of the deficit resulting from overspending of grant dollars is a direct liability to the General Fund.

This management research project on grants management was conducted upon your request for the purpose of identifying ways to improve the overall management and fiscal oversight of City grant programs. The authority to conduct this project comes from the Bureau of the Budget and Management Research's (BBMR's) mandate to provide policy and fiscal research and analysis on a variety of administrative, departmental and City issues. Key issues examined in this management research project include: 1) the estimated total grant deficits and liability to the General Fund; 2) the relevance of current policies and application of various procedures; 3) the budgeting for anticipated grants and the accounting for awarded grants; 4) alternatives to safeguard City assets by enhancing fiscal oversight and compliance monitoring; and 5) potential positive and negative outcomes for each of the alternatives.

To determine the potential for improving grants management, BBMR analyzed financial reports from Fiscal Years 2001 through 2012 and interviewed agency representatives with operational knowledge of grants management. In addition, BBMR examined the grants management practices of other cities by interviewing officials from other jurisdictions: Howard County, MD; Houston, TX; Philadelphia, PA; Camden, NJ; Boston, MA; and Louisville, KY. To recommend alternatives to improve the City's overall grants management, these jurisdictions' practices and the recommendations of the Government Finance Officers Association were taken into consideration and explained for each alternative recommended.

BBMR conducted this management research project from September 2012 to June 2013 in accordance with the standards set forth in the BBMR Project Management Guide and the BBMR Research Protocol. Those standards require that BBMR plan and perform the research project to obtain sufficient and appropriate evidence to provide a basis for the conclusions and recommendations contained in this report. BBMR believes that the evidence obtained provides a reasonable basis for the findings and conclusions in this report and those findings and conclusions are based on research project objectives. More information on the scope and methodologies of this project can be found in Appendix II, Scope and Methodology.

# BACKGROUND

## GRANTS MANAGED BY CITY AGENCIES

The number of grants managed by City agencies ranges from 1 to over 100 per agency. Table 1 displays the number of grants managed by each City agency for Fiscal 2013 as reported by the budget system versus the number reported by the agency during this study. An interview response of N/A means the agency did not have the information available or the agency was not interviewed.

**Table 1: Fiscal Year 2013 Number of Grants per Agency**

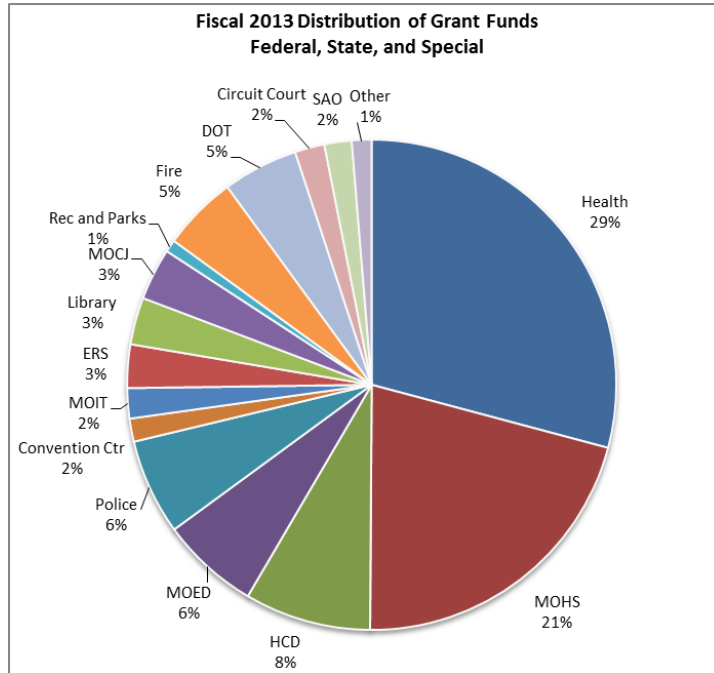
Agency	# of Grants, Built in Budget	# of Grants, Reported by Agency	Fiscal 2013 Budget
Courts: Circuit Court	15	20-25	\$6,502,132
Employees' Retirement Systems	2	N/A	9,543,997
Enoch Pratt Free Library	4	N/A	10,343,636
Finance	2	N/A	511,390
Fire	10	8	16,466,569
General Services	1	N/A	1,016,000
Health	110	100-140	96,862,820
Housing and Community Development	17	10-12	27,697,277
Law	1	N/A	11,903
Legislative Reference	1	N/A	11,582
Mayoralty	1	N/A	352,004
M-R: Cable and Communications	1	N/A	866,540
M-R: Convention Complex	1	N/A	5,060,910
M-R: Office of Criminal Justice	4	N/A	11,387,267
M-R: Office of Employment Development	6	27	21,594,976
M-R: Office of Human Services	19	9	69,640,265
M-R: Office of Information Technology	1	N/A	6,635,637
Office of Civil Rights	1	N/A	45,500
Planning	2	N/A	96,255
Police	10	50	21,018,008
Public Works	1	N/A	1,427,149
Recreation and Parks	9	6	2,703,160
State's Attorney	16	19	5,974,776
Transportation	13	3	16,525,067
<b>Total</b>	<b>248</b>		<b>\$332,294,820</b>

The difference in the number of grants budgeted and the number of grants agencies are actually managing indicates: (1) the budget may reflect expired grants if the budget number is more than interview response; (2) multiple grants may be reflected in unallocated grants if interview response number is more than budget; or (3) a combination of both. This study takes a closer look at unallocated grant funds in a later section, AGENCY PROCEDURES ARE INCONSISTENT, Grant Budgeting Procedures.

The Fiscal 2013 federal, State, and special funds grant budget totaled \$332.3 million. Most of the grant funds are housed in five agencies: Health, Human Services, Housing and Community Development, the Mayor's Office of Employment Development, and Police. These 5 agencies account for 71% of the total grant budget. Chart 1 shows the distribution of grant funds by agency.



**Chart 1: Fiscal Year 2013 Distribution of Grant Funds**



**STATUTORY HISTORY AND AUTHORITY**

The City Charter, Article VI Board of Estimates (Resolution 10-019, ratified November 2, 2010) provides authority for preparation, adoption, and enactment of the annual Ordinance of Estimates, which includes an operating budget of estimated appropriations needed by every municipal agency and the source of funds. This article also provides authority for supplementary appropriations and general uses of appropriations. A full copy of Article VI is available as Document 5 in Appendix I.

**Preparation, Adoption, and Enactment**

The Board of Estimates (BOE) is responsible for preparing its proposed Ordinance of Estimates consisting of an operating budget for the next fiscal year. The Board adopts a proposed Ordinance of Estimates by a majority vote of the members and submits to the City Council the proposed Ordinance of Estimates that is accompanied by detailed information about the sources of funds to meet the aggregate total of the appropriations contained in the proposed Ordinance of Estimates. The City Council enacts revenue ordinances as are necessary to produce sufficient expected revenues, as estimated by the BOE to cover the total anticipated expenditures authorized by the Ordinance of Estimates. Article VI was last ratified on November 2, 2010 by Resolution 10-019.

**Supplementary Appropriations**

Grants from private or governmental sources which were not anticipated during the formulation of the proposed Ordinance of Estimates may be made available to a municipal agency for expenditure by a supplementary appropriation recommended by the BOE to the City Council. The supplementary appropriation ordinance must be passed by the City Council by a majority vote of its members and be approved by the Mayor.

Further appropriations for programs (services) included in the proposed Ordinance of Estimates that are necessary because of a material change in circumstances, or additional appropriations for new programs (services) that could not have been reasonably expected at the time of the formulation of the proposed Ordinance of Estimates, may be made available to a municipal agency for expenditure by a supplementary appropriation recommended by the BOE to the City Council. The supplementary appropriation ordinance must pass the City Council by a vote of three-fourths of its members and be approved by the Mayor.

### **Uses of Appropriations**

Once the Ordinance of Estimates has been passed and the revenue ordinances enacted, the appropriation must be used for the purpose that is named in that ordinance. The BOE may increase the amount for a particular program (service), purpose, activity, or project or introduce an amount for a new program, purpose, activity or project by transferring thereto amounts already appropriated to that agency.

Funds dedicated by any act of Congress or by State law or by the terms of any private grant to some specific purpose shall be carried over to the next fiscal year.

## **ADMINISTRATIVE POLICIES AND PROCEDURES**

The City's Administrative Manual is prepared and published by the Department of Finance, Bureau of the Budget and Management Research. Policies relating to grants are located in the Budget and Appropriations section of the Manual and are numbered as follows: AM 400-3, AM 402-2, AM 402-2-1, AM 404-1, AM 404-1-1, AM 404-1-2, AM 404-4, and AM 405-01. A summary of each policy is described below. Full copies of these policies are available as Documents 6 through 13 in Appendix I.

### **AM 400-3, Indirect Cost Reimbursement for Federal Grants and Contracts**

This policy references Federal OMB Circular A-87, which allows grant recipients to charge an overhead rate on a federal grant or contract. The City may use overhead as part of the local "match" and submit an overhead rate proposal to the federal government. Agencies are urged to work with the BAPS and Payroll Services (BAPS) in preparing the overhead rate.

### **AM 402-2, Payee on Checks for Grant Program and 402-2-1, Receipt of Checks Issued in Payment for Grant**

All grant checks should be sent directly to the Director of Finance, c/o Bureau of Revenue Collections (BRC). The BRC will complete the check deposit process. If a check is sent to the agency, then the agency must complete a Cash Deposit Slip and deliver the check to the BRC for deposit.

### **AM 404-1, Financial Grants**

This policy encourages and provides guidance to agencies for seeking and applying for grants. It provides a list of grant sources and outlines grant responsibilities, which are delegated to the Departments of Finance, Law, Planning, and Civil Service Commission. Grant responsibilities are further examined and discussed in the next section, RESPONSIBILITY FOR MANAGEMENT OF CITY GRANTS.

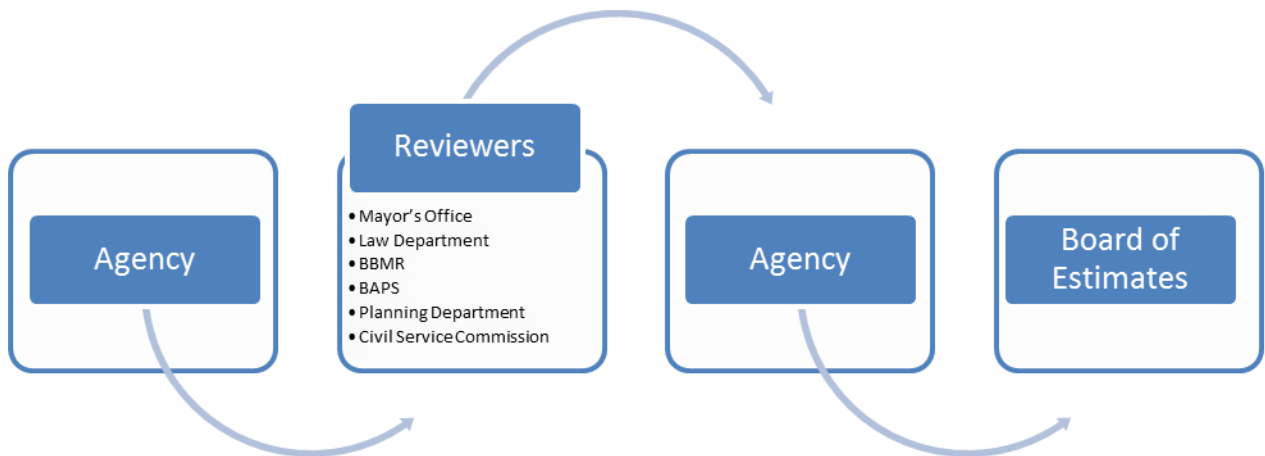
If a grantor requires the City to officially approve the contracting agency as an authorized representative, the agency must submit the grant application to the BOE and request such approval and/or designation. All awarded grants must be submitted to the BOE for acceptance prior to legal execution and use of funds.

**AM 404-1-1, Applying for Grants**

This procedure provides step-by-step instructions for applying for or renewing grants once a decision is made to proceed. The agency must submit a copy of the grant application to the Mayor’s Office, BBMR, BAPS, the Planning Department and the Civil Service Commission. The Mayor’s Office may request the Law Department to review.

Each department or bureau is required to review the application and return comments to the requesting agency. Once all comments are received and recommendations implemented, the agency may submit an application to the BOE for approval and/or to the grantor. Figure 1 shows the process flow for review of a grant application.

**Figure 1: Grant Application Review Process**



**AM 404-1-2, Action upon Receiving Grant Approval**

This procedure provides instructions to the grantee agency and other designated City agencies of the notification and approval process for an approved grant application. A Grant Information Summary is submitted to the Mayor’s Office, BBMR, BAPS, the Planning Department, and Civil Service Commission if necessary. A grant package is submitted to the BOE for acceptance of the grant. Once a grant has been accepted, a Grant Management Conference is held, if necessary. The Grant Management Conference and additional required actions are discussed further in the next section, RESPONSIBILITY FOR MANAGEMENT OF CITY GRANTS.

#### **AM 404-4, Outside Audits**

This policy reduces the duplication of audit efforts for grant funds. As grant funds are subject to audit by federal or State representatives, the agency is responsible for notifying the City Auditor upon notice that a grant will be audited by an outside auditor.

#### **AM 405-01, Money Due the City**

This policy reiterates the City's Charter provision that the Director of Finance shall receive, collect, and account for all moneys due to the City. Agencies are responsible for ensuring that grant agreements clearly state that payments shall be made to the Director of Finance and mailed/delivered to the Bureau of Revenue Collections.

### **RESPONSIBILITY FOR MANAGEMENT OF CITY GRANTS**

Pursuant to AM 404-1 (Financial Grants), the responsibility for applying for and securing grants is assigned to the Departments of Finance, Law, Planning, and Civil Service Commission for review.

- The Department of Finance evaluates several aspects of grant applications and awards including: the benefit to the City, whether the grant supports City priorities, the required commitments, duplication among agencies, inefficiencies, and the coordination of grant activities with federal and state agencies as necessary.
  - BBMR examines the budgetary and fiscal impact of grants, the availability of funds and appropriations, and required City resources/commitments.
  - BAPS manages the accounting and record-keeping required for billing and collection, calculates overhead rates, and monitors the collection of funds due.
- The Law Department reviews the legal implications of each grant.
- The Department of Planning reviews all grant applications and ensures proper coordination among City agencies.
- The Civil Service Commission reviews grant applications that require personnel actions, such as creating a new position, in order to plan administrative actions to create the positions and recruit candidates.

#### **Grants Life Cycle**

AM 404-1 also describes the responsibilities of City entities for grant acceptance, management, reporting, and close-out. Figure 2 illustrates the life cycle of a grant, starting with the application process and ending with the close-out procedures. This section will describe the process flow for grants as established in the administrative manual. This study found that several key steps are omitted and are discussed further in FINDINGS.

**Figure 2: Life Cycle of a Grant**



Grant Application

The decision to apply for a grant or renew an existing grant is initiated by the agency. The agency is responsible for understanding the requirements of the grants, including changes for current grants. Most federal grant applications include:

- Project summary to explain what the agency will do;
- Detail of how the agency will execute the project;
- Detail of how the project will be paid for; and
- The outcomes that will be accomplished.

Grant Notification

The agency completes the application and is required to provide copies to various City entities for review and comment pursuant to AM 404-1-1 (Applying for Grants). This study found that none of the agencies are adhering to this administrative manual procedure, which is discussed later in FINDINGS: Review of Grant Applications.

Grant Negotiation and Award

The application is submitted to the grantor. The agency and grantor may negotiate on items which they do not agree on, such as the process, funding source, or project outcomes. Once those matters are settled, the grantor issues an award letter documenting the terms of the grant including the grant period, special conditions, waivers, and/or negotiated items.

### Grant Acceptance

The agency prepares a Grant Information Summary form and submits copies to the Mayor's Office, BBMR, BAPS, the Planning Department, and Civil Service Commission if necessary. A sample of the Grant Information Summary form may be found in AM 404-1-2.

BBMR is responsible for preparing an appropriation adjustment order (AAO), which transfers appropriation from unallocated funds to the detailed grant fund, if appropriation is available. If appropriation is not available, BBMR prepares a supplementary appropriation ordinance.

BAPS creates grant revenue and appropriation account numbers. BAPS prepares an Account Change Notice to add new accounts to the City's "Chart of Accounts" book and forwards a copy to the grantee agency.

The agency prepares a grant package and submits it to the BOE for acceptance of the grant. The grant package includes:

- A memo requesting approval to accept the grant;
- Grant Information Summary; and
- AAO or supplementary appropriation, if necessary.

The BOE either approves or rejects the City's acceptance of the grant. If approved, the BOE notifies the Mayor's Office and requesting agency. If rejected, the BOE notifies all involved parties.

### Grant Management Conference

Pursuant to AM 404-1-2 ( Action Upon Receiving Grant Approval), once a grant has been accepted by the BOE, a BBMR budget analyst is responsible for coordinating a Grants Management Conference if necessary with designated representatives from the grantee agency, BBMR, BAPS, Department of Audits, Civil Service Commission, and other agencies involved in administering the grant. The purpose of the conference is to develop a management plan that details accounting methods, reporting and record systems, reimbursement process, personnel action requirements, coordination among other agencies, and to resolve any problems. If a conference is not necessary, the BBMR analyst shall advise all others in a memo.

### Grant Reporting

AM 404-1-2 mandates that the agency is responsible for preparing timely reports, including narrative reports, statistical reports, and statements required by the terms of the grant. The BAPS is responsible for general supervision and control of all accounting transactions relating to grants, including financial reporting. This responsibility may be delegated to the grantee agencies if proper safeguards are established and maintained. If financial reporting has not been delegated to the grantee agency, BAPS prepares all financial reports and statements required by the terms of the grant.

### Grant Close-Out

AM 404-1 requires the grantee agency close a grant within the time limits of the grant and request a final inspection of the grant program/project. A final audit is conducted by the City Auditor. The agency must notify the City Auditor if an audit is being conducted by an external auditor.

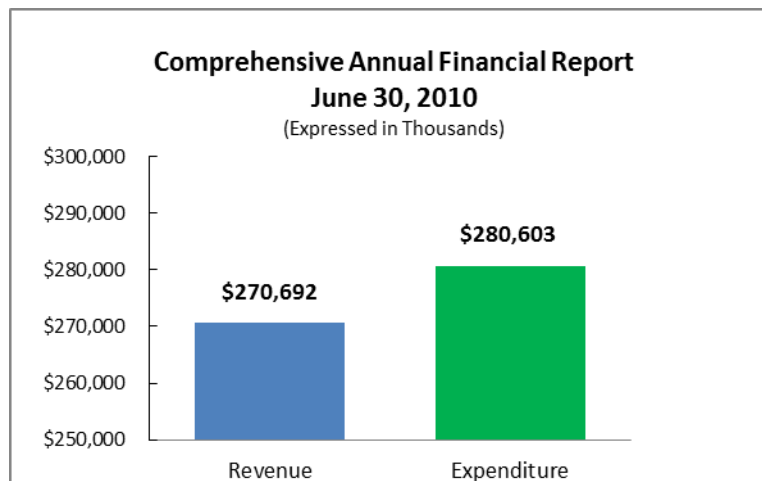
If an exception taken to any City expenditure or practice by a non-City auditor is not resolved, the agency must notify the City Auditor and City Solicitor of the situation immediately. If an audit exception exceeds 5% of the grant or \$5,000, whichever is less, the agency must immediately notify the Mayor's Office, Attention: Chief of Staff.

## **CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORTS: FISCAL YEARS 2010 - 2012**

### **Fiscal 2010**

The City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2010 reported a deficit fund balance of \$38.4 million for the Grants Revenue Fund. For this period the total grant revenues collected was \$270.7 million and the total grant expenditures was \$280.6 million, resulting in an annual deficit of \$9.9 million<sup>1</sup>. Chart 2 displays Fiscal 2010 total grant revenues and expenditures.

**Chart 2: Fiscal Year 2010 Grant Revenues and Expenditures**



The CAFR for the fiscal year ending June 30, 2010 received an audit finding for grant funds accounting. The independent auditor, Ernst & Young, noted material errors related to the accounting for grants.<sup>2</sup> According to the auditor, the City's process for determining and reporting unearned grant revenue during the financial statement close-out process is manual and flawed. The City's analysis was performed on each account individually and did not consider multiple accounts related to the same grant, resulting in improper accounts receivable and deferred income balances. A full summary of this audit finding is available as Document 17: Ernst & Young Audit Finding, 2010-4.

Ernst & Young recommended that the City develop and implement effective practices for analyzing grant accounts that include, but are not limited to, the following:

- Delineating the roles and responsibilities of City staff, including those at agencies receiving grants;

<sup>1</sup> A copy of the 2010 CAFR displaying the annual and fund balances is available in Document 14, Comprehensive Annual Financial Report for the year ending June 30, 2010.

<sup>2</sup> Single Audit Finding 2010-4: Grant Funds Accounting, prepared by Ernst & Young, 2012.

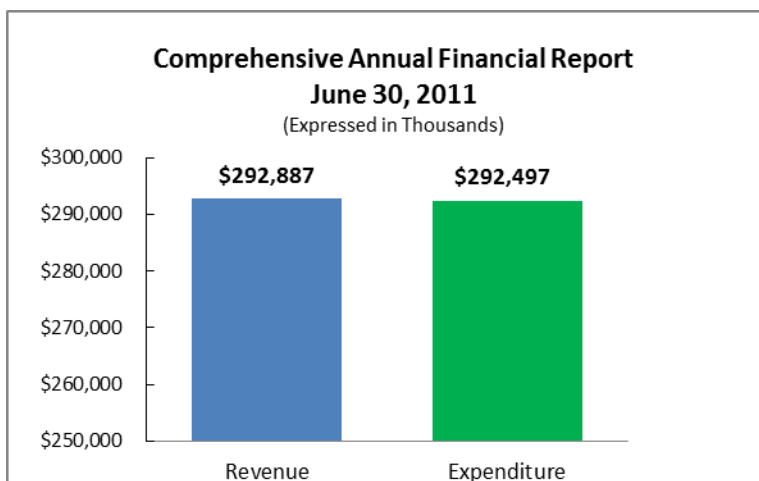
- Evaluating staff needs to ensure grant policies, procedures, and internal controls are implemented;
- Reconciling monthly grant accounts from subsidiary ledgers to the general ledger;
- Reviewing monthly reconciliations and recording necessary adjustments in a timely fashion;
- Reconciling grants details to the general ledger and amounts reported in the financial statements; and
- Considering centralizing this process.

The Finance Department’s response acknowledges the problems with the decentralized nature of grants management. This audit finding highlighted the need for this management research project.

### Fiscal 2011

The CAFR for the fiscal year ending June 30, 2011 reported a deficit fund balance of \$32.7 million for the Grants Revenue Fund. For this period, the total grant revenues collected was \$292.9 million and the total grant expenditures was \$292.5 million, resulting in an annual surplus of \$390 thousand<sup>3</sup>. Chart 3 displays Fiscal 2011 total grant revenues and expenditures.

**Chart 3: Fiscal Year 2011 Grant Revenues and Expenditures**



The CAFR for the fiscal year ending June 30, 2011 received an audit finding for lack of controls over grants receivable and deferred revenue. The independent auditors, KPMG, also noted the inefficiencies of the City’s financial reporting process for grants.<sup>4</sup> The recording of grant revenues and expenditures for one project were being recorded in multiple projects, resulting in the miscalculation of accrual adjustments for specific grants. At the request of the auditors, additional analysis was conducted that resulted in adjustments to grants receivable of \$56.5 million and grants deferred revenue of \$57.6 million, resulting in an overall reduction to the deficit in the Grants Revenue Fund by approximately \$114.1 million. A full summary of this audit finding is available as Document 18: KPMG Audit Finding, 2011-04.

KPMG recommended the City take the following actions:

<sup>3</sup> A copy of the 2011 CAFR displaying the fiscal year-end and fund balances is available in Document 15, Comprehensive Annual Financial Report for the year ending June 30, 2011.

<sup>4</sup> Single Audit Finding 2011-04: Lack of Controls over Grants Receivable and Deferred Revenue, prepared by KPMG, 2012.

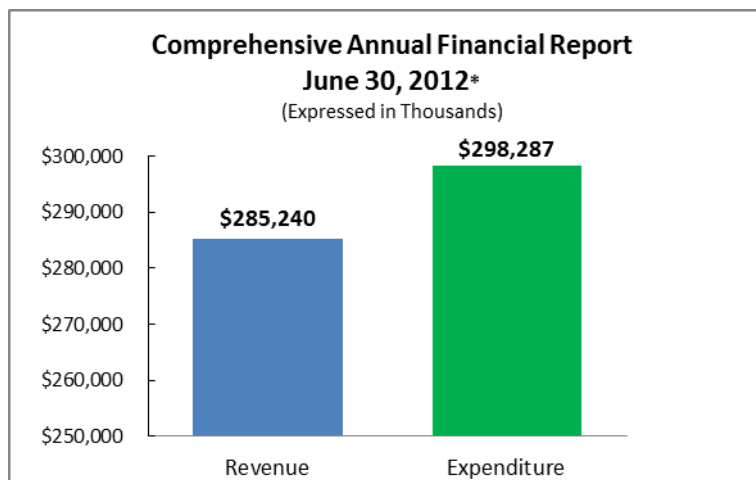


- Ensure grants revenue and expenses are properly matched and recorded in the general ledger and other accounting records to avoid inconsistencies;
- Properly review and approve accrual adjustments prior to posting in the general ledger and financial statements.

### Fiscal 2012

The CAFR for the fiscal year ending June 30, 2012<sup>5</sup> reported a deficit fund balance of \$40.2 million for the Grants Revenue Fund. For this period the total grant revenues collected was \$285.2 million and the total grant expenditures was \$298.3 million, resulting in an annual deficit of \$13.0 million<sup>6</sup>. Chart 4 displays Fiscal 2012 total grant revenues and expenditures.

**Chart 4: Fiscal Year 2012 Grant Revenues and Expenditures**



*\*Unaudited*

In Fiscal 2012, the City managed approximately 240 grants. The total value of these grants is unknown, as the actual award amounts are not recorded in one shared database. The Grants Revenue Fund deficit balance is based on total life-to-date expenditures and revenues. The grant funds deficit is caused by at least three factors: 1) timing lag between the expenditures of funds and reimbursement from grantors (cash flow deficit); 2) overspending of awarded or appropriated grant funds; and 3) accounting errors, such as misposting of revenues or expenditures. BBMR was not able to determine how much of the City’s grant fund deficit is attributable to each of these or other factors. **BBMR recommends a full reconciliation of all grant accounts to determine actual grant deficits and the General Fund liability.**

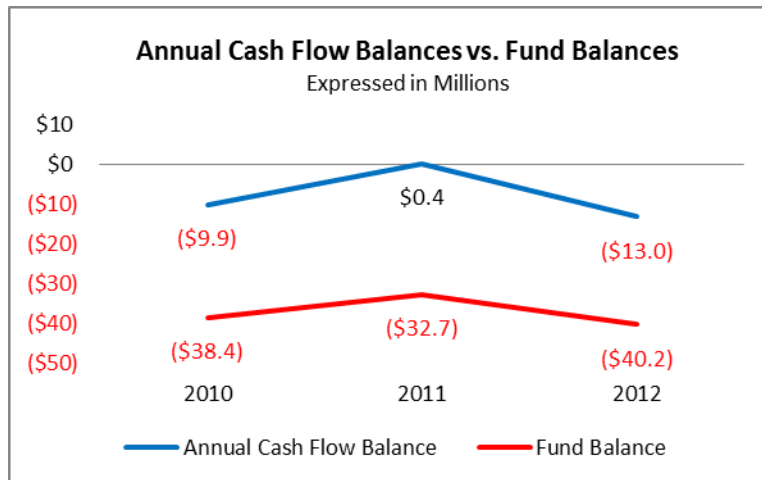
<sup>5</sup> As of August 7, 2013, the City’s Comprehensive Annual Financial Report for the period ending June 30, 2012 is unaudited.

<sup>6</sup> A copy of the 2012 CAFR displaying the fiscal year-end and fund balances is available in Document 16, Comprehensive Annual Financial Report for the year ending June 30, 2012.

## Fiscal Years 2010 - 2012

Over the past three fiscal years, the City's CAFR reports that the Grants Revenue Fund deficit has grown from \$38.4 million in Fiscal 2010 to \$40.2 million in Fiscal 2012. Chart 5 displays the annual cash flow balances versus fund balances for fiscal years ending 2010 through 2012. Between Fiscal Years 2011 and 2012, the annual cash flow deficit increased by \$12.6 million; however, the fund balance deficit only increased by \$7.5 million. As of the writing of this report, the Fiscal 2012 CAFR is unaudited and prepared financial statements are being reviewed by the BAPS.

**Chart 5: Fiscal Years 2010 – 2012 Cash Flow Balances vs. Fund Balances**



The Grants Revenue Fund deficit of \$40.2 million is a potential liability to the General Fund. The actual impact on the General Fund is not known, as this would require a detailed accounting of over 245 grants valued at \$332 million. Research shows that a portion of the deficit is due to poor management practices and overspending. For example, BBMR researched grants managed by the Commission on Aging and Retirement Education (CARE) and discovered a \$4 million deficit over a ten year period. At the closeout of Fiscal 2010, \$2 million was transferred from the General Fund to offset the deficit. The City has not been able to address the remainder of the deficit.

# FINDINGS

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## **CURRENT POLICIES ARE OUTDATED AND PROCEDURES LACK COMPLIANCE**

Many of the City's grant policies and procedures are out-of-date. The oldest policy, AM 400-3, Indirect Cost Reimbursement for Federal Grants and Contracts, dates back to 1973. The latest revisions were completed in May 2012 to AM 404-4 (Outside Audits) and AM 405-01 (Money Due the City). However, prior to these recent revisions, the last grant policy update was completed on July 16, 1990, 23 years ago, to AM 404-1 (Financial Grants) which outlines grant responsibilities, the approval process, grant accounting, and close-out process.

### **Certain Policies are Irrelevant**

AM 402-2 (Payee on Checks for Grant Program) and AM 405-01 (Money Due the City) appear to be duplicative. Both policies state that grant checks are to be made payable to the Director of Finance and mailed or delivered to the Director of Finance c/o BRC. Although the two policies support a Charter mandate, the duplication is not necessary and the two should be merged into one policy.

AM 404-1 (Financial Grants) requires the review of the Department of Planning to ensure proper coordination among City agencies and the OMB Circular A-95 federal procedure when required. In 1969, the Federal Office of Management and Budget (OMB) issued Circular A-95 to provide guidance for State and federal review of federal grants and loan applications. Circular A-95 was revoked by Executive Order 12372 signed by President Reagan on July 14, 1982<sup>7</sup>. This Order made States responsible for procedures governing regional coordination of federal programs and federal agencies would be responsive to State recommendations.

### Delete or Update Policies

**BBMR recommends a thorough evaluation of existing grant policies and an update of the Administrative Manual.** Federal regulations have changed during the past 23 years but City policies have not kept up with those changes. A good resource for these changes is the Office of Management and Budget, [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars).

Policies that are no longer applicable should be abolished, such as the AM 404-1 requirement for review by the Department of Planning. Although the City's administrative manual policy was last updated in 1990, it still references a rescinded federal mandate. Many City agencies do not adhere to this section of the policy. Only one City agency interviewed during this study submits federal grant applications to the Department of Planning for review. Therefore, BBMR recommends updating AM-404-1 in accordance with current OMB circulars.

The Government of Finance Officers (GFOA) is an additional good resource for best practices and advisories for grant policies. GFOA recommends establishing an effective grants policy that provides process guidance to maximize benefits and minimize risk<sup>8</sup>.

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<sup>7</sup>Executive Order 12372, Intergovernmental review of Federal programs, <http://www.archives.gov/federal-register/codification/executive-order/12372.html>

<sup>8</sup> Additional background and recommendation for GFOA Best Practice for Grants Policy (2013) is available at [http://www.gfoa.org/index.php?option=com\\_content&task=view&id=2596](http://www.gfoa.org/index.php?option=com_content&task=view&id=2596)

The policy should address a process prior to applying for or accepting grants and GFOA recommends the policy contain the following minimum components:

1. Grants identification and application. Advance notice should be provided to an appropriate authority, such as Finance, to determine whether the effects on budget, cash flow, financial reporting, and compliance requirements are understood beforehand.
2. Strategic alignment. Grants should align with the government's mission. BBMR agrees that grants should support the Mayor's goals and priority outcomes for the City.
3. Funding analysis. A multi-year cost/benefit analysis should be prepared prior to a grant application or acceptance. The analysis should include matching funds, other direct costs, overhead costs, administrative costs, and costs beyond the grant period (maintenance of effort requirements).
4. Evaluation prior to renewal of grant continuation. Grant-funded programs should be evaluated against established outcome measures to determine effectiveness. The analysis should also include a review of actual costs and the potential benefits of using associated general revenues for other purposes.
5. Administrative and operations support. The government should obtain a detailed understanding of grant terms and conditions and specify how the grant will be monitored.

#### Instruct Agencies in Implementing New AM Regulations

**Once the City's grants policy is updated, BBMR recommends an initial training for fiscal officers and program managers for new regulations followed by routine training as a refresher.** Over time, the City will experience transition in staff and loss of institutional knowledge by grantee agencies and grantors. Therefore, it is important for the City to maintain routine training for new employees and to make sure that staff is up to date on changes to regulations.

#### **Certain Procedures are Disregarded**

Several written operational practices are being routinely ignored to expedite applications for grant awards. The administrative procedure manual has not been updated to reflect current practices. The City's grant policies and procedures should require steps that are efficient for the application and acceptance process for grants to encourage agencies to apply for grants and at the same time minimize the financial risk to the City.

AM 404-1-1 (Applying for Grants) requires a city agency to submit a grant application to five agencies for review and comments. This administrative policy was last updated in 1990. The process is cumbersome, many agencies are not following it, and there is no City office that ensures its compliance.

AM 404-1-2 (Action upon Receiving Grant Approval) provides specific responsibilities for the agency, BOE, BBMR, Grant Management Conferees, and BAPS. This procedure was last updated in 1990. Several action steps are not being performed due to changes in bureaus' personnel and the accounting system.

Procedures not being followed include the organization of Grant Management Conferences by BBMR. The purpose of the conference is to determine the details of grant management. The administrative procedure indicates that the conference may be omitted. Over the past five years, BBMR has not organized a single

management conference and was not able to determine when such a conference was last held from discussions with City representatives.

Another procedure that is not being followed is the preparation of a Grant Information Summary by the agency. According to AM 404-1-2, the completed form is supposed to be circulated to the Mayor's Office, BBMR, BAPS, Department of Planning, and Civil Service Commission, if required. This study finding is discussed further in the next section, AGENCIES' PROCEDURES ARE INCONSISTENT.

#### Develop and/or Update Procedures to Improve Compliance

**BBMR recommends developing and/or updating internal controls that improve grant accounting and compliance to minimize the liability to the General Fund.** Grant policies and procedures should be reviewed on a regular basis to ensure compliance with federal, State, and City regulations. The City's grant policies are long overdue for an update. A thorough review of Federal grants circulars are required to ensure the City's policies conform to federal guidelines for grants management. The three circulars that are relevant to local governments are:

- A-87, Cost Principles for State, Local, and Indian Tribal Government. Relocated to Federal Register 2 CFR Part 225. Effective August 31, 2005.
- A-102, Grants and Cooperative Agreements with State and Local Governments. Last amended August 29, 1997.
- A-133, Audits of States, Local Governments and Non-Profit Organizations. Revised June 27, 2003.

#### **Missing Policies and Procedures**

The Administrative Manual does not include a process for sub-recipient monitoring nor is the process clearly defined within some agencies. This study looked at the monitoring process for two programs that award grants to sub-recipients, the Department of Housing and Community Development, Community Development Block Grant (CDBG) Office and the Mayor's Office of Human Services (MOHS), Homeless Services. The CDBG Office has written monitoring guidelines that focus on programmatic and financial compliance. MOHS states that in recent years they have focused more on programmatic monitoring and less on financial oversight of sub-recipient awards. Due to recent audit findings, MOHS has partnered with United States Department of Housing and Urban Development for a series of trainings focused on fiscal monitoring. The MOHS Fiscal Office anticipates implementing new policies within the upcoming months and bringing the agency to full compliance by January 2014.

Additionally, there is minimal monitoring of sub-recipient awards for City grants. The City provides subsidies to 16 non-profit organizations that support art, cultural, and civic promotion activities. BBMR manages the drawdown process for these grants. Of these grants only one sub-recipient submits quarterly expenditure and performance reports to BBMR for review.

#### Develop Procedures for Sub-Recipient Monitoring

**BBMR recommends establishing processes for sub-recipient monitoring that include programmatic, administrative, and financial monitoring.** The grant policies should be updated to enhance monitoring activities to include:

- Coordination of periodic monitoring meetings with sub-recipients.
- Submission of routine sub-recipient’s progress and financial reports to the grantee agency for review.
- Assurance by grantee agencies that there will be timely submission of sub-recipients’ reports and adherence to compliance requirements.
- Financial monitoring of sub-recipients should include a review of single audit reports.

Develop a Grants Handbook

**BBMR recommends the development of a grants management handbook to provide simplified guidance for agencies and Finance.** This research found that certain procedures are being ignored because agencies do not know all the policies and procedures mandated by the City’s Administrative Manual. Navigating through the City Charter and Administrative Manual can be tedious. Developing a handbook that consolidates and simplifies grants policies and procedures will increase compliance with grant management policies by the agencies and Finance.

**AGENCY PROCEDURES ARE INCONSISTENT**

The grant management process varies significantly among agencies. An interview was conducted with ten City agencies that manage grants. BBMR developed a questionnaire with fifteen questions, some focusing on certain AM procedures. Key procedures that vary among agencies include: 1) review of grant applications; 2) approval of grant applications; 3) grant budgeting procedures; and 4) grant accounting procedures.

The following agencies were interviewed:

- Circuit Court
- Fire Department
- Health Department
- Housing and Community Development
- Mayor’s Office of Employment Development
- Mayor’s Office of Human Services
- Police Department
- Recreation and Parks
- State’s Attorney Office
- Department of Transportation

All agencies were asked the same questions and provided the opportunity to offer additional thoughts on how the City could improve its grants management. The agencies responded to the following questions:

1. How many grants do you manage?
2. Do you submit a copy of your grant application to the Mayor's Office, BBMR, BAPS, Planning, and the Civil Service Commission?
3. Does the Planning Department review all your grant applications to ensure proper coordination among City agencies?
4. Does the Civil Service Commission review your grants which require personnel actions in order to plan administrative actions required to create a position, recruit candidates and/or prepare testing requirements?
5. Upon notification from the grantor that the City's grant application has been approved, do you notify the Mayor's Office (Director of Public Relations)?
6. How do you budget for awarded and anticipated grants?
7. Do you meet with BAPS to prepare a Grant Information Summary?
8. When do you request BAPS to create a grant account number?
9. If the grant award amount is different than the appropriation, do you prepare Appropriation Adjustments Orders?
10. What's your closeout process?
11. Do you have open grants with time limits that have expired by the specified grant?
12. Do you notify BAPS to inactivate closed accounts?
13. If so, why has the grant not been closed?
14. How can a new budget system help you?
15. Are there any other issues you'd like to address that should be considered during this study?

### **Review of Grant Applications**

Of the ten City agencies interviewed, none submit copies of grant applications to the Mayor's Office, BBMR, BAPS, Planning, and the Civil Service Commission for review and comments as instructed in Administrative Manual Procedure 404-1-1 (Applying for Grants). Housing and Community Development is the only agency to respond that their grant applications for federal Community Development Block Grants and state weatherization grants are submitted to the Mayor's Office for review. However, none of the other bureaus and departments is provided a copy of the application prior to submission to federal or State grantors.

The Planning Department's role is to ensure proper coordination among City agencies. Recreation and Parks is the only agency to respond that it provides Planning copies of its grant applications for Program Open Space

(POS) for capital projects. The Department of Transportation indicated this is a procedural weakness that should be evaluated for improvement.

The Civil Service Commission is supposed to review grants that require personnel actions in order to plan administrative actions required to create a position, recruit candidates and/or prepare testing requirements. None of the agencies is following this procedure during the application process.

AM Procedure 404-1-1 (Applying for Grants), advises agencies to proceed with the grant application if a “review agency” has not responded in a timely manner. Based on this study’s findings, most agencies are not submitting the application to designated City agencies for review and comments. Many of the grant agencies were not aware of this grant procedure. The years of service for fiscal officers interviewed ranged from 3 to over 10 years. Many responded that they did not know grant policies and procedures are available in the City’s Administrative Manual.

#### Update Review of Grant Applications Procedure and Communicate Update to Agencies

**BBMR recommends the grant application review procedure be updated to eliminate the reviews by Planning and Civil Service Commission.** However, agencies should advise the Department of Finance and the Mayor’s Office of grants of interest prior to completing an application. BBMR and the Mayor’s Office will ensure the grants support the Mayor’s objectives and priority outcomes for the City. BBMR will also determine the effects on budget and the BAPS will determine the financial reporting and compliance requirements.

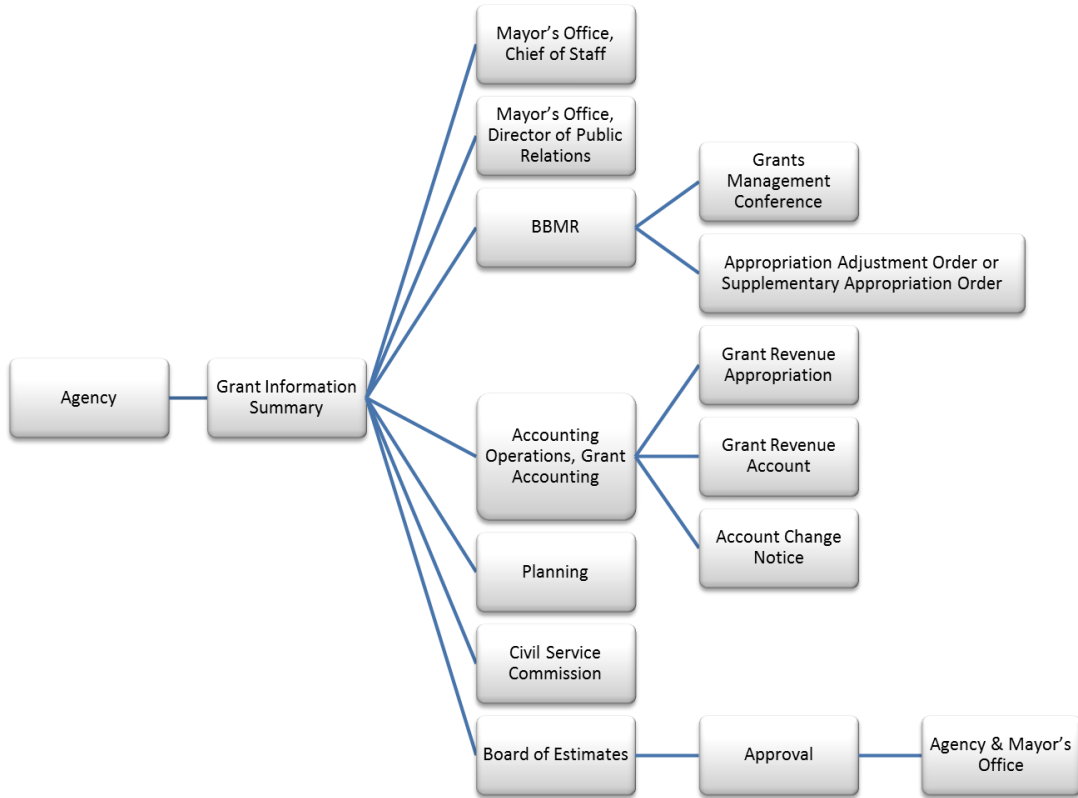
BBMR also recommends enhancing the communication methods for Administrative Manual revisions. Currently, revisions are distributed to all City employees through e-mail. An additional way to communicate AM revisions is to incorporate them during routine fiscal officer’s status update meetings coordinated by BBMR. Another suggestion is for the Grants Management Unit to coordinate routine grants update meetings for fiscal officers and program managers. The recommendation for a Grants Management Unit is explained later in PRACTICES OF OTHER JURISDICTIONS CAN PROVIDE INSIGHTS TO ENHANCE EFFECTIVENESS FOR MANAGING CITY GRANTS.

#### **Approval of Grant Applications**

Administrative Manual Procedure 404-1-2 (Action upon Receiving Grant Approval) requires the grantee agency to take certain action once it receives notice of an approved grant application. These steps were summarized previously in the Administrative Policies and Procedures section. Figure 3 illustrates the process flow for notification and Board of Estimate approval of an approved grant application.



**Figure 3: Grant Approval Action Steps**



Agencies are required to meet with BAPS for preparation of the Grant Information Summary Form #28-1418-5113. No agency is following this step. Agencies submit an e-mail to BAPS, with a copy of the grant award, requesting that a grant account number be created. For BOE approval, all agencies prepare a summary memo and a package including the grant approval notice from the grantor. The BOE package is reviewed by BBMR and approved; however, Grant Management Conferences are not being organized.

Update Approval of Grant Applications Procedure and Communicate Updates

**BBMR recommends the grant approval action steps be updated to streamline the process.** This process requires a closer look to determine which steps could be revised, replaced, or eliminated to ensure the appropriate City entities are receiving notice and responding accordingly.

BBMR’s recommendation for communicating grant approval action steps revisions is similar to the recommendation for Review of Grant Applications.

**Grant Budgeting Procedures**

BBMR is responsible for preparing the City’s annual operating budget and providing guidance to City agencies for preparation of their individual budgets. In the recent years, budget guidance and oversight has focused primarily on the General Fund. A review of the grant budgets for the past three fiscal years and discussions with the agencies revealed that the budget system, Budget Planning Forecasting System (BPFS), is not being used to plan for grant funding.

For the agencies surveyed during this study, all use the prior year award amounts as the baseline for the next year’s budget; some agencies build in unallocated funding for unanticipated grants. Most agencies receive notification of federal award amounts for recurring grants in April or May, which is after the City’s recommended budget has been submitted to the BOE for approval. Poor planning has led to spending occurring without proper appropriation and fixed costs such as pensions being improperly allocated to positions that are no longer active. Of the City’s total grants budget, 14% (\$46.5 million) is budgeted in unallocated grant funds. Table 2 shows unallocated appropriations by agency.

**Table 2: Unallocated Appropriations by Agency**

<b>Agency</b>	<b>Detailed Fund Description</b>	<b>Fiscal 2013 Budget</b>
Courts: Circuit Court	Unallocated State Grants	\$47,985
Courts: Circuit Court	Unallocated Special Grants	91,578
Fire	Unallocated Federal Grants	1,275,000
General Services	Unallocated State Grants	1,016,000
Legislative Reference	Unallocated Special Grants	11,582
M-R: Office of Human Services	Unallocated Special Grants	81,810
M-R: Office of Criminal Justice	Unallocated Federal Grants	9,683,719
M-R: Office of Criminal Justice	Unallocated State Grants	1,263,248
M-R: Office of Criminal Justice	Unallocated Special Grants	400,000
M-R: Office of Employment Development	Unallocated Federal Grants	18,510,947
M-R: Office of Employment Development	Unallocated State Grants	2,487,193
Police	Unallocated Federal Grants	9,631,092
Public Works	Unallocated Federal Grants	1,427,149
Recreation and Parks	Unallocated Special Grants	126,424
State's Attorney	Unallocated State Grants	48,340
Transportation	Unallocated Federal Grants	225,000
Transportation	Unallocated State Grants	150,000
Transportation	Unallocated Special Grants	48,627
<b>Total</b>		<b>\$46,525,694</b>

A small number of agencies account for most of the City’s “unfunded” grant position vacancies. Table 3 displays the number of “unfunded” grant vacancies by agency. Grant positions that are vacant for more than a year would indicate that the position is not funded. The Office of Employment Development accounts for 57.1% of the grant positions that have been vacant for 2 years or more.

**Table 3: Unfunded Grant Vacancies by Agency**

Agency	Positions	Vacant for 2 years	Vacancy Rate
Courts: Circuit Court	45	1	2.2%
Enoch Pratt Free Library	63	2	3.2%
Finance	7	1	14.3%
Health	649	49	7.6%
Housing and Community Development	113	9	8.0%
Law	12		0.0%
M-R: Office of Criminal Justice	12		0.0%
M-R: Office of Employment Development	252	89	35.3%
M-R: Office of Human Services	92	4	4.3%
M-R: Office of Information Technology	51		0.0%
Police	120	1	0.8%
Recreation and Parks	15		0.0%
State's Attorney	65		0.0%
Transportation	14		0.0%
<b>Grand Total</b>	<b>1,510</b>	<b>156</b>	<b>10.3%</b>

Improve Grant Budgeting Procedures

As a result of this study, BBMR initiated the first step in improving the City’s grants budgeting practices. A fiscal officers meeting was held in January 2013, which provided guidance for the Fiscal 2014 budget. Figure 4 is a summary of the budget instructions for Fiscal 2014. **BBMR recommends for future budget cycles that similar instructions be incorporated into the Outcome Budgeting manual and discussed at the annual fiscal officers’ budget preparation meeting.**

**Figure 4: Fiscal 2014 Grant Budget Instructions**

**What We Are Asking from Agencies**

- Review Your Agency’s Grant Budget
  - Make sure that the budget reflects the plan for next year.
  - Budget funds in a specific Detailed Fund if you have a good idea of the expected annual award.
  - Budget funds in “unallocated” if you expect a new award but are unsure of the exact award amount:
    - Fund 4000, Grant 4000
    - Sub-Object 704 / Natural 607004 – Unallocated Grants
  - It is better to have too much appropriation than too little.

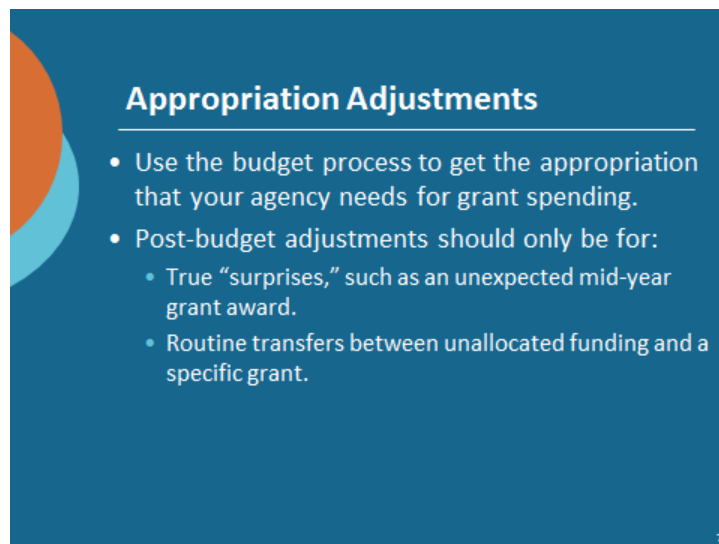
**Figure 4: Fiscal 2014 Grant Budget Instructions, cont.**



**What We Are Asking from Agencies**

- Review Your Agency's Grant Positions
  - Make sure only actively used positions are budgeted. All others should be salary-saved or abolished.
  - Remember that pension costs are allocated to agencies based upon the number of budgeted funded positions.
  - Our default will be:
    - Grant Support Specialists: salary-saved
    - Positions vacant > 18 mo's: abolished.
    - Positions vacant > 6 mo's: salary-saved.

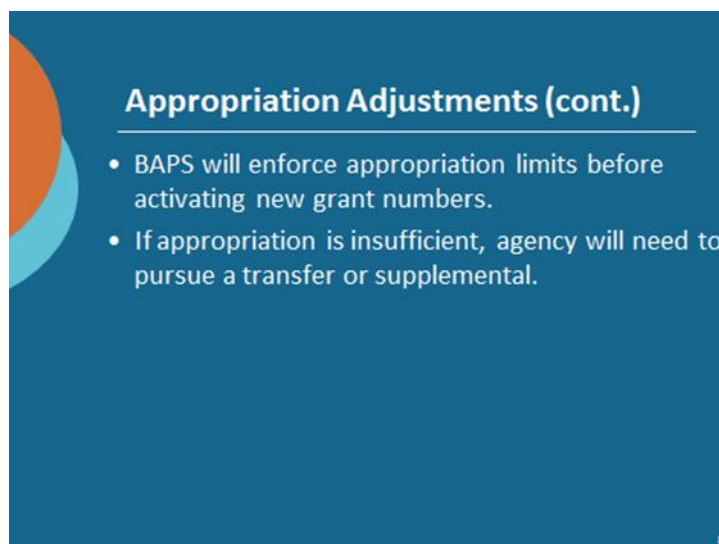
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**Appropriation Adjustments**

- Use the budget process to get the appropriation that your agency needs for grant spending.
- Post-budget adjustments should only be for:
  - True "surprises," such as an unexpected mid-year grant award.
  - Routine transfers between unallocated funding and a specific grant.

7

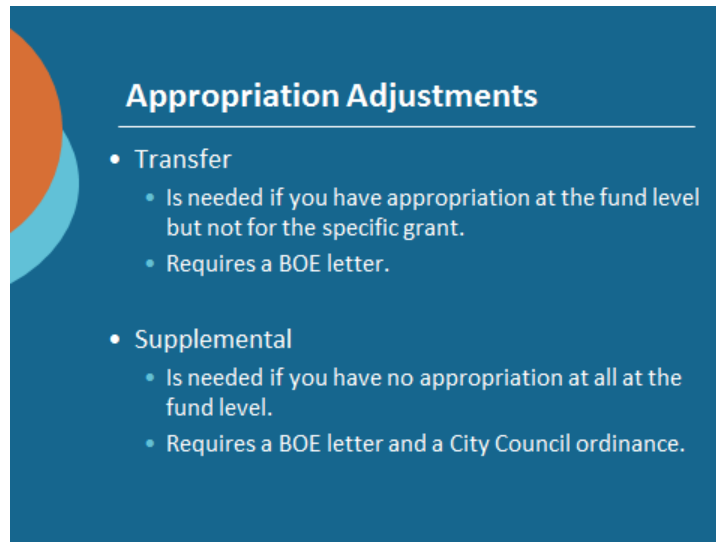


**Appropriation Adjustments (cont.)**

- BAPS will enforce appropriation limits before activating new grant numbers.
- If appropriation is insufficient, agency will need to pursue a transfer or supplemental.

8

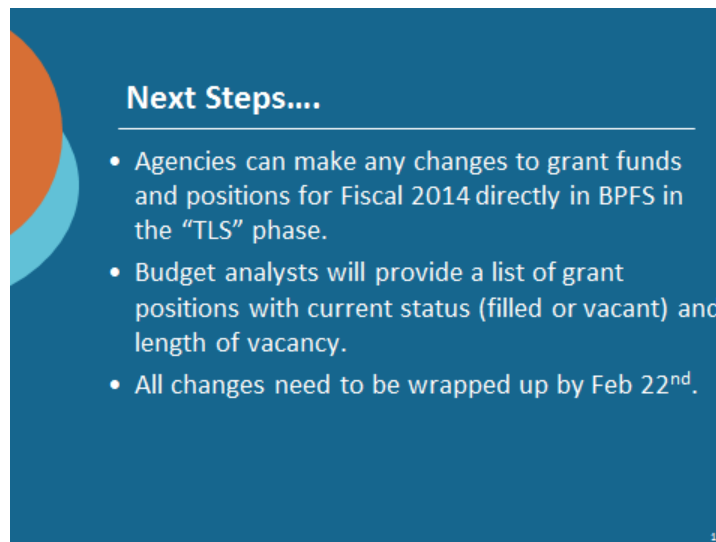
**Figure 4: Fiscal 2014 Grant Budget Instructions, cont.**



### Appropriation Adjustments

- Transfer
  - Is needed if you have appropriation at the fund level but not for the specific grant.
  - Requires a BOE letter.
- Supplemental
  - Is needed if you have no appropriation at all at the fund level.
  - Requires a BOE letter and a City Council ordinance.

9



### Next Steps....

- Agencies can make any changes to grant funds and positions for Fiscal 2014 directly in BPFs in the "TLS" phase.
- Budget analysts will provide a list of grant positions with current status (filled or vacant) and length of vacancy.
- All changes need to be wrapped up by Feb 22<sup>nd</sup>.

10

### **Grant Accounting Procedures**

Prior to Fiscal 2010, the Department of Finance, BAPS and Payroll Services managed City grants through the grants accounting unit. The grants accounting unit's primary roles included maintaining financial and accounting records for City grants. In Fiscal 2010, twelve accounting positions were abolished followed by the abolishment of 3 more positions in Fiscal 2011.

Due to budget reductions and the abolishment of 15 positions over two fiscal years in the BAPS, the grants accounting responsibilities were minimized as the bureau shifted its resources to support other functions of the bureau, including the implementation of a new accounting system, CityDynamics. Over the past several years, the grants accounting responsibility has been diluted and by default shifted to City agencies. Based on the evidence gathered during this study, most agencies tend to focus more on the programmatic oversight and less on the financial oversight of grants.

This research was not able to determine if the additional accounting staff and dedicated grants unit contributed to effective grants management practices for the City. A review of the CAFR Grant Revenue Fund balances from

Fiscal Years 2001 – 2012 shows a deficit balance each fiscal year. Table 5 (Fiscal Years 2001 – 2012 Annual Cash Flow Balances vs. Fund Balances) summarizes the balance and is available in the Appendix. Since it is unknown what portion of the deficit balance is caused by overspending or accounting transactional errors, there is no certainty that the grants management process was better prior to Fiscal 2010.

The grant reimbursement / drawdown process is managed by the agencies. For reimbursable grants, most agencies are performing quarterly reconciliations of each grant. At the end of each quarter or after a grant has been fully spent, the agency generates an expenditure report using CityDynamics and prepares a quarterly performance report. The timeframe to prepare and submit reports to the grantor ranges from 30 to 60 days. Once the grantor receives the reports, reviews and approves them, a payment is mailed to the agency or submitted electronically to the City. The BAPS is not involved in the reimbursement process.

For drawdown grants, the agency requests and receives funding at the start of the grant period. Payment is received by check or electronic funds. Quarterly expenditure and programmatic reports are prepared and submitted to the grantor following each quarter. At the end of the grant period, any unspent funding is returned to the grantor. The BAPS is not involved in the drawdown process. At the end of each fiscal year and in conjunction with preparation of the CAFR, BAPS projects the receivable and advance balances based on actual expenditures and revenues. If the expenditures exceed revenues, a receivable is recorded and if revenues exceed expenditures, an advance is recorded.

The accounting system, CityDynamics, captures appropriations, revenues and expenditures. Grant award amounts are tracked by agencies on Excel spreadsheets, but the information is not captured in the City's accounting or budget system. Agencies were surveyed to determine how many prepare appropriation adjustment orders (AAO) or notify BBMR that an AAO or supplementary appropriation ordinance is required for instances when the grant award falls short of or exceeds appropriation. All ten agencies surveyed responded that they do not prepare AAOs. Five of the ten agencies replied they historically prepared AAOs, but have not done so in the past four years or since the implementation of CityDynamics.

An interview was conducted with BAPS. This interview confirmed that neither agencies nor BBMR were preparing AAOs for: (1) transferring appropriations between programs or unallocated/detailed funds; or (2) supplementary appropriations for new grants. The implementation of a new accounting system and staff transitions in both the BAPS and BBMR contributed to the neglect of this procedure.

The closeout process varies among agencies. All agencies interviewed confirmed they have an internal process for "closing" grants which involves reconciling the expenditures and revenues at the end of the grant period. The agencies utilize CityDynamics for expenditures and compare those against their internal Excel spreadsheets used to track awards and revenues received. Only four of the ten agencies surveyed formally notify the BAPS that the grant period has closed, what the revenue and expenditure balances are, and that the grant account may be inactivated.

Due to the number of agencies not properly closing grants with the BAPS, chargeback expenses often occur after the agency's final reconciliation, causing grant deficits. The chargebacks are related to pension allocations from BBMR, fleet expenses from Department of General Services, or telephone expenses from the Municipal Telephone Exchange.

## Streamline Grant Accounting Procedures

**BBMR recommends streamlining the grant accounting procedures to increase efficiency and reduce grant overspending by doing the following:**

- Establish quarterly reconciliation meetings with agencies and the BAPS to match grantees billings to the general ledger.
  - Currently, the grant reimbursement / drawdown process is managed solely by the agency; the BAPS is not involved in this process.
  - The grant agency and the BAPS should collaborate for a quarterly review of expenditures.
  - The improved coordinated effort will help to minimize future financial exposure to the General Fund.
- Revise the closeout process as described in AM 404-1 (Financial Grants), develop procedures to enhance internal controls, and communicate new administrative manual procedures to agencies.
  - For drawdown of federal cash, the procedure for requesting cash advances should be as close as is administratively possible to actual cash outlays.
  - For reimbursement of grant funds, the procedure for requesting funds should be processed as soon as possible once the grant has been fully expended or immediately following the end of a quarter.
- Revise the procedure for AAO or supplementary appropriation ordinance.
  - For AAOs, the agency should work with BBMR to prepare the AAO. BBMR will approve the prepared AAO. The agency should submit the AAO with BOE package for acceptance of the grant award.
  - For a supplementary appropriation ordinance, BBMR should work with Legislative Reference to prepare the supplementary appropriation. BBMR should submit a supplementary appropriation to the BOE for approval. The agency should work with BBMR to prepare the AAO. BBMR should approve the prepared AAO. The agency should submit the AAO with the BOE package for acceptance of the grant award.
- Update AAO form to an “easier to understand” format. See Documents 1 and 2 for sample of the current form and a revised form developed by BBMR.

The proposed updated AAO is an Excel form that has instructional comments built into the spreadsheet. Depending on the type of appropriation adjustment (i.e. transfer within service/agency, or supplementary appropriation) the user would need to enter the BOE or Ordinance approval date. The user could click on column headers with a comment for guidance on what information is required based on the type of adjustment. The form has been simplified to make it easier for utilization by agencies and BBMR staff.

**Document 1: Appropriation Adjustment Order (Current Form)**

**APPROPRIATION ADJUSTMENT ORDER**

Date:  
AAO#

TO: Bureau of Accounting Operations  
FROM: Bureau of the Budget and Management Research

The following adjustment to your appropriation and/or revenue ledgers are hereby authorized:

**ADDITIONAL APPROPRIATION AND REVENUE**

Program & Activity	Code	Debit	Credit
_____	_____	_____	xxxxxxx
	(Revenue)		
_____	_____	xxxxxxx	_____
	(Appropriation)		

**TRANSFER OF EXISTING APPROPRIATION AND/OR REVENUE**

Account Title	Code	Debit	Credit
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Transfer due to:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Transfers:	Posted to:	By	Date
Within Program - Analyst			
Within Agency - B/E	A.A.O. Ledger		
Between Agencies - B/E			
Ordinance	Accounting Ledger		
Appropriation - B/E			
Ordinance	APPROVED BY:		





**PRACTICES OF OTHER JURISDICTIONS CAN PROVIDE INSIGHTS TO  
ENHANCE EFFECTIVENESS FOR MANAGING CITY GRANTS**

**Comparison of Management Practices to Other Cities**

The study looked at the number of positions assigned to the grants management (GM) or grants accounting (GA) unit within jurisdictions that centralize grants management responsibilities. Table 4 shows budget information obtained from the jurisdictions’ websites and/or representatives.

**Table 4: Other Jurisdictions’ Grants Management Staffing**

<b>Cities</b>	<b>Fiscal</b>	<b>Total Budget</b>	<b>Grant Budget</b>	<b>Grants %</b>	<b># of Positions in GA / GM</b>
Boston, MA	2013	2,467,009,886	316,756,786	12.8%	4
Camden, NJ	2012	167,232,861	14,806,634	8.9%	8
Houston, TX	2013	4,541,459,000	2,720,356,496	59.9%	5
Howard County, MD	2013	1,550,933,310	57,740,694	3.7%	5
Louisville, KY	2013	756,989,100	113,199,000	15.0%	17
Philadelphia, PA	2013	7,393,526,000	1,427,570,000	19.3%	5
<b>Average</b>		<b>2,812,858,360</b>	<b>775,071,602</b>	<b>19.9%</b>	<b>7.33</b>

BBMR interviewed representatives from Howard County, MD; Philadelphia, PA; Camden, NJ; Boston, MA; Houston, TX and Louisville, KY. Each of these jurisdictions has a grants accounting or a grants management unit housed within the Finance Department. Most of these units are staffed by accountants and analysts with a primary focus on fiscal oversight of grant programs.

Howard County’s grants management unit was created 2 years ago and the unit reviews all grant applications, establishes grant budgets and awards in its grants accounting system, develops grant policies and procedures, and prepares financial reports. Howard County anticipates expanding its grants management unit in Fiscal 2014 to provide additional grant compliance support to the Grants Oversight Manager who reports directly to the Director of Finance.

The Boston, MA grants monitoring program is within the Auditing Department. The office’s primary responsibility is to establish and monitor grants for all City departments and provide technical assistance in the process. All grant activities are channeled through Grants Monitoring. The program oversees and coordinates the City’s Annual Single Audit for Federal Financial Assistance Programs and produces the City’s Cost Allocation Plan.

Houston, TX has a grants management office that administers polices and guidelines for grants management. The office is also responsible for grants accounting and auditing. Louisville, KY centralized its grants management 2 years ago and the division oversees BAPS and grants financial management; prepares financial and audit reports; and monitors regulatory compliance for grant guidelines.

The Philadelphia, PA Grants Accounting and Administration provides fiscal oversight for over 1,000 grants. The unit reviews daily grant receipts, analyzes grant accounting transactions on a monthly basis with agencies, and prepares yearly financial reports. The Camden, NJ Bureau of Grants Management oversees all grant applications

and awards, contracting, purchasing, receipts and the disbursement of grant funds. The bureau also manages the Community Development Block Grant, including monitoring of sub-recipient agreements.

### **Government Finance Officers Association Recommendations**

The Government Finance Officers Association (GFOA) recommends governments improve grants management by establishing processes to<sup>9</sup>:

- *Ensure the efficient administration and operation of grant programs*
  - *Monitor changes in grant terms after acceptance of grant*
  - *Establish a project plan with timelines and responsible parties for implementation*
  - *Provide training for new programs*
  - *Provide continuing training for government and others*
    - *City agencies*
    - *Sub-recipients*
  - *Maintain a process to address personnel issues, such as eligible salaries and/or benefits*
- *Ensure the efficient financial management of grants*
  - *Develop cash management procedures for drawdown, receipt, and disbursement of funds*
  - *Develop procedures to reconcile internal records with grantor reports*
  - *Maintain a process to ensure that costs charged to grants are allowable and consistently applied*
  - *Determine whether indirect costs will be allocated to grant programs, and if so maintain a process to make the allocation*
  - *Maintain a process to track local matching funds, including identification of the continuing source of such funds*
  - *Integrate grants into the annual budget process*
  - *Integrate grants into the cash flow planning*
  - *Develop a contingency plan for funding services that will be continued after elimination of grant funds.*

### **Dedicate Personnel Primarily Responsible for Grants Management**

GFOA recommends a consistent and coordinated grant process through centralized review by finance, budget, or a central grants office. This coordination allows for the development of expertise in grant application, strategic alignment, funding analysis, grant evaluation, and operational support<sup>10</sup>. **BBMR recommends the City create a grants management unit within BBMR and a grants accounting unit within BAPS to provide fiscal oversight and compliance monitoring of City grants.** The combined units' responsibilities would include the following, but would not be limited to:

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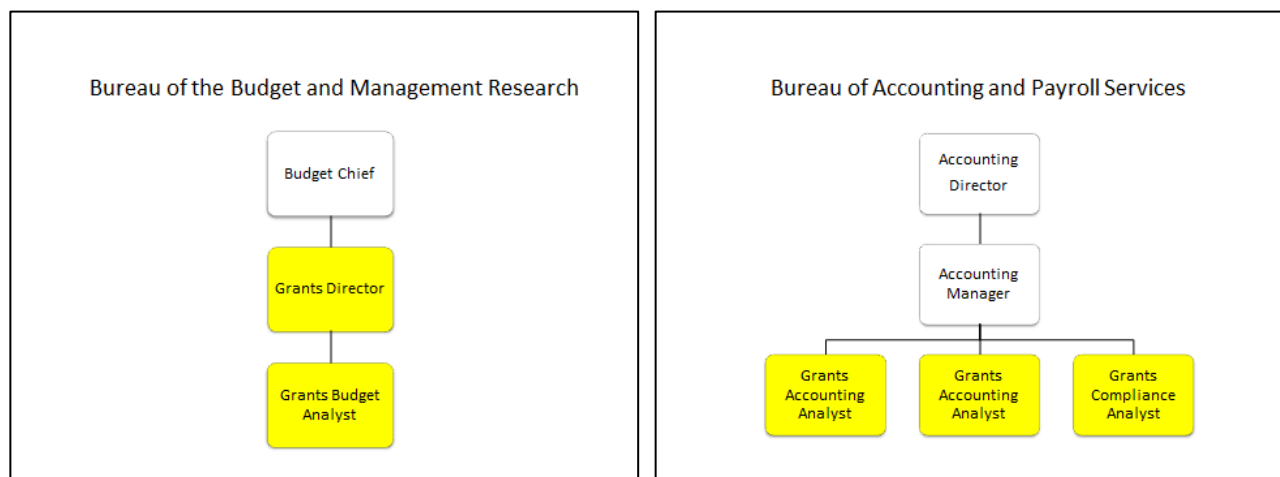
<sup>9</sup> GFOA presented its recommendation for improving grants management and grants best practices during its 107<sup>th</sup> annual conference on June 4, 2013. A copy of the presentation is available at <http://www.eventscribe.com/2013/GFOA/assets/pdf/67349.pdf>

<sup>10</sup>GFOA recommendation for centralized grant process during June its 107<sup>th</sup> annual conference on June 2, 2013. A copy of the presentation is available at <http://www.eventscribe.com/2013/GFOA/assets/pdf/69476.pdf>

- Review all grant applications to: 1) ensure they support the Mayor’s goals and priority outcomes for the City; and 2) understand the City’s financial commitment during and after the grant period.
- Develop a detailed tracking system and a report related to the status of grants, including applications and awards.
- Monitor expenditures, reimbursements, timely submission of financial reports, and completion of grants.
- Formulate the annual grants budget in coordination with City agencies.
- Ensure proper accounting and closing of grant accounts upon receipt of completed reports and documents from agencies.
- Coordinate conferences to determine the management details of grants.
- Maintain City’s Administrative Manual for grant policies and procedures. Communicate policies and procedures to agencies.
- Provide technical and management assistance to City agencies in the operation of their State and federal grant programs.

**The recommended staffing level required to meet the new grants management responsibilities is 5 positions: Grants Director, Grants Budget Analyst, 2 Grants Accounting Analysts, and Grants Compliance Analyst.** All five positions would work closely together to improve the City’s overall fiscal oversight, compliance monitoring, internal controls and financial reporting for Citywide grants. Of the other jurisdictions examined, grants management/accounting is housed in the accounting department and often managed by an accountant. This study recommends BBMR provide general oversight and management assistance for the operation of City grants and BAPS provide technical assistance and compliance monitoring of grants. The organization of the new units is illustrated in Chart 6, and the new positions are highlighted.

**Chart 6: Proposed Grants Management Organizational Charts**



The creation of a grants director position is a new classification for the City. BBMR has developed a position description for a Grants Director position (see Document 3). This position description requires the review and approval of the Department of Human Resources (DHR).

BBMR’s Fiscal 2014 budget includes funding for two new positions to support grants management. Once DHR has approved the new position description for a Grants Director, BBMR may begin recruitment activities for the position. A job opening announcement has been drafted (see Document 4).

The Grants Accounting Analyst position currently exists in the BAPS. The Fiscal 2013 budget included funding to create two new positions in BAPS to improve internal control over financial reporting as a result of recent audit findings. As of the writing of this report, only one of the two positions has been filled. The Fiscal 2014 budget includes funding for two more positions to enhance the bureau's fiscal oversight. BBMR recommends the BAPS establish a grants accounting unit and dedicate staff to support the unit's core responsibilities.

Of the other jurisdictions interviewed, none assess an overhead fee for grants management. **BBMR recommends that the City absorb the cost to create the new positions to support grants management through the General Fund. The City should explore the feasibility of assessing an overhead fee once the new units are both in full operation.**

### Document 3: Grants Director Position Description

#### **Class Definition**

A Grants Director provides administrative management and fiscal oversight for City-wide grants. Performs advanced level financial, budgeting, accounting, reporting, auditing and research. Work of this class involves supervisory duties or responsibilities, including the recruitment, training, mentoring and managing the performance of Grants Management staff.

Incumbents receive managerial direction from a technical superior. Work may include planning, organizing, and supervising the activities of a unit; coordinating budget activities; auditing electronic data processing systems; resolving major program problems; and developing, evaluating and implementing financial budgeting or auditing programs and procedures.

Employees in this class work a conventional workweek. Work is performed in an office setting where normal working conditions are encountered. Work requires minimal physical exertion.

#### **DISTINGUISHING FEATURES OF THE WORK**

Not Applicable.

#### **Typical Examples of Work:**

(The following examples illustrate the work performed in the positions in the class. Positions may require some or all of these examples depending on the organization of work within the agency. This list is not inclusive. A position may require related duties not listed, if necessary, to accomplish the work of the agency.)

In the Bureau of Budget and Management Research of the Department of Finance, provides oversight support for City-wide grants management.

Plans, organizes and oversees the daily operations/activities of the Grants Management unit.

Reviews and interprets grant agreements for compliance issues. Ensures compliance with the Mayor's priority outcomes for the City of Baltimore.

Identifies grant opportunities.

Develops a central data management system for tracking and reporting the status of all City grants, including prospective grants, awarded grants, and grants modified or rejected.

Ensures that grants are properly reconciled by working with other departments to match grantees billings to the general ledger on at least a quarterly basis.

Evaluates, plans, and implements requirements for grants within the City to ensure an effective internal control structure to safeguard City assets.

Develops and formulates grants administration policies and procedures. Instructs agencies in implementing new Administrative Manual regulations.

Performs related work as required.

**Document 3: Grants Director Position Description, cont.**

**Required Knowledge, Skills and Abilities:**

Knowledge of the principles and practices of administering grants and grant accounting.

Knowledge and understanding of governmental accounting (state and local government) and grants (Federal, State and Local).

Experience in budgeting and budget management.

Excellent analytical skills - the ability to read, analyze, interpret and produce common scientific and technical journals, financial reports, and legal documents.

Ability to lead a small, proactive team, motivating staff and working collaboratively with colleagues and providing support and advice as necessary.

Experience in formulating and implementing policies and procedures.

Ability to communicate effectively, orally and in writing.

Ability to think and act decisively about program and operational issues.

Ability to objectively analyze a proposal and evaluate impacts of a recommendation.

Skill in utilizing standard business software programs such as spreadsheets, word processing, database, presentation and graphics programs.

Ability to establish and maintain effective working relationships with City agency managers and other personnel.

**Minimum Education and Experience Requirements:**

Requirements - A bachelor's degree in business, public administration, public policy, economics, accounting, statistics, political science or operations research from an accredited college or university and five years of experience in grant management, governmental accounting, analysis of budgets, or management operations.

Equivalencies – Certification as a Certified Public Accountant (CPA), Certified Public Financial Officer (CPFO), or a Master's degree in business, public administration, public policy, economics, accounting, or statistics, from an accredited college or university may be substituted for one year of the experience requirement.

## Document 4: Grants Director Position Opening



### DEPARTMENT OF FINANCE, CITY OF BALTIMORE

#### GRANTS DIRECTOR IN BUDGET AND MANAGEMENT RESEARCH

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Position: Director of Grants Management

##### Overview

The Department of Finance is responsible for safeguarding the fiscal integrity of the City of Baltimore through the development and implementation of sound financial policies and practices. Within the Department are five bureaus - Revenue Collection, Budget and Management Research, Accounting and Payroll Services, Purchases, Treasury Management – and the Office of Risk Management. The position is under the Bureau of the Budget and Management Research (BBMR).

The Bureau of the Budget and Management Research's main function is to formulate the City's annual operating budget and oversee budget revenues and expenditures. BBMR transitioned the City to an innovative, performance-based budgeting process called *Outcome Budgeting* several years ago and oversees the annual Baltimore Citizen Survey. The Management Research function of BBMR aims to improve the quality and cost-effectiveness of public services by providing high-quality analysis and research for a variety of management, programmatic and fiscal issues.

##### Roles and Responsibilities

The Bureau of the Budget and Management Research of the Department of Finance is currently seeking a Grants Director to provide administrative management and fiscal oversight for City-wide grants.

- Plans, organizes, and supervises the daily activities of the grants management unit.
- Performs advanced level financial, budgeting, accounting, reporting, auditing and research.
- Reviews and interprets grant agreements for compliance issues. Ensures compliance with the Mayor's priority outcomes for the City of Baltimore.
- Evaluates, plans, and implements requirements for grants within the City to ensure an effective internal control structure to safeguard City assets.
- Identifies grant opportunities.
- Develops a central data management system for tracking and reporting the status of all City grants.
- Facilitates comprehensive updates to the grant policies in the Baltimore City Administrative Manual by working closely with City agencies and the Bureau of Accounting.
- Recruits, trains, mentors and manages the performance of Grants Management staff.



## Document 4: Grants Director Position Opening, cont.

### Qualifications and Eligibility

- Bachelor's degree required. Certification as a Certified Public Accountant (CPA), Certified Public Financial Officer (CPFO), or Master's Degree desirable.
- A minimum of five years of experience in grants administration. A Master's Degree may be substituted for one year of the experience requirement.
- A strong professional interest in public finance, city government, policy and data analysis, and identifying ways to make City services more efficient and effective.
- Proven analytical ability including strong quantitative skills, excellent writing ability and public presentation skills.

### Application Submission

Interested Applicants should submit a resume to [andrew.kleine@baltimorecity.gov](mailto:andrew.kleine@baltimorecity.gov) .

### Contact

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Bureau of the Budget and Management Research  
City of Baltimore  
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*The Bureau of the Budget and Management Research is an essential fiscal steward for the City of Baltimore. Our mission is to promote economy and efficiency in the use of City resources and help the Mayor and City agencies achieve positive outcomes for the citizens of Baltimore. We do this by planning for sustainability, exercising fiscal oversight, and performing analysis of resource management and service performance. We value integrity, learning and innovating, excellent customer service, and team spirit.*

## **Determine the Need for Technology to Improve Oversight**

The City does not have a comprehensive database to track grant budgets, awards, revenues and expenses. Grants budgets and appropriations are available in the budget and accounting systems. Revenues and expenditures are available in the accounting system. Individual agencies track their awards, expenses, and reimbursements on Excel spreadsheets, outside the central financial system.

Of the six jurisdictions interviewed, two have a grants management system. Howard County uses SAP Financial Management and the City of Boston uses Oracle's PeopleSoft Financial Management. The City of Louisville uses an Oracle database that has a grants management module, but the module has not been activated. All other jurisdictions use spreadsheets for grants tracking and reporting.

Both Howard County's and the City of Boston's grants management module is within the accounting system. Both financial systems allow the user to set up each grant with a unique identifier. The City of Boston also has a field to track the Catalog of Federal Domestic Assistance (CFDA numbers). The grants management application for both cities tracks the budget, award, expenses, revenues, journal entries, billings, etc. Howard County's budget data is pulled into SAP from the County's budget system; users update the budget data once the award amount is available. Howard County's system also has the capacity to store grant agreement documents.

### Develop a Grants Management Database

**BBMR recommends the City develop a grants management database to track grant applications, awards, appropriations, expenditures and revenues.** The BAPS is planning to purchase a grants accounting module to augment the existing CityDynamics financial system. The bureau indicates funding for this project is available. The concept is in the early phases and a kickoff meeting was held in July 2013 to discuss the scope of the project. BBMR recommends the City conduct additional research of available grant management systems prior to moving forward with the project to ensure the City has a comprehensive knowledge of the options offered by similar systems.

## CONCLUSIONS

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The responsibility for overall management of City grants is decentralized. This study shows that the fiscal oversight and monitoring is being performed inadequately by the BAPS, BBMR, and City agencies. An evaluation of the City's grant management practices and other jurisdictions' practices suggests that the City could improve the management of grant programs and safeguard City assets by creating a grants management unit and a database for the fiscal oversight and monitoring of City grants and programs.

## RECOMMENDATIONS

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To increase the overall management and fiscal oversight of City grants, BBMR recommends the following actions:

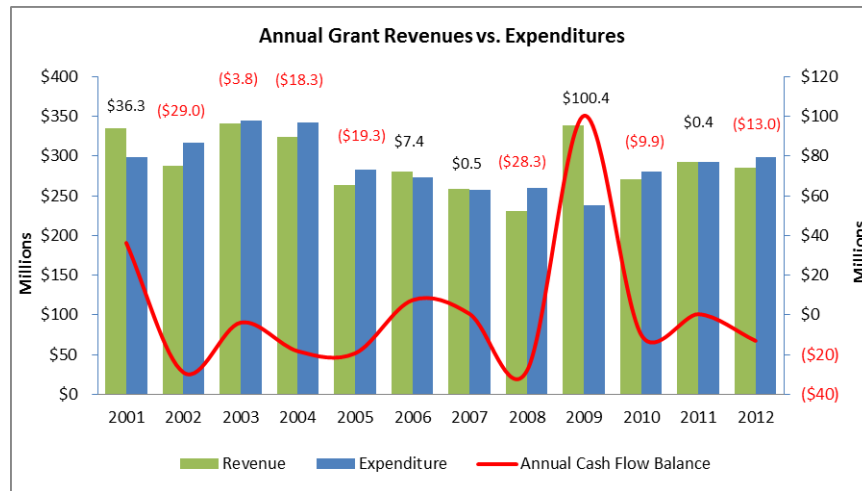
1. Reconcile all grant accounts to determine actual grant deficits and General Fund liability.
2. Evaluate existing grants policies and procedures and update the Administrative Manual (AM) as appropriate.
3. Instruct agencies in implementing new AM regulations.
4. Update procedures to improve compliance.
5. Develop procedures for sub-recipient monitoring.
6. Develop a grants handbook to provide simplified guidance for agencies and the Finance Department.
7. Update review of grant applications procedures.
8. Update approval of grant applications procedure.
9. Improve grant budgeting procedures to include grant budget training as part of Outcome Budgeting/General Fund training for agencies.
10. Streamline grant accounting procedures.
11. Dedicate personnel primarily responsible for grants management.
12. Develop a grants management unit that will be supported by a director and grants budget analyst.
13. Enhance the accounting bureau by creating 2 grants accounting analysts and a grants compliance analyst.
14. Explore the feasibility of assessing a grants overhead fee to help offset the cost of the new grants management unit.
15. Develop a grants management database to track grant applications, awards, appropriations, expenditures and revenues.

# APPENDIX I: TABLES, CHARTS, AND DOCUMENTS

## Fiscal Years 2001 – 2012

This research study also looked at the annual revenues and expenditures for the past twelve fiscal years. Chart 7 displays the grant revenues collected versus expenditures and the annual excess (deficiency) of revenues over (under) expenditures as reported in the City’s Comprehensive Annual Financial Reports (CAFR). The spike in revenue for 2009 was the result of the application of Governmental Accounting Standards Board (GASB) Statement No. 33 for rules on revenue recognition.

**Chart 7: Fiscal Years 2001 – 2012 Revenues vs. Expenditures**



The City’s CAFR for the fiscal year ending June 30, 2001 reported a deficit fund balance of \$47.1 million for the Grants Revenue Fund. Fiscal 2012 CAFR reports a deficit fund balance of \$40.2 million, which indicates the fund balance deficit has been reduced by \$6.9 million over the past eleven fiscal years. BBMR calculated the fund balances for Fiscal Years 2001-2012 based on the annual excess (deficiency) of revenues over (under) expenditures reported on the CAFRs. Table 5 displays the result of BBMR’s calculations.

**Table 5: Fiscal Years 2001 – 2012 Annual Cash Flow Balances vs. Fund Balances**

Fiscal	Revenue	Expenditure	Annual Cash Flow Balance	Fund Balance	Calculation Check	Difference	Notes
A	B	C	D = B - C	Reported on CAFR	F = Prior Year Fund Balance + D	E - F	
2000	\$293,697	\$272,900	\$20,797	N/A	N/A	N/A	
2001	\$334,831	\$298,551	\$36,280	(\$47,086)	N/A	N/A	
2002	\$287,578	\$316,563	(\$28,985)	(\$71,738)	(\$76,071)	(\$4,333)	
2003	\$340,989	\$344,830	(\$3,841)	(\$75,579)	(\$75,579)	\$0	
2004	\$324,317	\$342,586	(\$18,269)	(\$93,848)	(\$93,848)	\$0	
2005	\$263,542	\$282,888	(\$19,346)	(\$113,194)	(\$113,194)	\$0	
2006	\$280,232	\$272,814	\$7,418	(\$105,776)	(\$105,776)	\$0	
2007	\$258,288	\$257,756	\$532	(\$105,244)	(\$105,244)	\$0	
2008	\$231,047	\$259,387	(\$28,340)	(\$133,584)	(\$133,584)	\$0	
2009	\$338,749	\$238,399	\$100,350	(\$33,234)	(\$33,234)	\$0	
2010	\$270,692	\$280,603	(\$9,911)	(\$38,385)	(\$43,145)	(\$4,760)	\$4.8 million reported as Transfers To/From Other Funds
2011	\$292,887	\$292,497	\$390	(\$32,688)	(\$37,995)	(\$5,307)	\$5.3 million reported as Transfers To/From Other Funds
2012	\$285,240	\$298,287	(\$13,047)	(\$40,248)	(\$45,735)	(\$5,487)	\$5.5 million reported as Transfers To/From Other Funds

For fund balances, BBMR added the excess (deficiency) of revenues over (under) expenditures to the prior year fund balance as reported on the CAFR statements, Fund Balances - Governmental Funds - Last Ten Fiscal Years. For Fiscal Years 2003-2009, the BBMR calculated fund balance agrees with the fund balances reported on the City's CAFRs.

During Fiscal 2010, the City determined it had not been calculating the grant revenue accrual in a manner consistent with Government Accounting Standards Board (GASB) statement 33. The City calculated the impact of the error on 2010 and prior years. The resultant adjustment was reflected as a 2010 beginning fund balance adjustment and to the fiscal 2010 balances. This correction explains the significant increase in fund balance between fiscal years 2008 and 2009.

Fiscal 2010 Grants Revenue fund balance is a reported deficit of \$38.4 million. The excess (deficiency) of revenues over (under) expenditures for Fiscal 2010 is a deficit of \$9.9 million. BBMR calculates the fund balance for Fiscal 2010 to be a deficit of \$43.1 million, which is \$4.8 lower than the fund balance reported on the City's CAFR. This difference is the amount transferred from the Parking Fund.

BBMR's fund balance calculations for Fiscal 2011 and 2012 resulted in similar differences as stated previously for Fiscal 2010. The difference of \$5.3 million and \$5.5 million for Fiscal 2011 and 2012 respectively, resulting from transfers from the Parking Fund.

Chart 8 displays the annual cash balances vs. fund balances for Fiscal Years 2001 through 2012 as reported in the City's Comprehensive Annual Financial Reports.

**Chart 8: Fiscal Years 2001 – 2012 Annual Cash Flow Balances vs. Fund Balances**

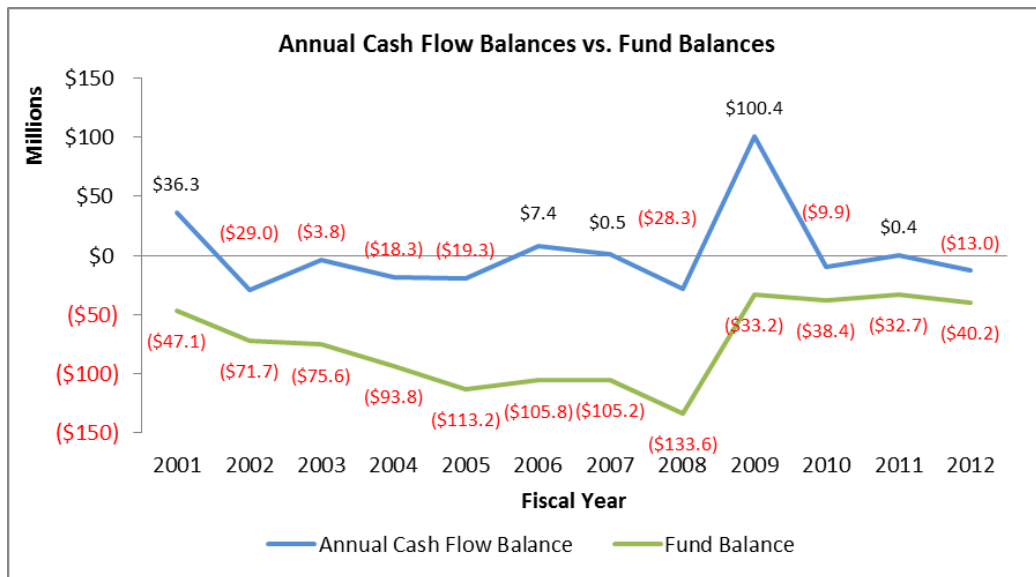


Table 6: Grant Budget Details for Fiscal Years 2010 – 2013

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Courts: Circuit Court	Courts: Community Re-entry Program	618,593	620,083	661,090	424,809	2,324,575
Courts: Circuit Court	Courts: Alcohol Assessment Unit	658,645	639,512	637,705	451,102	2,406,964
Courts: Circuit Court	Courts: Domestic Relations Masters	181,058	173,057	173,057	209,318	736,490
Courts: Circuit Court	Unallocated State Grants	182,903	39,745	34,169	47,983	324,802
Courts: Circuit Court	Courts: Community Services Program	372,678	360,007	396,519	305,753	1,434,957
Courts: Circuit Court	Jurors' Fees - State Portion	340,000	340,000	340,000	345,440	1,365,440
Courts: Circuit Court	Courts: Pre-trial Screen/Pre-sentence Evaluation	895,711	743,419	330,534	270,980	2,240,644
Courts: Circuit Court	Circuit Court	1,613,487	1,824,321	1,864,466	1,535,102	6,837,376
Courts: Circuit Court	New City School Board Basic Grant	185,076	219,853	77,439	78,710	561,078
Courts: Circuit Court	Coordinating Council on Criminal Justice	235,300	232,771	230,883	235,461	934,615
Courts: Circuit Court	Audit Drug Court	309,265	414,554	160,393	211,290	1,095,502
Courts: Circuit Court	Master's and Juror Reimbursement-HB 913	1,723,791	1,549,980	1,368,674	1,399,903	6,442,348
Courts: Circuit Court	Court Medical Evaluation Team	767,651	725,110	742,008	546,518	2,781,287
Courts: Circuit Court	Unallocated Special Grants	85,000	83,850	101,383	91,578	361,811
Courts: Circuit Court	Baltimore Mental Health Systems Grant	0	0	0	148,183	148,183
Employees' Retirement Systems	Employees' Retirement System	5,361,288	5,335,965	5,817,330	5,361,998	22,276,581
Employees' Retirement Systems	Fire and Police Retirement System	4,172,969	4,297,699	4,474,737	4,181,999	17,127,404
Finance	Surplus Property Disposal	201,000	187,211	183,323	196,078	769,612
Finance	Inspection Revenue Collection	0	436,619	433,733	315,312	1,187,664
Fire	Unallocated Federal Grants	1,000,000	1,210,716	1,226,398	1,275,000	4,712,114
Fire	FEMA Equipment Grant	1,301,312	1,426,368	1,426,368	1,302,000	5,456,048
Fire	MEMA - HMEP Grant	3,143	9,206	9,206	9,240	30,795
Fire	Fire: State Fire, Rescue & Ambulance Fund	1,065,370	1,077,011	1,077,011	1,094,243	4,313,635
Fire	ALS Training	17,475	26,295	26,295	20,763	90,830
Fire	EMS Dispatch Training	2,278	2,200	2,200	2,200	8,878
Fire	Waterways Improvement	10,000	20,000	20,000	25,000	75,000
Fire	MIEMSS - AED Grant	19,700	21,192	21,192	15,302	77,386
Fire	GATE	9,200	6,077	5,367	8,850	29,494
Fire	Fire: Special Ambulance Service	11,000,000	12,000,000	12,550,000	12,713,969	48,263,969
General Services	Unallocated State Grants	0	0	1,000,000	1,016,000	2,016,000
Health	CDBG	0	0	104,135	259	104,394
Health	CDBG FY 2011	0	429,877	299,940	340,372	1,070,189
Health	Unallocated Federal Grants	0	220,016	0	0	220,016
Health	Behavioral Intervention	204,115	181,609	260,891	240,000	886,615
Health	Expanded City Testing	0	0	679,633	905,218	1,584,871
Health	Federal MSM	242,390	0	0	0	242,390
Health	HIV Partner Services	0	0	279,938	496,114	776,052
Health	Safe Streets	58	4,070	0	0	4,128
Health	Refugee Resettlement	103,490	103,490	0	0	206,980
Health	Early Intervention Services	0	0	56	53	109
Health	Tuberculosis Control	14,647	17,089	0	0	31,736
Health	PWC/ACC	1,544,842	1,544,842	1,544,842	1,759,327	6,393,853
Health	EPSDT/NON-COMP	4,094,741	3,623,700	3,627,676	3,630,666	14,976,783
Health	State Healthy Start Grant	0	472,836	472,836	472,836	1,418,508
Health	Continuum of Care for Uninsured Addicts	0	273,777	275,605	275,099	824,481
Health	AIDS Prevention Case Management	195,000	536,249	298,930	231,189	1,261,368
Health	Expanded HIV Testing	1,435,219	1,423,649	505,032	660,007	4,023,907
Health	Health: Tuberculosis Control	527,313	436,853	456,011	460,833	1,881,010
Health	AIDS Surveillance	91,432	143,676	142,360	142,476	519,944
Health	CTSD Data Evaluation	835,319	798,501	590,923	742,619	2,967,362
Health	Childhood Lead Poisoning Prevention	849,197	855,228	899,526	852,839	3,456,790
Health	Health: Sexually-transmitted Disease (STD) Cont	1,876,706	1,520,610	1,490,426	1,676,553	6,564,295
Health	Health: STD Control Training Center	0	148,362	119,586	220,387	488,335
Health	Family Planning	2,721,495	2,672,205	1,662,373	1,366,103	8,422,176
Health	Health: Children & Youth Services	2,073,033	2,010,238	1,975,174	2,130,703	8,189,148
Health	Health: Adolescent Children's Health Project	115,819	103,102	95,818	95,818	410,557
Health	Public Health Preparedness and Response for Bi	622,038	647,699	594,462	562,842	2,427,061
Health	Health: Women-Infant-Children Supplemental Fi	2,220,439	2,493,966	2,544,447	2,372,753	9,631,625
Health	Health: Retired Senior Volunteer Program	115,866	115,300	117,122	120,368	468,656
Health	Health: Senior Companion Program	307,486	302,543	305,601	308,311	1,223,941
Health	Senior Aides Program	557,245	615,684	618,021	1,833	1,792,783
Health	HIV Integration System	159,681	193,992	200,369	203,700	757,742
Health	AIDS Health Education	611,383	401,370	364,724	620,623	1,998,102
Health	Ryan White Part B	5,612,660	3,245,071	3,316,609	3,673,286	15,847,626
Health	Immunization	620,171	617,837	621,961	747,237	2,607,206
Health	Municipal Health Services	148	0	0	0	148
Health	Behavioral Surveillance Research	0	346,500	251,174	0	597,674
Health	JHU Family Planning	149,680	0	0	0	149,680
Health	Health: Medical Assistance administration	-160	0	0	0	(160)
Health	Health: Geriatric Evaluation Services	1,305,766	1,294,111	1,485,293	1,553,908	5,639,078
Health	Ryan White Part D - WICY Health Support	648,593	618,114	618,114	618,114	2,502,935
Health	CDC - Childhood Lead Poisoning	262,708	255,151	201,088	349,048	1,067,995
Health	Health: Personal Care	3,076,242	3,428,317	3,629,015	3,038,577	13,172,151
Health	Health: Emergency Relief - H.I.V.	0	84	0	0	84
Health	Health: Infants & Toddlers Program	2,304,905	2,095,845	2,022,921	1,843,882	8,267,553
Health	Health: Addiction Services Block Grant	141,800	0	0	0	141,800
Health	Ryan White Part D - Youth Health Support	263,730	286,382	286,382	286,382	1,122,876
Health	Ryan White Part A	18,383,523	20,505,292	19,895,283	19,066,439	77,850,537

Table 6: Grant Budget Details for Fiscal Years 2010 – 2013, cont.

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Health	Perinatal Hepatitis	106,880	105,507	110,449	109,616	432,452
Health	MAI for Part A	2,211,394	2,256,262	1,945,421	0	6,413,277
Health	DEMO IV	1,003,135	1,299,031	111,367	0	2,413,533
Health	Health: Drug Exposed & Affected Newborn Child	113,027	110,379	20,055	20,052	263,513
Health	Health: Infants & Toddlers - Medical Assistance	230,000	230,000	200,000	800,113	1,460,113
Health	Dating Matters	0	0	0	350,000	350,000
Health	Reducing Asthma Disparities	449,680	442,671	424,356	52	1,316,759
Health	Southwest Healthy Homes & Communities Initia	66,412	0	0	0	66,412
Health	SPNS	184,974	0	0	0	184,974
Health	Health: Child & Adult Care Food Program	6,002,476	6,001,709	6,000,072	67	18,004,324
Health	Child and Adult Care Food-Administration	720,136	745,200	733,175	0	2,198,511
Health	Community Based Violence Prevention	0	0	0	1,022,341	1,022,341
Health	TB Consortium	349,858	349,858	0	0	699,716
Health	Lead Abatement Action Project	42,338	43,608	0	0	85,946
Health	Health: Hepatitis B Study	799	0	0	0	799
Health	Lead Hazard Demo	59,478	0	0	0	59,478
Health	Temporary Cash Assistance Residential Service	28,621	28,621	28,621	28,621	114,484
Health	Lead Abatement Project Phase II	0	170	0	0	170
Health	Health: Healthy Schools, Communities	478,107	570,532	493,006	269	1,541,914
Health	Congregate Nutrition Title III-C1	0	1,711,993	1,750,392	1,767,547	5,229,932
Health	Adult Day Care	0	143,754	325,916	255,700	725,370
Health	Senior Health Insurance Program: SHIP	0	57,039	59,441	59,159	175,639
Health	Area Agencies on Aging Title III - B	0	1,413,003	1,623,802	1,447,022	4,483,827
Health	Title VII - Federal Ombudsman	0	66,774	63,571	65,809	196,154
Health	Home Delivered Meals Title III C-2	0	869,525	882,043	888,346	2,639,914
Health	Family Caregivers - Title III-E	0	601,726	599,881	604,517	1,806,124
Health	Medication Management - Title III-D	0	53,712	55,150	55,564	164,426
Health	Senior Medicare Patrol	0	16,333	16,333	16,333	48,999
Health	Nursing Home Diversion	0	45,000	0	0	45,000
Health	Health Impact Assessment	0	0	0	154,867	154,867
Health	Healthy Homes/Greater Baltimore Asthma Alliar	0	20,000	20,000	20,000	60,000
Health	DHMH Block	0	150,000	150,000	37,500	337,500
Health	Health: Rodent Eradication	105,062	0	0	0	105,062
Health	PREP	0	0	0	401,331	401,331
Health	PHEP - H1N1	0	1,696,210	0	0	1,696,210
Health	CDC Cardiovascular	0	190,000	190,000	0	380,000
Health	Healthy Homes/Safe Pest Management	0	249,457	148,547	0	398,004
Health	Second Chance	0	0	250,000	0	250,000
Health	Cancer Prevention, Education and Screening	0	0	1,157,127	1,222,612	2,379,739
Health	Baltimore City Adult District Court	0	0	325,000	325,000	650,000
Health	Enhancing Adult Drug Court	0	0	0	101,984	101,984
Health	Ryan White Part A - Non Traditional	0	0	0	2,080,735	2,080,735
Health	Home Visiting Planning	0	0	0	395,988	395,988
Health	Operations Safe Kids	1,700,982	1,390,540	1,118,789	1,153,798	5,364,109
Health	Operation Safe Kids - Court Funded by the GOCC	0	101,101	52,329	0	153,430
Health	Inspection & Lead Dust Analysis/Foster Care	161,850	323,158	275,784	277,339	1,038,131
Health	DHMH OMH	0	256,000	197,468	149,927	603,395
Health	Healthy Teens and Young Adults	0	0	893,387	898,963	1,792,350
Health	State Needle Exchange	291,980	447,441	303,301	411,234	1,453,976
Health	IPT Developmental Peds	0	2,461	0	0	2,461
Health	Lead Outreach	148,480	153,958	154,458	6,901	463,797
Health	Health: State Venereal Disease Control	69,840	69,521	69,503	62,109	270,973
Health	Health: Healthy Teens & Young Adults	0	335	0	0	335
Health	Lead Enforcement	0	699	0	0	699
Health	Health: Mental Health Administration	664,582	664,582	664,582	664,582	2,658,328
Health	Tobacco Use Prevention	84,890	56,145	0	276	141,311
Health	Health: Medicaid Transportation Services	9,433,261	9,435,478	10,255,776	10,298,745	39,423,260
Health	Health: State Tuberculosis Control	99,190	83,608	83,797	57,039	323,634
Health	Health: Healthy Start - Infants	1,735	46	0	0	1,781
Health	Health: Foster Day Care	148,581	147,663	147,097	148,581	591,922
Health	Health: Baltimore's Best Babies	0	58	0	0	58
Health	Health: Special Educational Health Services	0	544	0	0	544
Health	Health: Comprehensive School Health Services	531,601	528,345	528,993	505,061	2,094,000
Health	Health: D.H.R. Foster Care Case Management	372,460	370,206	406,775	0	1,149,441
Health	Health: Homeless Family Program	3,466,000	3,647,640	0	0	7,113,640
Health	School Food Service	333,265	868,689	865,443	871,551	2,938,948
Health	Cigarette Restitution	1,068,019	205,948	267,722	217,327	1,759,016
Health	Adult Dentures	40,000	40,000	40,000	43,000	163,000
Health	Correctional Option-Health	590,000	590,000	590,000	590,000	2,360,000
Health	Cancer Surveillance and Control	10,000	0	0	0	10,000
Health	Statewide Senior Transportation Assistant Progr	0	379,335	379,335	379,335	1,138,005
Health	Medicaid Waiver	0	981,181	873,446	881,451	2,736,078
Health	State Guardianship	0	347,235	303,540	306,731	957,506
Health	State Ombudsman	0	138,396	135,743	141,648	415,787
Health	State Nutrition	0	600,090	600,090	600,090	1,800,270
Health	Money Follows The Person	0	213,895	217,098	301,341	732,334
Health	Subsidized Assisted Housing	0	184,906	168,874	183,497	537,277
Health	Senior Information and Assistance	0	227,749	191,312	193,948	613,009

Table 6: Grant Budget Details for Fiscal Years 2010 – 2013, cont.

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Health	Senior Care	0	1,348,743	1,440,309	1,373,609	4,162,661
Health	Vulnerable Elderly Program Initiative	0	159,059	163,604	163,403	488,066
Health	Senior Center Operating Funds	0	129,914	129,242	129,852	389,008
Health	Regional Needs	134,589	134,589	134,589	134,589	538,356
Health	Recreation and Parks Special Facilities	0	0	0	46,700	46,700
Health	Medicaid Reimbursement Fees	40,000	40,000	40,000	40,000	160,000
Health	National Reach Out & Read	35,000	15,000	0	0	50,000
Health	Open Society Institute Grant	41,700	0	0	0	41,700
Health	Health	0	87,425	0	0	87,425
Health	UW Virtual Supermarket	0	0	0	86,583	86,583
Health	Comprehensive School Health Services	186,960	186,960	186,960	382,090	942,970
Health	Oral Health Care	156,506	156,506	156,506	156,645	626,163
Health	Comprehensive School Health	7,379,763	9,356,924	9,726,421	10,076,763	36,739,871
Health	Health: Abell Foundation - Norplant Grant	45,000	45,000	45,000	50,000	185,000
Health	Immunization - Flu Clinic	5,000	5,000	5,000	5,000	20,000
Health	Safe Streets Foundation Account	1,000,000	1,000,000	0	0	2,000,000
Health	Operation Safe Kids Crane Foundation	250,000	0	0	0	250,000
Health	Birth Outcomes	0	1,150,000	1,150,000	0	2,300,000
Health	Walmart Virtual Supermarket	0	0	0	105,307	105,307
Health	Strauss Foundation - HTYA	45,000	45,000	45,000	50,000	185,000
Health	Project Homes - Assisted Living	50,000	0	50,000	50,000	150,000
Health	Lead Enforcement Fines	20,000	20,000	20,000	20,000	80,000
Health	MD State Lead Certificates	10,000	10,000	10,000	10,000	40,000
Health	Nurse Practitioner - CG Woodson SBHC	0	25,000	25,000	25,000	75,000
Health	Tobacco Control Violations	25,000	0	0	0	25,000
Health	Family League - OSK	59	56	0	0	115
Health	Family Planning Special Needs	5,000	5,000	5,000	5,000	20,000
Health	Waxter Center Rental	0	30,000	0	0	30,000
Health	Messina Bequest	0	109,932	0	0	109,932
Health	Nutrition Services Incentive Program	0	231,883	308,364	308,364	848,611
Health	Information and Assistance Emergency Fund	0	7,500	0	0	7,500
Health	Guardianship Large Reimbursement Estates	0	7,150	0	0	7,150
Health	WIC Special Needs	1,500	1,500	1,500	1,500	6,000
Housing & Community Development	CDBG FY 2010	11,022,237	0	0	0	11,022,237
Housing & Community Development	CDBG FY 2011	0	12,235,698	13,234,216	11,036,132	36,506,046
Housing & Community Development	Substance Abuse and Mental Health Services Ad	400,000	0	0	0	400,000
Housing & Community Development	HUD Lead Abatement	0	0	0	953,372	953,372
Housing & Community Development	Anti-Gang Grant	0	112,286	0	0	112,286
Housing & Community Development	HCD: Head Start - Part Day Programs	95,000	0	44	42	95,086
Housing & Community Development	HOPWA Entitlement	8,195,000	0	0	0	8,195,000
Housing & Community Development	HOME - FY 2005 Award	0	542,870	0	0	542,870
Housing & Community Development	Emergency Shelter Grant - FY 2000	107,569	646,797	707,468	315,618	1,777,452
Housing & Community Development	2006 Emergency Shelter	1,034,343	0	0	0	1,034,343
Housing & Community Development	HOPWA Competitive Award	0	879,991	0	0	879,991
Housing & Community Development	Supportive Housing	13,868,376	0	0	0	13,868,376
Housing & Community Development	Shelter Plus Care	7,672,992	0	0	0	7,672,992
Housing & Community Development	Pimlico Racetrack Special Services	55,000	30,257	0	0	85,257
Housing & Community Development	MD Lead Abatement	0	0	0	324,124	324,124
Housing & Community Development	Homeless Prevention Program	454,700	0	0	0	454,700
Housing & Community Development	Service Linked Housing	344,606	0	0	0	344,606
Housing & Community Development	Homeless Women's Crisis Center	432,777	0	0	0	432,777
Housing & Community Development	Emergency and Transitional Housing	1,756,302	0	0	0	1,756,302
Housing & Community Development	Summer Food Service	3,151,730	3,233,961	3,243,731	3,295,223	12,924,645
Housing & Community Development	MD Energy Assistance Program (MEAP)	4,800,000	4,794,345	4,831,983	4,887,002	19,333,330
Housing & Community Development	Electric Universal Service Program	134,348	134,348	134,348	134,348	537,392
Housing & Community Development	Community Services Block Grant	2,865,955	0	1,310	865	2,868,130
Housing & Community Development	State General Funds	0	17,317	0	0	17,317
Housing & Community Development	The Emergency Food Assistance Program	451,372	0	0	0	451,372
Housing & Community Development	Temp Asst - Needy Families	0	2,313	0	0	2,313
Housing & Community Development	HCD: Federal DOE Weatherization Project	500,000	498,018	625,520	520,425	2,143,963
Housing & Community Development	HCD: Conservation Home Improvement Program	400,000	400,000	400,000	400,000	1,600,000
Housing & Community Development	EmpowerMD	0	0	0	5,300,000	5,300,000
Housing & Community Development	Rec & Parks: Northwood	0	75,750	67,892	93,787	237,429
Housing & Community Development	Rec & Parks: Waverly	0	136,635	60,207	81,328	278,170
Housing & Community Development	Homeless Services Administration	37,353	0	0	0	37,353
Housing & Community Development	Code Enforcement Legal Section Personnel	74,942	0	-21,677	211	53,476
Housing & Community Development	Code Enforcement Court Awards	50,000	50,000	71,820	50,000	221,820
Housing & Community Development	BDC: Property Management & Administration	300,000	300,000	300,000	304,800	1,204,800
Law	Special Collections Unit	106	0	0	0	11,903
Legislative Reference	Unallocated Special Grants	11,400	11,400	11,400	11,582	45,782
Enoch Pratt Free Library	Library: Library Services to Inmates	179,525	173,841	180,904	188,506	722,776
Enoch Pratt Free Library	State Library Resource Center	9,382,634	9,408,107	9,544,914	9,641,770	37,977,425
Enoch Pratt Free Library	Trustee Development Office	421,672	426,483	476,614	448,739	1,773,508
Enoch Pratt Free Library	Trustee Youth Services Fund	58,391	61,503	64,498	64,621	249,013
Mayorality	Refugee Resettlement's Targeted Assistance	346,401	346,401	346,461	352,004	1,391,267
Mayorality	Unallocated Special Grants	100,000	0	99,960	0	199,960
Office of Information Technology	Police: 911 Emergency Telephone Service	0	0	0	6,635,637	6,635,637
Office of Children, Youth & Families	CDBG	63,797	0	0	0	63,797



Table 6: Grant Budget Details for Fiscal Years 2010 – 2013, cont.

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Office of Children, Youth & Families	CDBG FY 2010	-62,980	0	0	0	(62,980)
Office of Children, Youth & Families	Even Start Family Literacy	313,911	0	0	0	313,911
Office of Children, Youth & Families	Unallocated State Grants	244,487	0	0	0	244,487
Office of Human Services	CDBG FY 2011	0	939,460	933,790	823,789	2,719,039
Office of Human Services	Substance Abuse and Mental Health Services Ad	0	400,000	0	0	400,000
Office of Human Services	Headstart Homeless Project	593,330	0	0	0	593,330
Office of Human Services	Early Headstart TNNTA	33,775	38,662	0	66,337	180,974
Office of Human Services	HCD: Head Start - Part Day Programs	24,790,398	26,674,049	30,162,162	27,206,240	108,832,849
Office of Human Services	HCD: Head Start	238,788	238,788	0	271,802	749,378
Office of Human Services	HCD: Head Start	2,537,131	2,614,788	0	2,636,472	7,788,411
Office of Human Services	DHHS - Oral Health Grant	75,000	0	0	0	75,000
Office of Human Services	HCD: Head Start - Services to Handicapped Child	399,770	0	0	0	399,770
Office of Human Services	HOPWA Entitlement	0	8,723,765	10,043,849	10,043,223	28,810,837
Office of Human Services	2006 Emergency Shelter	0	1,020,998	1,019,638	1,019,638	3,060,274
Office of Human Services	HOPWA Competitive Award	0	0	1,339,000	1,339,000	2,678,000
Office of Human Services	Supportive Housing	0	9,684,388	11,396,103	10,323,911	31,404,402
Office of Human Services	Shelter Plus Care	0	9,247,790	9,123,142	9,581,688	27,952,620
Office of Human Services	Homeless Prevention Program	0	494,700	494,700	494,700	1,484,100
Office of Human Services	Service Linked Housing	0	344,606	172,383	172,383	689,772
Office of Human Services	Homeless Women's Crisis Center	0	432,777	389,499	432,778	1,255,054
Office of Human Services	Emergency and Transitional Housing	0	1,736,302	1,380,673	1,373,334	4,712,509
Office of Human Services	Community Services Block Grant	0	3,011,875	3,033,233	2,926,061	8,971,169
Office of Human Services	The Emergency Food Assistance Program	0	451,372	251,372	251,372	954,116
Office of Human Services	State Headstart	1,387,270	716,093	604,467	594,711	3,302,541
Office of Human Services	Judy Center	0	104,000	104,000	0	208,000
Office of Human Services	Job Search Program	590,427	590,427	0	0	1,180,854
Office of Human Services	State Early Head Start	191,160	191,160	0	0	382,320
Office of Human Services	Unallocated Special Grants	0	0	0	81,810	81,810
Office of Human Services	Homeless Services Administration	0	1,224,376	130,492	-1,584	1,353,284
Office of Criminal Justice	Unallocated Federal Grants	7,933,063	9,330,846	9,332,742	9,683,719	36,342,370
Office of Criminal Justice	JAG	1,194,834	0	0	0	1,194,834
Office of Criminal Justice	Truancy Assessment Center	0	130,000	0	0	130,000
Office of Criminal Justice	Community Conferencing	86,280	0	0	0	86,280
Office of Criminal Justice	LLEBG VIII	45,000	0	0	0	45,000
Office of Criminal Justice	Unallocated State Grants	127,386	1,192,605	1,205,158	1,263,248	3,788,397
Office of Criminal Justice	C-Safe FY2011	0	0	0	40,300	40,300
Office of Criminal Justice	C-SAFE	1,070,597	0	0	0	1,070,597
Office of Criminal Justice	Unallocated Special Grants	0	275,000	365,000	400,000	1,040,000
Office of Criminal Justice	Domestic Violence Program	275,000	0	0	0	275,000
Aging & Retirement Education	Congregate Nutrition Title III-C1	1,367,220	0	0	0	1,367,220
Aging & Retirement Education	Adult Day Care	884,404	0	0	0	884,404
Aging & Retirement Education	Senior Health Insurance Program: SHIP	53,568	0	0	0	53,568
Aging & Retirement Education	Area Agencies on Aging Title III - B	1,108,382	0	0	0	1,108,382
Aging & Retirement Education	Title VII - Federal Ombudsman	62,688	0	0	0	62,688
Aging & Retirement Education	Home Delivered Meals Title III C-2	785,612	0	0	0	785,612
Aging & Retirement Education	Family Caregivers - Title III-E	599,931	0	0	0	599,931
Aging & Retirement Education	Medication Management - Title III-D	34,426	0	0	0	34,426
Aging & Retirement Education	Senior Medicare Patrol	16,325	0	0	0	16,325
Aging & Retirement Education	Nursing Home Diversion	45,000	0	0	0	45,000
Aging & Retirement Education	Statewide Senior Transportation Assistant Progn	379,335	0	0	0	379,335
Aging & Retirement Education	Medicaid Waiver	882,904	0	0	0	882,904
Aging & Retirement Education	State Guardianship	307,070	0	0	0	307,070
Aging & Retirement Education	State Ombudsman	113,403	0	0	0	113,403
Aging & Retirement Education	State Nutrition	600,090	0	0	0	600,090
Aging & Retirement Education	Money Follows The Person	60,000	0	0	0	60,000
Aging & Retirement Education	Subsidized Assisted Housing	176,622	0	0	0	176,622
Aging & Retirement Education	Senior Information and Assistance	215,467	0	0	0	215,467
Aging & Retirement Education	Senior Care	1,260,232	0	0	0	1,260,232
Aging & Retirement Education	Vulnerable Elderly Program Initiative	159,810	0	0	0	159,810
Aging & Retirement Education	Information Technology - IT Grant	3,887	0	0	0	3,887
Aging & Retirement Education	Senior Center Operating Funds	129,308	0	0	0	129,308
Aging & Retirement Education	Maryland Access Point	73,220	0	0	0	73,220
Aging & Retirement Education	Eating Together Contributions	166,576	0	0	0	166,576
Aging & Retirement Education	Waxter Center Rental	30,000	0	0	0	30,000
Aging & Retirement Education	Messins Bequest	109,932	0	0	0	109,932
Aging & Retirement Education	Nutrition Services Incentive Program	291,730	0	0	0	291,730
Aging & Retirement Education	Information and Assistance Emergency Fund	7,500	0	0	0	7,500
Aging & Retirement Education	Guardianship Large Reimbursement Estates	7,130	0	0	0	7,130
Convention Complex	Convention Center Expansion	3,938,400	3,763,881	0	0	9,702,281
Convention Complex	Convention Center Deficit	0	0	4,998,573	5,060,910	10,059,483
Cable & Communications	Unclaimed Late Fees	230,806	0	0	0	230,806
Cable & Communications	Cable Production Services	300,000	0	0	0	300,000
Cable & Communications	Public Access	760,000	832,894	832,894	866,340	3,332,328
Baltimore Economic Recovery Team	Unallocated Federal Grants	3,200,000	3,200,000	3,200,000	0	9,600,000
Baltimore Economic Recovery Team	Federal Stimulus - Byrne/JAG (Formula)	3,200,000	0	0	0	3,200,000
Baltimore Economic Recovery Team	Federal Stimulus - Byrne/JAG (Competitive)	2,000,000	0	0	0	2,000,000
Baltimore Economic Recovery Team	Federal Stimulus - Violence vs Women	1,000,000	0	0	0	1,000,000
Baltimore Economic Recovery Team	Federal Stimulus - COPS	3,000,000	7,030,000	0	0	10,030,000

Table 6: Grant Budget Details for Fiscal Years 2010 – 2013, cont.

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Baltimore Economic Recovery Team	Federal Stimulus - CDBG	6,226,574	0	0	0	6,226,574
Baltimore Economic Recovery Team	Federal Stimulus - Head Start	4,200,000	2,809,569	0	0	7,009,569
Baltimore Economic Recovery Team	Federal Stimulus - Homelessness	9,323,896	0	0	0	9,323,896
Baltimore Economic Recovery Team	Unallocated State Grants	3,200,000	0	0	0	3,200,000
Baltimore Economic Recovery Team	State Stimulus - Office of Victim Services	200,000	200,000	200,000	0	600,000
Baltimore Economic Recovery Team	State Stimulus - Weatherization	15,043,539	0	0	0	15,043,539
Baltimore Economic Recovery Team	State Stimulus - CSBG	4,400,000	0	0	0	4,400,000
Baltimore Economic Recovery Team	State Stimulus - Byrne Competitive Grants	6,000,000	0	0	0	6,000,000
Baltimore Economic Recovery Team	State Stimulus - Dislocated Worker	1,040,769	0	0	0	1,040,769
Baltimore Economic Recovery Team	State Stimulus - Adult Job Seeker & Incumbent V	1,545,216	0	0	0	1,545,216
Baltimore Economic Recovery Team	State Stimulus - Youthworks	3,558,951	0	0	0	3,558,951
Office of Employment Development	Unallocated Federal Grants	17,022,112	18,271,966	19,157,119	18,510,947	72,962,144
Office of Employment Development	Senior Aides Program	0	0	0	461,430	461,430
Office of Employment Development	Byway Manager	25,000	0	0	0	25,000
Office of Employment Development	Charles St. Scenic Byway	80,000	0	0	0	80,000
Office of Employment Development	Administrative Cost Pool	136,833	0	0	0	136,833
Office of Employment Development	WIA - Program Cost Pool	131,915	0	0	0	131,915
Office of Employment Development	Admin Cost Pool	15,935	0	0	0	15,935
Office of Employment Development	WIA Self-Employment Assistance	110,734	0	0	0	110,734
Office of Employment Development	Ex-Offender - MDPSCS-Parole and Probation	490,488	0	0	0	490,488
Office of Employment Development	WIA Maryland Business Works	32,730	32,730	32,730	33,274	131,524
Office of Employment Development	WIA Early Intervention Facilitator Grant	55,292	0	0	0	55,292
Office of Employment Development	TANF Wage Subsidies	1,708,475	0	0	0	1,708,475
Office of Employment Development	New Beginnings - (FTP/TANF)	1,339,484	0	0	0	1,339,484
Office of Employment Development	Family League (WRAP)	296,195	0	0	0	296,195
Office of Employment Development	Unallocated State Grants	1,860,351	1,675,792	2,359,183	2,487,193	8,382,519
Office of Employment Development	Baltimore City Public School System	76,034	0	2,051	532	78,617
Office of Employment Development	Heritage Area Management Project	100,000	100,000	100,000	101,600	401,600
Office of Employment Development	BCPS - Alternative High School	221,485	0	0	0	221,485
Office of Employment Development	Unallocated Special Grants	511,751	500,000	500,000	0	1,511,751
Office of Employment Development	Ex-Offender - Weinberg Foundation	488,249	0	0	0	488,249
Office of Civil Rights	Unallocated Federal Grants	67,107	0	0	0	67,107
Office of Civil Rights	CRC: Equal Employment Opportunity	0	50,128	50,884	45,500	146,512
Planning	CDBG FY 2010	1,128,759	0	0	0	1,128,759
Planning	CDBG FY 2011	0	1,118,523	1,170,460	0	2,288,983
Planning	United Transportation Planning Program Mgt	80,960	80,960	80,960	82,255	325,135
Planning	Economic Development Administration	120,000	0	0	0	120,000
Planning	Critical Areas	34,000	14,000	14,000	14,000	76,000
Police	Unallocated Federal Grants	10,000,000	10,000,000	9,199,319	9,631,092	38,830,411
Police	Identify Domestic Violence	294,890	0	0	0	294,890
Police	POLICE: STOP THIEF/OWNER PROTECTED/V.A.N	0	79,660	0	0	159,320
Police	GREAT Program	150,000	150,000	150,000	152,160	602,160
Police	Domestic Violence	45,000	0	0	0	45,000
Police	FY09 State Homeland Security	0	0	194,770	165,234	360,004
Police	Homeland Security	0	0	609,394	620,506	1,229,900
Police	Federal Stimulus - COPS	0	-102,477	0	313,193	210,716
Police	Pimlico Racetrack Special Services	15,525	8,541	0	0	24,066
Police	Unallocated State Grants	0	250,000	250,000	0	500,000
Police	Police: Special Foot Patrol	2,800,000	2,763,600	2,763,600	3,017,649	11,344,849
Police	Community Police Officers	2,000,000	1,974,000	1,974,000	2,005,584	7,953,584
Police	Police: Violent Crime Reduction Teams	2,500,000	2,434,422	2,434,422	2,515,390	9,924,234
Police	Sex Offense Registry	0	0	0	296,200	296,200
Police	Police: 911 Emergency Telephone Service	7,014,236	7,013,608	7,275,920	0	21,303,764
Police	Police: Shared Assets	2,500,000	2,475,000	2,375,000	2,301,000	9,651,000
Police	Crack Down on Auto Theft	35,000	0	0	0	35,000
Public Works	Unallocated Federal Grants	0	1,480,900	1,800,000	1,427,149	4,708,049
Public Works	Health: Rodent Eradication	0	90,482	96,179	0	186,661
Recreation & Parks	CDBG	227,581	0	0	137	227,718
Recreation & Parks	CDBG FY 2010	-227,581	227,950	0	0	369
Recreation & Parks	CDBG FY 2011	0	-227,950	0	13,417	(214,533)
Recreation & Parks	Pimlico Racetrack Special Services	20,700	11,388	0	0	32,088
Recreation & Parks	Rec & Parks: Maintenance of Park Property	228,000	227,785	309,900	229,742	995,427
Recreation & Parks	Chesapeake Bay Trust	19,775	0	0	0	19,775
Recreation & Parks	Unallocated Special Grants	108,214	125,355	125,374	126,424	485,367
Recreation & Parks	Rec & Parks: Preschool-age Child Care	29,583	0	0	0	29,583
Recreation & Parks	Rec & Parks: Amateur Athletics	146,243	146,243	146,243	147,758	586,487
Recreation & Parks	Safe and Sound	138,937	139,786	134,443	135,819	548,985
Recreation & Parks	Rec & Parks: Northwood	168	0	0	0	168
Recreation & Parks	Rec & Parks: Waverly	207	0	0	0	207
Recreation & Parks	Permits and Special Events	0	0	544,390	722,556	1,266,946
Recreation & Parks	Recreation and Parks Special Facilities	0	922,985	1,131,896	1,264,974	3,319,855
Recreation & Parks	Senior Recreation - Special Fund	0	0	0	62,333	62,333
Sheriff	Domestic Non-Violence-Sheriff	24,500	0	0	0	24,500
State's Attorney	Unallocated Federal Grants	0	41,672	50,655	0	92,327
State's Attorney	Inter-Agency War Room Coordination (BJAG-20C	0	0	0	252,832	252,832
State's Attorney	Stopping Adolescent Violence Early (SAVE)	0	7,410	0	0	7,410
State's Attorney	Family Bereavement	0	0	0	248,097	248,097
State's Attorney	Project Exile	68,739	70,057	73,695	88,175	300,666

**Table 6: Grant Budget Details for Fiscal Years 2010 – 2013, cont.**

Agency	Grant Name	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
State's Attorney	Identity Theft	59,478	60,029	64,496	0	184,003
State's Attorney	Juvenile Court Victim Specialist	75,778	75,772	82,551	0	234,101
State's Attorney	State's Attorney: Non-support Enforcement	871,786	851,373	836,470	782,242	3,341,871
State's Attorney	State's Attorney: Family Bereavement	220,414	219,831	242,978	0	683,243
State's Attorney	State's Attorney: Drug Court	216,966	222,771	238,630	246,836	925,203
State's Attorney	Juvenile Courts Victim Specialist	0	0	0	85,023	85,023
State's Attorney	SAO - HIDTA	215,669	219,531	229,371	233,620	898,191
State's Attorney	Unallocated State Grants	115,062	99,005	138,370	48,340	400,777
State's Attorney	Latino Victim Advocate	0	0	0	26,250	26,250
State's Attorney	Comprehensive Violence Prosecution	0	0	0	1,930,671	1,930,671
State's Attorney	Vehicle Theft Prevention Grant - CARS	0	0	0	52,620	52,620
State's Attorney	SAO - Vehicle Theft Prevention	47,838	48,259	46,936	0	143,033
State's Attorney	Juvenile Drug Court	129,735	122,849	123,357	0	375,941
State's Attorney	Immediate Charging Pilot	579,163	586,804	564,463	0	1,730,432
State's Attorney	Community Partnership	91,494	0	0	0	91,494
State's Attorney	GOCCP-Violent Traffickers	74,221	74,619	78,220	0	227,060
State's Attorney	Quality Case Review	925,616	931,590	941,441	755,530	3,554,177
State's Attorney	Immediate Charging Project	0	0	0	468,615	468,615
State's Attorney	Project EXILE	0	0	0	112,146	112,146
State's Attorney	Inter-Agency War Room Coordination (WRBC-20)	0	0	0	563,605	563,605
State's Attorney	Homicide/FIVE Expansion	2,118,057	1,912,132	2,089,189	0	6,119,378
State's Attorney	CBI-War Room	694,092	668,952	704,384	0	2,067,428
State's Attorney	Recreation and Parks Special Facilities	0	0	0	80,174	80,174
State's Attorney	State's Attorney: Local Assets	50,000	50,000	50,000	0	150,000
Comptroller	East Baltimore Development Initiative	130,120	129,614	145,986	0	405,720
Transportation	Unallocated Federal Grants	375,000	0	0	225,000	600,000
Transportation	Federal Aid for TMC	0	3,700,000	3,700,000	3,700,000	11,100,000
Transportation	Safe Routes to School	555,600	562,850	604,791	656,277	2,379,518
Transportation	Traffic Safety	346,502	322,410	333,610	337,925	1,340,447
Transportation	SARA Grant	0	375,000	375,000	481,000	1,231,000
Transportation	Pimlico Racetrack Special Services	26,737	14,709	0	0	41,446
Transportation	Unallocated State Grants	80,000	0	0	150,000	230,000
Transportation	Ride Sharing	0	79,480	80,000	89,672	249,152
Transportation	Unallocated Special Grants	6,213,353	0	0	48,627	6,261,980
Transportation	School Crossing Guards	0	2,606,837	2,764,805	2,843,603	8,215,245
Transportation	Dock Master Services	0	144,660	259,089	265,992	669,741
Transportation	Traffic Impact Studies	568,160	568,160	568,160	577,251	2,281,731
Transportation	Unified Planning Work Program (UPWP)	409,548	898,758	835,853	836,953	2,981,112
Transportation	From Parking Enterprise Fund	0	6,306,782	6,213,353	6,312,767	18,832,902
War Memorial Commission	War Memorial Services	0	50,000	50,000	0	100,000
<b>TOTAL</b>		<b>394,243,436</b>	<b>352,409,873</b>	<b>342,363,454</b>	<b>332,294,820</b>	<b>1,421,311,583</b>

**ARTICLE VI  
BOARD OF ESTIMATES**

**§ 1. Establishment and organization.**

**(a) *In general.***

There shall be a Board of Estimates composed of the Mayor, President of the City Council, Comptroller, City Solicitor, and Director of Public Works, none of whom shall receive any additional salary as members of the Board.

The President of the City Council shall be President of the Board, and one of the members shall act as Secretary.

The Board may employ such employees as may be necessary to discharge its duties; their number and compensation shall be fixed in the Ordinance of Estimates.

**(b) *Meetings.***

The first meeting of the Board in every year shall be called by notice from the Mayor or President of the City Council personally served upon members of the Board. Subsequent meetings shall be called as the Board may direct.

**(c) *Representatives.***

If a member is unable to attend a Board meeting, that member's representative, as designated in the Charter, may attend and exercise the powers of the member. The Mayor may designate a municipal officer or member of the Mayor's personal staff to represent the Mayor and exercise the Mayor's power at Board meetings in the Mayor's absence.

**§ 2. Powers and duties.**

The Board of Estimates shall formulate and execute the fiscal policy of the City to the extent, and in the manner provided for, in the Charter. To exercise its powers and perform its duties, the Board may promulgate rules and regulations and summon before it the heads of departments, bureaus or divisions, municipal officers, and members of commissions and boards.

**§ 3. Fiscal year; budget schedule.**

**(a) *Fiscal year.***

The fiscal, budget, and accounting year of the City shall begin on the first day of July and end on the thirtieth day of June in every year unless otherwise provided by law.

**(b) *Notice and hearing.***

At least thirty days prior to the adoption by the Board of Estimates of a proposed Ordinance of Estimates the Board shall make public the Director of Finance's recommended operating budget, the Planning Commission's recommended capital budget and long-range capital improvement

program, and the reports of the Director of Finance and Planning Commission on these documents.

Thereafter, the Board shall hold public hearings at which members of the City Council, heads of municipal agencies, and citizens shall have the opportunity to appear before the Board to speak for or against the inclusion of any appropriation in the proposed Ordinance of Estimates.

(c) *Submission to Council.*

The Board of Estimates shall submit to the City Council the proposed Ordinance of Estimates for the next fiscal year at least forty-five days before the beginning of that fiscal year.

(d) *Adoption by Council.*

The City Council shall have at least forty days after receipt of the Board's proposed Ordinance of Estimates to enact an Ordinance of Estimates. The City Council shall adopt an Ordinance of Estimates at least five days prior to the beginning of the fiscal year to which it is applicable if the Board of Estimates submits its proposed Ordinance of Estimates within the period prescribed by Section 3(c).

**§ 4. Assistance from Finance Director and Planning Commission.**

To assist the Board of Estimates in the preparation of the proposed Ordinance of Estimates:

(a) *Recommendations on agency estimates.*

The Director of Finance shall submit for the consideration of the Board a recommended operating budget, which shall include the estimates submitted by the municipal agencies for the next fiscal year, the recommendations of the Director of Finance thereon, and all other estimates for appropriations to be made in the next fiscal year, other than for capital improvements; provided, however, the estimates for the Fire Department shall include such amounts, if any, as may be determined by a final decision of a board of arbitration convened to arbitrate unresolved negotiations between the City and the certified employee organizations representing the fire fighters and fire officers, as prescribed by existing Section 53 of Article VII.

(b) *Recommendations on capital budget, etc.*

The Planning Commission shall submit for the consideration of the Board a recommended capital budget, a recommended long-range capital improvement program, and a report on both. The Director and Board of Finance shall review the recommended capital budget and program, and make a report and recommendations about both to the Board of Estimates.

**§ 5. Preparation of proposed Ordinance of Estimates.**

(a) *Contents.*

After receiving the recommendations of the Department of Finance and the Planning Commission, the Board shall prepare its proposed Ordinance of Estimates, which shall consist of:

- (1) an operating budget: estimates for the next fiscal year of the appropriations needed for the operation of each municipal agency and for all other purposes, other than for capital improvements. These estimates shall state the amounts needed by every municipal agency for each particular program, purpose, activity, or project and the source of funds, if other than general funds, for each.
- (2) a capital budget: estimates of the amounts to be appropriated to each municipal agency for capital improvements in the next fiscal year. The capital budget proposed by the Board also shall include the projects that the Board includes in the first year of its long-range capital improvement program and the source of funds for all capital improvements. However, no capital project shall be included in the capital budget portion of the proposed Ordinance of Estimates submitted by the Board of Estimates to the City Council unless the Board has received and considered the reports and recommendations of the Planning Commission, the Director of Finance, and the Board of Finance with regard to such capital project. The Board of Estimates may establish additional procedures for the development of a long-range capital improvement program and a capital budget.

(b) *Contingent fund.*

The Board may include annually in the proposed Ordinance of Estimates a sum up to one million dollars (\$1,000,000.00) of the General Fund appropriations to be used during the next fiscal year as a contingent fund in case of an emergency or necessity for the expenditure of money in excess of or other than the appropriations regularly passed for any municipal agency.

At least one week before it approves a contingent fund expenditure, the Board shall report to the City Council the reasons for the expenditure.

**§ 6. Adoption of proposed Ordinance of Estimates.**

(a) *Adoption, submission, and publication.*

After the public notice and hearings prescribed by Section 3(b), the Board shall adopt a proposed Ordinance of Estimates by a majority vote of all the members. The Board shall deliver the proposed Ordinance of Estimates to the President of the City Council and contemporaneously publish a copy of the proposed ordinance in two daily newspapers in Baltimore City.

(b) *Accompanying materials.*

The proposed Ordinance of Estimates that the Board submits to the City Council shall be accompanied by the following materials:

- (1) a breakdown of the amounts stated for each program, purpose, activity, or project of each municipal agency in the proposed operating budget by standard categories of expenditure, for
  - (a) personal services,
  - (b) materials, supplies, and equipment,

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- (c) debt service, and
- (d) such other categories as the Board of Estimates may deem advisable.

The personal services category shall include the compensation of every officer and salaried employee of the City; provided, however, that the salaries for employees in the same classification who have a uniform salary or salary range may be combined into a single entry, which shall indicate the number of such employees, their aggregate salaries, and the name or title of the classification.

- (2) a comparison by standard categories of expenditures of the appropriations contained in the proposed operating budget with
  - (a) the amounts requested by the municipal agencies in their budget submissions
  - (b) the amounts appropriated for the current fiscal year and
  - (c) the amounts expended in the prior fiscal year;
- (3) detailed information about the sources of funds to meet the aggregate total of the appropriations contained in the proposed Ordinance of Estimates;
- (4) the long-range capital improvement program adopted by the Board and for each capital project included in the capital budget, the following:
  - a brief description and location,
  - the total estimated cost,
  - the appropriations authorized to date,
  - the appropriations proposed for the next fiscal year,
  - the appropriations required thereafter to complete the project, and
  - the estimated additional annual maintenance and operation cost.
- (5) a statement setting out:
  - (a) the revenues which the City can reasonably expect to receive in the next fiscal year from all existing sources of revenue at existing rates other than the full rate property tax but including amounts believed to be collectible from taxes for prior years and including an estimate of the surplus expected at the end of the current fiscal year;
  - (b) the difference between the revenues expected under (a) above and the total amount of appropriations provided in the proposed Ordinance of Estimates;
  - (c) the estimated taxable basis for the next ensuing fiscal year for the levy of full rate property taxes;

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(d) the rate for the levy of full rate property taxes which, given the revenues expected under (a) above, the total appropriations in the proposed Ordinance of Estimates, and the taxable basis, will be necessary to raise sufficient total revenues to cover total anticipated expenditures;

(e) new sources of revenue or new rates on existing sources of revenue, and the amounts which can reasonably be expected from each of them, which the Board of Estimates believes should be adopted for the next fiscal year; also the rate for the levy of full rate property taxes which, in view of such new sources of revenue or new rates on existing sources of revenue, will be necessary to bring total expected revenues for the next fiscal year into balance with total anticipated expenditures for the year;

(6) a message from the Mayor explaining the major emphasis and objectives of the City's budget for the next fiscal year;

(7) such other information as the Board of Estimates may deem advisable.

**§ 7. Enactment of Ordinance of Estimates.**

*(a) Introduction; authorized cuts.*

Upon receipt of the proposed Ordinance of Estimates and the accompanying materials, the President of the City Council shall promptly cause it to be introduced in the City Council, and the Council shall thereafter hold public hearings on the proposed Ordinance of Estimates.

By a majority vote of its members, the City Council may reduce or eliminate any of the amounts in the proposed Ordinance of Estimates, except:

- (1) amounts fixed by law;
- (2) amounts for the Fire Department established by a board of arbitration and included in the proposed Ordinance of Estimates; and
- (3) amounts for the payment of the interest and principal of the municipal debt.

*(b) Increases and additions precluded.*

The City Council shall not have the power to increase the amounts fixed by the Board or to insert any amount for any new purpose in the proposed Ordinance of Estimates. If the carrying out of a particular program, purpose, activity, or project depends upon action by a body other than the City, the City Council may insert a specific provision in the proposed Ordinance of Estimates making the appropriation for the particular program, purpose, activity or project contingent upon such action.

*(c) Revenue ordinances.*

As soon as practicable after the passage of the Ordinance of Estimates, the City Council shall enact such revenue ordinances as are necessary to produce sufficient expected revenues, as



estimated by the Board of Estimates, to cover the total anticipated expenditures authorized by the Ordinance of Estimates. The Council may adopt revenue sources or revenue rates other than those proposed by the Board and in each such instance the estimate of the revenue to be yielded by such a source or rate shall be made by the Board of Estimates.

The Board of Estimates shall, taking into account any reductions and eliminations made by the City Council in the anticipated expenditures contained in the proposed Ordinance of Estimates and the revenues to be derived from all existing sources and from any new sources or new rates enacted by the City Council, certify to the Council the difference between the anticipated expenditures for the next fiscal year contained in the Ordinance of Estimates and all expected revenues other than from the full rate property tax. The Board shall then state a rate for the levy of full rate property taxes sufficient to realize the amount required to meet the said difference and the ordinance making the annual levy of full rate property taxes shall fix a rate not less than that stated by the Board so that it shall not be necessary at any time for the City to create a floating debt to meet any deficiency, and it shall not be lawful for the City to create a floating debt for any such purpose.

**§ 8. Deficiencies; supplementary appropriations.**

(a) *Deficiencies.*

No temporary loan shall be authorized or made to pay any deficiency arising from a failure to realize sufficient income from all sources to meet the amounts provided in the Ordinance of Estimates, but the City may temporarily borrow money for its use in anticipation of the receipts of taxes levied for any year. In case of any such deficiency the Board of Estimates shall effect reductions (which need not be pro rata) in appropriations other than those for the payment of the principal and interest of the City debt and such amounts as are fixed by law and contained in the Ordinance of Estimates, except to the extent that the City Council shall, upon the recommendation of the Board of Estimates, enact an ordinance which shall supply revenues to meet all or any part of such deficiency. No emergency loan shall be made except in accordance with the provisions of Article XI of the Constitution of Maryland.

(b) *Supplementary appropriations — when authorized.*

Except as provided herein, the Ordinance of Estimates shall include all the moneys to be appropriated by the City for all purposes for the fiscal year for which the ordinance is applicable.

Additional appropriations shall be permitted during the fiscal year only in the following circumstances and under the following conditions:

(1) *Excess revenues.*

Revenues from any source other than the full rate property tax and other taxes imposed under the authority of Article II, in excess of or in addition to those relied upon by the Board of Estimates in determining the tax levy required to balance the budget, may be made available for expenditure by the municipal agency responsible for the production of such revenues by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a majority vote of its members and approved by the Mayor.

(2) *Unanticipated grants.*

Grants from private or governmental sources which could not be expected with reasonable certainty at the time of the formulation of the proposed Ordinance of Estimates may be made available to the appropriate municipal agency for expenditure by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a majority vote of its members and approved by the Mayor.

(3) *Material changes; new programs.*

Further appropriations for programs included in the proposed Ordinance of Estimates made necessary by a material change in circumstances, or additional appropriations for new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates may be made available to the appropriate municipal agency for expenditure by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a vote of three-fourths of its members and approved by the Mayor.

(c) *Supplementary appropriations — requisites of ordinance.*

Every such further or additional appropriation shall be embodied in a separate ordinance limited to a single program, purpose, activity or project therein stated, and each such supplementary appropriation ordinance shall also, anything contained in the Charter to the contrary notwithstanding, provide the revenue necessary to pay the appropriation by a source, other than the full rate property tax, imposed under the authority of Article II. The revenue shall be levied and collected as directed in the ordinance. The estimate of the revenues to be derived from any source proposed in a supplementary appropriation ordinance shall be made by the Board of Estimates.

**§ 9. Uses of appropriations.**

(a) *In general.*

Following the passage of the Ordinance of Estimates and the enactment of the revenue measures necessary to achieve a balance between expected revenues and anticipated expenditures for the next fiscal year, the sums contained in the Ordinance of Estimates shall, after the beginning of the fiscal year to which it is applicable, be and become appropriated for the purposes therein named.

No appropriation provided for in the Ordinance of Estimates shall be used for any purpose other than that named in that ordinance, except:

- (1) the Board of Estimates may increase the amount for a particular program, purpose, activity, or project or introduce an amount for a new program, purpose, activity or project by transferring thereto amounts already appropriated to that agency; and
- (2) upon the recommendation of the Board of Estimates, the City Council by ordinance may authorize the transfer of an appropriation contained in the Ordinance of Estimates from one municipal agency to another municipal agency;

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provided, however, that new or different amounts for capital projects from those stated in the capital budget portion of the Ordinance of Estimates shall not be authorized unless the Board of Estimates has received and considered the reports and recommendations thereon of the Planning Commission and the Director of Finance.

(b) *Expenditure schedule.*

Upon the authorization of the Board of Estimates and under procedures established by the Board, the Director of Finance shall establish an expenditure schedule, applicable to any or all municipal agencies whenever, in the opinion of the Board, financial conditions warrant such budgetary allotments.

(c) *Carry-overs; lapses.*

Appropriations contained in the Ordinance of Estimates for a particular program, purpose, activity, or project may, upon the recommendation of the head of the municipal agency concerned and the Director of Finance, and with the approval of the Board of Estimates, be carried over to fiscal years subsequent to the one for which the appropriation is initially made if necessary to accomplish that program, purpose, activity, or project.

Funds encumbered for contracts, projects or other actual commitments and funds dedicated by any act of Congress or by State law or by the terms of any private grant to some specific purpose shall be carried over to the next fiscal year.

All appropriations not so carried over shall lapse at the end of the fiscal year from which made, except that any balance remaining in the fund of the water or sanitary wastewater utility (under Section 18 of this article) at the end of the fiscal year shall remain to the credit of that utility and an estimate of such a balance shall be included in that utility's budget for the next year as an estimated receipt.

(d) *Surpluses.*

In case of any surplus arising in any fiscal year by reason of an excess of revenue over the expenditures (including any appropriation carried over) for that year, the surplus shall become a part of the general revenue of the City and shall be available for the general expenditures of the City for the next fiscal year, in accordance with the Ordinance of Estimates for that year. An estimate of the surplus shall be made by the Board of Estimates and included in expected revenues for the next year.

However any surplus or retained earnings of the water or sanitary wastewater utility fund (under § 18 of this article) at the end of the fiscal year shall remain to the credit of that utility and the estimate of that balance shall be included in that utility's budget for the next year as an estimated receipt.

*(Res. 10-019, ratified Nov. 2, 2010.)*

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**Administrative  
Manual  
BROADCAST**

SECTION  
Budget and Appropriations

SUBJECT  
INDIRECT COST REIMBURSEMENT FOR  
FEDERAL GRANTS AND CONTRACTS

**TAKE THE FOLLOWING ACTIONS IMMEDIATELY TO BRING YOUR  
MANUAL UP-TO-DATE :**

Place this document in numerical order after the divider  
for Section 400 -- Budget and Appropriations .

**FEDERAL REQUIREMENT**

The Federal Government requires recipients of federal grants and contracts to submit overhead rate proposals for its approval in order to claim reimbursement for any overhead costs chargeable to a federal grant or contract (see Federal OMB Circular A-87).

In some cases, overhead is used as part of the local "match". If the overhead rate proposals are not submitted, the City will have to use cash, rather than overhead, to supply any required "match".

**ASSISTANCE IN PREPARING PROPOSALS**


Due to the complexity of preparing these overhead rate proposals, the Bureau of Accounting Operations is providing assistance to all City agencies who receive federal funds.

If your agency is currently receiving federal funds, immediately set up an appointment with Accounting by calling or writing:

Mr. Manuel Bard  
Bureau of Accounting Operations  
2nd floor  
Municipal Building  
PHONE: 396-3770

DATE 11/9/73

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 <b>Administrative Manual POLICY</b>	SECTION Budget and Appropriations	AM-402-2
	SUBJECT PAYEE ON CHECKS FOR GRANT PROGRAM	

**PAYEE -- DIRECTOR OF FINANCE**

The administering City agency representative expecting a check in payment for a grant program must instruct the issuing party to make the check payable to the DIRECTOR OF FINANCE. Checks are to be sent directly to:

DIRECTOR OF FINANCE  
c/o Collection Division  
Room One  
Municipal Bldg., 200 Holliday St.  
Baltimore, Md. 21202


The grant identification number should be placed on each check to assist the Collection Division in processing and crediting the funds.

If the party issuing the check sends it directly to the recipient agency rather than the Collection Division, the administering agency representative should initiate those steps in AM-402-2-1.

DATE

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	<b>Administrative Manual PROCEDURE</b>	AM-402-2-1
		SECTION Budget and Appropriations
		SUBJECT RECEIPT OF CHECKS ISSUED IN PAYMENT FOR GRANT PROGRAM

When the party issuing a check has correctly cited the Director of Finance as payee and has sent the check directly to the Collection Division, the steps in the following section must be taken:

RESPONSIBILITY	ACTION
. Collection Division	<ol style="list-style-type: none"> <li>1. Upon receipt of a check made payable to the Director of Finance, determine the correct account to be credited.</li> <li>2. Complete a CASH DEPOSIT SLIP [AM-402-1-1] crediting the proper account.</li> <li>3. Forward "Agency Receipt" copy of the CASH DEPOSIT SLIP to recipient agency.</li> <li>4. Forward check to bank for processing.</li> </ol>


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When the issuing party has incorrectly sent the check directly to the recipient agency, the following steps must be taken immediately:

. Recipient Agency	<ol style="list-style-type: none"> <li>1. Complete a CASH DEPOSIT SLIP in accordance with AM-402-1-1.</li> <li>2. Retain "Agency File" copy of CASH DEPOSIT SLIP. The remaining copies and the check must be hand-carried to the Cashier in the Collection Division.</li> </ol>
. Cashier	<ol style="list-style-type: none"> <li>3. Validate CASH DEPOSIT SLIP and return "Agency Receipt" copy to agency.</li> <li>4. Forward check to bank for processing.</li> </ol>
. Recipient Agency	<ol style="list-style-type: none"> <li>5. If additional checks are anticipated, send a letter to the issuing party with the instructions to make all checks payable to the DIRECTOR OF FINANCE.</li> </ol>

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		AM-404-1
 <b>Administrative Manual POLICY</b>	SECTION	Budget and Appropriations
	SUBJECT	FINANCIAL GRANTS

**SCOPE**

City agencies should seek and apply for grants whenever possible in order that the City's financial burden will be decreased and its public service enhanced. It is the responsibility of each agency to investigate the availability of grant funds, obtain information and application materials from the grantor, prepare the required application documents and notify the appropriate parties of the intent to submit a grant application. A grant is an agreement between a governmental or private agency, also called the grantor, and the City, also called the grantee, whereby the grantor provides funds in whole or in part to the grantee to carry out specified programs, services and/or activities.

**GRANT SOURCES**

The following sources of information should be consulted relative to availability of grant funds:

- . The Catalog of Federal Domestic Assistance.
- . The Maryland Congressional Delegation.
- . The City's representative in Washington D.C.
- . The National League of Cities.
- . The National Association of Counties.
- . Specialized professional associations in various functional fields, e.g., GFOA, APHA, APWA, etc.
- . The FAPRS system of the Office of Management and Budget, Washington D.C.

**GRANT RESPONSIBILITIES**

General and specific responsibilities in applying for and securing grants are discharged by the Departments of Finance, Law

		AM-404-1
SECTION	SUBJECT	
Budget and Appropriation	FINANCIAL GRANTS	

and Planning, as well as the Civil Service Commission when the awarding of a grant necessitates personnel actions. The requesting agency must furnish certain materials to these departments for review and comment. All submissions and reviews must be in keeping with the grant application timetable.

**DEPARTMENT OF FINANCE**

The Department of Finance must exercise certain responsibilities for evaluation and implementation in grant application and award. The Department is responsible for:

- . Determination of the need for the service or public work, its benefit to the City and its consistency with City policies and priorities.
- . Determination of the grant project's impact upon other agencies and/or any commitments required therefrom, the conflicts which may arise, and its wisdom, effectiveness, duplication or inefficiency.
- . Coordination of grant activities with the City's Washington representative, the Maryland Congressional delegation and federal and State agencies, as necessary.

Bureau of the Budget and Management Research:

- . Examines fully the budgetary and fiscal impact of the grant, the availability of funds and appropriations, and the need for supplemental appropriations.
- . Estimates the commitment required of the City and its resources.

Accounting Operations:

- . Ascertains the accounting and record-keeping required, the billing and collection procedures, the method of payment, and the overhead computations.
- . Accounts for and monitors the collection of funds due, and secures timely reports concerning these collections.



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SECTION	SUBJECT	
Budget and Appropriation	FINANCIAL GRANTS	

LAW DEPARTMENT

- . Explores fully the legal implications of each grant, the requirements of federal, State, and City laws and regulations.
- . Determines the feasibility and desirability of conforming with these laws and regulations.

DEPARTMENT OF PLANNING

- . Reviews all grant applications to ensure proper coordination among City agencies.
- . Reviews grant applications under the OMB-A95 federal procedure when required.

CIVIL SERVICE COMMISSION

- . Reviews grant applications which require personnel actions in order to plan administrative actions required to create a position, recruit candidates and/or prepare testing requirements.

PAYMENT METHODS

The method of payment for grant financed programs may be optional or negotiable. However, it is to the City's financial advantage to negotiate for maximum possible payments at the earliest possible dates. The payment methods listed are prioritized as to benefit to the City. This order must be observed during any negotiations concerning methods of payment.

- . Total advancement of grant funds.
- . Partial advancement of grant funds; further payments by draw-down against a letter of credit.
- . Partial advancement of grant funds; further payments upon receipt of bills.
- . Reimbursement of costs on basis of periodic bills.

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Budget and Appropriation	FINANCIAL GRANTS	

**GRANT PAYEE**

When a grant has been secured and payment method determined, there are two means by which the City may receive the funds or payments. They include all payments by CHECK and by LETTER OF CREDIT. The DIRECTOR OF FINANCE, BALTIMORE CITY, is the payee on all payment methods.

Check

Agencies must inform the grantor of the proper City payee on all checks. The payee must be the Director of Finance, Baltimore City.

Letter of Credit

When the method of payment of grant funds is to be drawn against a LETTER OF CREDIT, agencies must inform the grantor that the LETTER OF CREDIT must be issued in favor of the Director of Finance, Baltimore City.

**APPROVAL PROCESS**

If the grantor, as part of the grant application process, requires the City to officially approve the contracting agency and/or designate an authorized representative, the City agency seeking the grant must submit the grant application to the Board of Estimates and request such approval and/or designation. The requesting City agency must also submit for acceptance to the Board of Estimates all grants which have been approved by a federal, State, or private agency, prior to the legal execution of any agreement relative to the grant and use of funds.

**GRANT MANAGEMENT CONFERENCE**

Upon the acceptance of a grant by the Board of Estimates, the agency's assigned budget analyst will convene a Grant Manage-

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Budget and Appropriation	FINANCIAL GRANTS	

ment Conference, if deemed necessary. The Grant Management Conference conferees will consist of the following parties:

- . Official grant representative from the grantee agency.
- . Grantee agency's budget analyst from Bureau of the Budget and Management Research.
- . Designated representative from Accounting Operations.
- . Designated representative from Department of Audits.
- . Designated representative from the Civil Service Commission when the awarding of a grant necessitates personnel actions.
- . Designated representative(s) from other agencies involved in the administration of the grant.

The Grant Management conferees will determine the details of the management of the grant with respect to the application and grant approval documents.

The management plan will detail reporting systems, accounting systems, reimbursement systems, records systems, personnel action requirements, coordination among agencies and determination of process for resolution of grant problems.

If a Grant Management conference is deemed unnecessary, then the analyst shall notify all concerned parties in a MEMO.

**GRANT REPORTING**

The grantee agency will be responsible for the preparation on a timely basis of all narrative and statistical reporting required by the conditions of the grant.

**FINANCIAL REPORTING AND ACCOUNTING**

The Department of Finance is responsible for all accounting and collection of moneys due the City. Specifically, Accounting Operations will have general supervision and control of all ac-

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Budget and Appropriation	FINANCIAL GRANTS	

counting and bookkeeping in regard to grants. However, it may delegate certain responsibilities to grantee agencies, provided that proper safeguards are established and maintained. Normally, a grantee agency prepares appropriate financial reports.


**GRANT CLOSE-OUT PROCESS**

Revenues and expenditures of operating grants will not be closed out annually, but will be shown in a cumulative manner until such time as an operating grant is totally concluded. Grants must be closed out within the time limits specified by the grant. Delay or failure to close out a grant will be reported promptly by Accounting Operations to the grantee agency. The grantee is responsible for requesting final inspection of the grant program or project.

Unless otherwise required by the terms of the grant, the final audit will be conducted by the City Auditor. If an audit is to be conducted by federal, State, and/or independent auditors, the City Auditor must be notified of the time and location of such audits as soon as the agency has received such information. The agency must accomplish this notification immediately by telephone and by MEMORANDUM (28-1418-5007).

If an exception taken to any City expenditure or practice by a non-City auditor is not resolved, the grantee agency must immediately notify the City Auditor and the City Solicitor of the situation.

If an audit exception exceeds 5% of the grant or \$5,000, whichever is less, the grantee agency must immediately notify the Mayor's Office, Attn: Chief of Staff.

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	<b>Administrative Manual PROCEDURE</b>	SECTION Budget and Appropriations
		SUBJECT APPLYING FOR GRANTS

**RESPONSIBILITY**

**ACTION**

. Agency

1. After decision is made to apply for a grant or for a renewal of an existing grant, complete the grant application.
2. Submit 1 copy of the grant application to:
  - . The Mayor's Office.
  - . The agency's assigned budget analyst in the Bureau of the Budget and Management Research.
  - . The agency's assigned accountant in Accounting Operations.
  - . The Planning Department.
  - . The Civil Service Commission when the awarding of a grant necessitates personnel actions.

. Mayor's Office

3. Take the following actions:
  - . If federal grant, submit a MEMO to the Mayor's representative in Washington D.C., that application has been made.
  - . At Mayor's direction send a MEMO to Law Department requesting review.

		AM-404-1-1
<b>SECTION</b>	<b>SUBJECT</b>	
Budget and Appropriations	APPLYING FOR GRANTS	

RESPONSIBILITY	ACTION
. Mayor's Office	. If further action needs to be taken by the Mayor's Office, submit a MEMO to the Mayor's Office, Attn: Chief of Staff.
. Bureau of the Budget and Management Research	4. Review the grant material received from the agency, submit comments and recommendations concerning this material to the requesting agency. The Bureau of the Budget and Management Research may, at its discretion, send grant material to the Law Department for review.
. Law Department	5. If grant material is received, review this material and submit comments and recommendations concerning this material to the requesting agency.
. Planning Department	6. Review the grant material received from the agency and submit comments and recommendations concerning this material to the requesting agency.
. Civil Service Commission	7. Review the grant material received from the agency and submit comments and recommendations concerning this material to the requesting agency.
. Agency	8. Review all comments and recommendations received from all parties. Take appropriate action.

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continued. . .

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AM-404-1-1	
SECTION  Budget and Appropriations	SUBJECT  APPLYING FOR GRANTS

**RESPONSIBILITY**

**ACTION**

Agency

If comments and recommendations from any of the foregoing parties are not received in a timely manner, the requesting agency should not delay the grant application process, but should instead PROCEED TO STEP 9.

9. Determine:

- a.) If submission to Board of Estimates is required by the terms of the grant.
- b.) If review by the Planning Department is required in accordance with OMB A-95.

10. As necessary, the agency should:

- a.) If submission to Board of Estimates is required, prepare a MEMO (28-2428-5007) to the BOARD of ESTIMATES requesting the action required by the terms of the grant. PROCEED TO STEP 11.
- or
- b.) If submission to Board of Estimates is not required and review by the Planning Department in accordance with OMB A-95 is required, PROCEED TO STEP 11(a)
- or
- c.) If submission to Board of Estimates is not required and review by the Planning Department in accordance with OMB A-95 is not required, PROCEED TO STEP 13.

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continued. . .

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SECTION	SUBJECT	
Budget and Appropriations	APPLYING FOR GRANTS	

RESPONSIBILITY	ACTION
. Board of Estimates	<p>11. Review grant material submitted by agency and approve or disapprove the action requested.</p> <p style="margin-left: 40px;">a.) If action requested by the agency is disapproved, notify the agency of disapproval. PROCEDURE ENDS HERE.</p> <p style="margin-left: 40px;">b.) If action requested by the agency is approved, notify the agency of approval. PROCEED TO STEP 12.</p>
. Agency	<p>12. The agency must:</p> <p style="margin-left: 40px;">a.) If review by the Planning Department in accordance with OMB A-95 is required, request Planning Department to conduct such review.</p> <p style="margin-left: 40px;">b.) If review by the Planning Department in accordance with OMB A-95 is not required, PROCEED TO STEP 13.</p>
. Planning	<p>13. Review grant application material in accordance with OMB A-95. Submit results of review and any required documents to the requesting agency.</p>
. Agency	<p>14. Submit grant application and any required documents to the grantor. Attach any documents received from the Planning Department as required by OMB A-95.</p>



Document 10: AM 404-1-1, Applying for Grants, cont.

		AM-404-1-1
SECTION	SUBJECT	
Budget and Appropriations	APPLYING FOR GRANTS	

RESPONSIBILITY

ACTION

. Agency

If required materials from the Planning Department have not been received by the requesting agency in a timely manner, the requesting agency should not delay the grant application process, but should instead submit the grant application to the grantor.

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**Administrative  
Manual  
PROCEDURE**

SECTION

Budget and Appropriations

SUBJECT

**ACTION UPON RECEIVING  
GRANT APPROVAL**

**RESPONSIBILITY**

**ACTION**

. Agency

1. Upon receiving notification from an authoritative source that the City's grant application has been approved, immediately notify the Mayor's Office, Attn: Director of Public Relations.
2. Upon receiving official notification from a federal or State agency that the City's grant application has been approved. Meet with the agency's assigned accountant in Accounting Operations to obtain assistance with the preparation of a GRANT INFORMATION SUMMARY (28-1418-5113).

. Submit 1 copy of the above GRANT INFORMATION SUMMARY to:

- . Mayor's Office, Attn: Chief of Staff.
- . Mayor's Office, Attn: Director of Public Relations.
- . Agency's assigned budget analyst in the Bureau of the Budget and Management Research (BBMR).
- . Accounting Operations, Attention: Grant Accounting.
- . The Planning Department.

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		AM-404-1-2
<b>SECTION</b>	<b>SUBJECT</b>	
Budget and Appropriations	ACTION UPON RECEIVING GRANT APPROVAL	
<p>. Agency</p> <p style="padding-left: 100px;">. The Civil Service Commission when personnel actions are required.</p> <p style="padding-left: 40px;">3. Send following material to Board of Estimates:</p> <p style="padding-left: 80px;">. MEMO requesting approval to accept grant.</p> <p style="padding-left: 80px;">. Copy of GRANT INFORMATION SUMMARY.</p> <p style="padding-left: 80px;">. If applicable, MEMO from Bureau of the Budget and Management Research requesting approval of interprogram APPROPRIATION ADJUSTMENT ORDER (A.A.O.) or supplementary appropriation ordinance.</p> <p>. Board of Estimates</p> <p style="padding-left: 40px;">4. Approve or disapprove City's acceptance of grant:</p> <p style="padding-left: 80px;">a.) If acceptance of grant is disapproved notify all involved parties of disapproval. PROCEDURE ENDS HERE.</p> <p style="padding-left: 80px;">b.) If acceptance of grant is approved, notify Mayor's Office and requesting agency of approval.</p> <p>. Bureau of the Budget and Management Research</p> <p style="padding-left: 40px;">5. Upon receiving approval from Board of Estimates to accept grant, convene a Grant Management Conference if necessary.</p>		
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<b>AM-404-1-2</b>		
<b>SECTION</b>	<b>SUBJECT</b>	
<b>Budget and Appropriations</b>	<b>ACTION UPON RECEIVING GRANT APPROVAL</b>	
<p><b>. Bureau of the Budget and Management Research</b></p>	<p>a.) If conference is necessary, set up conference consisting of the following parties:</p> <ul style="list-style-type: none"> <li>. Official grant representative from the requesting agency.</li> <li>. Agency's assigned budget analyst.</li> <li>. Agency's assigned accountant.</li> <li>. Representative from Department of Audits.</li> <li>. Representative from the Civil Service Commission when personnel actions are required.</li> <li>. Representative(s) from other agencies involved in the administration of the grant.</li> </ul> <p style="text-align: center;">PROCEED TO STEP 6.</p> <p>b.) If conference is not to be convened, PROCEED TO STEP 8.</p>	
<p><b>. Grant Management Conferees</b></p>	<p>6. Determine details of grant management to include:</p> <ul style="list-style-type: none"> <li>. Reporting systems;</li> <li>. Accounting methods;</li> <li>. Reimbursement systems;</li> <li>. Records systems;</li> </ul>	
7/16/90	continued . . .	Page 3 of 6

		AM-404-1-2
SECTION	SUBJECT	
Budget and Appropriations	ACTION UPON RECEIVING GRANT APPROVAL	
. Bureau of the Budget and Management Research	<ul style="list-style-type: none"> <li>. Personnel actions;</li> <li>. Coordination among agencies; and</li> <li>. Unresolved problems.</li> </ul>	
. Agency	<p>7. Submit all narrative and statistical reports and statements required by the terms of the grant to the grantor. If responsibility for financial reporting has been delegated to grantee agency, prepare all financial reports and statements required by the terms of the grant.</p> <ul style="list-style-type: none"> <li>. Accounting Operations of any grant budget changes approved by the grantor.</li> </ul>	
. Bureau of the Budget and Management Research	<p>8. Prepare all APPROPRIATION ADJUSTMENTS.</p>	
. Accounting Operations	<p>9. Upon receipt of GRANT INFORMATION SUMMARY, if responsibility for financial reporting has not been delegated to Grantee Agency then:</p> <ul style="list-style-type: none"> <li>. Enter appropriate grant information in GRANT REGISTER.</li> <li>. Submit all narrative and statistical reports and statements required by the terms of the grant to the grantor.</li> </ul>	
7/16/90	continued . . .	Page 4 of 6

		AM-404-1-2
<b>SECTION</b>	<b>SUBJECT</b>	
Budget and Appropriations	ACTION UPON RECEIVING GRANT APPROVAL	
<p>. Accounting Operations</p>	<p>. Create grant revenue and appropriation accounts numbers.</p> <p>. Prepare an ACCOUNT CHANGE NOTICE to add new accounts to the City's "Chart of Accounts" book, and forward 1 copy of ACCOUNT CHANGE NOTICE to grantee agency.</p> <p>Upon receipt of GRANT INFORMATION SUMMARY, if responsibility for financial reporting has not been delegated to grantee agency, then</p> <p>. Prepare all financial reports and statements required by the terms of the grant.</p>	
7/16/90	continued . . .	Page 5 of 6

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SECTION  Budget and Appropriations	SUBJECT  <b>ACTION UPON RECEIVING GRANT APPROVAL</b>
--	--

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
<b>CITY OF BALTIMORE</b>		<b>GRANT INFORMATION SUMMARY</b>										DO NOT WRITE IN THIS SPACE											
INSTRUCTIONS FOR SUBMITTING AGENCY: 1. USE TYPEWRITER ONLY. 2. IF ANY AMOUNTS ARE REQUESTED BY THIS FORM AS "RECURRING" OR "NON-RECURRING", BE "NOT AVAILABLE" UNTIL THEY OCCUR IN THE APPROPRIATE BUDGET. 3. FOR DISTRIBUTION INSTRUCTIONS, REFER TO APPROPRIATE PROCEDURES IN THE ADMINISTRATIVE MANUAL.										REVIEW OF GRANT MATERIAL: TO <input type="checkbox"/> BSM <input type="checkbox"/> ACCOUNTING <input type="checkbox"/> LAW <input type="checkbox"/> PLANNING REVIEW ALL GRANT MATERIALS TO THIS GRANT. CHECK THE APPROPRIATE BOXES BELOW AFTER YEAR BUDGETS AND AS TO, AND RETURN THIS SUMMARY SHEET TO THE SUBMITTING AGENCY DELATER THAN... IF NO REPLY IS RECEIVED BY THIS DATE, IT WILL BE ASSUMED THAT YOU AGREE COMPLETELY WITH GRANT MATERIAL. <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> OTHER (SPECIFY)													
REQUESTING AGENCY		AGENCY NAME		ADDRESS		CITY		STATE		ZIP		DATE		FUNDING		AGENCY		DATE					
GRANTING AGENCY		AGENCY NAME		ADDRESS		CITY		STATE		ZIP		DATE		FUNDING		AGENCY		DATE					
GRANT INFORMATION		GRANT NO.		FEDERAL CATALOG NUMBER, OR SIMILAR ID		TITLE OF GRANT		PURPOSE OF GRANT		DURATION OF GRANT		START DATE		END DATE		STATUS		REMARKS					
AMOUNT REQUESTED		METHOD OF PAYMENT		TERMS OF PAYMENT		DATE OF PAYMENT		IN ADVANCE OF PERFORMANCE		REIMBURSEMENT AFTER PERFORMANCE		EXPLAIN WHY		EXPLAIN WHY		EXPLAIN WHY		EXPLAIN WHY					
TOTAL AMOUNT OF MATCH		MATCH TO BE COMPOSED OF		CASH		IN-KIND		CASH		IN-KIND		CASH		IN-KIND		CASH		IN-KIND					
CITY MATCH		SOURCE OF FUNDS FOR LOCAL MATCH		CURRENT BUDGET APPROPRIATION		BUDGET APPROPRIATION FOR NEXT FISCAL YEAR (19 )		SUPPLEMENTAL APPROPRIATION REQUIRED		PROGRAM		ACTIVITY		PROGRAM		ACTIVITY		PROGRAM					
WILL THE CITY BE CONTRACTUALLY OBLIGATED TO CONTINUE GRANT SERVICES AFTER GRANT EXPIRES?		YES / NO		IF YES SPECIFY SOURCE OF FUNDING		WILL THE CITY BE CONTRACTUALLY OBLIGATED TO CONTINUE THE EMPLOYMENT OF PROGRAM PERSONNEL AFTER GRANT EXPIRES?		YES / NO		IF YES SPECIFY NUMBER AND SOURCE OF EMPLOYMENT		WILL A SUBSTANTIAL PART OF THE PROGRAM BE SUB-CONTRACTED?		YES / NO		IS AN ENVIRONMENTAL IMPACT STATEMENT REQUIRED?		YES / NO		NUMBER OF POSITIONS TO BE CREATED AS A RESULT OF GRANT			
WILL OTHER CITY AGENCIES BE REQUIRED TO PROVIDE FISCAL STAFFING AND/OR SERVICES SUPPORT?		YES / NO		IF YES SPECIFY NAMES OF AGENCIES		GOALS AND OBJECTIVES		SERVICES TO BE PROVIDED INCLUDE IDENTIFICATION OF EXPECTED RECEIPTS		SPECIFY LOCATIONS OF ANY CAPITAL IMPROVEMENTS AND AREAS OF CONCENTRATION OF SERVICES, IF CITY-WIDE, SO INDICATE		FINANCIAL REPORTING REQUIREMENTS		RESPONSIBILITY FOR SUBMISSION OF FINANCIAL REPORTS TO GRANTOR		BUREAU OF ACCOUNTING OPERATIONS		GRANTING AGENCY					
AGENCY HEAD		NAME		SIGNATURE		DATE		ISSUE DATE		ISSUE DATE		ISSUE DATE		ISSUE DATE		ISSUE DATE		ISSUE DATE					

.Form Number: 28-1418-5113 .Order Unit: Specify "Each"  
 .Type : Flat Sheet Folded .Quantity of Forms  
 .Size : 8 1/2" x 11" .per Order Unit : 1 Sheet

To order, prepare a WAREHOUSE REQUISITION (28-1458-5129) (AM-302-1-1) specifying Warehouse Division 02, and citing the above information.



*a*

AM-404-04

*m*

*Outside Audits*

Records of City agencies pertaining to grant funds are subject to audit by representatives of Federal and/or State government agencies. The Charter responsibilities of the City Auditor, as head of the Department of Audits, under Article V, Sections 8 and 9, relate to audits of City agencies, transactions, contracts, grants, etc., as well as the audit of the City's Comprehensive Annual Financial Report. Additionally, the Department of Audits performs the City's annual Single Audit of Federal financial assistance received directly from Federal agencies and "passed-through" State agencies. To avoid substantial duplication of audit effort, the City Auditor must be informed prior to the start of an audit by outside auditors. Therefore, the City Auditor must be notified in writing as soon as a City agency has received notice that an audit is to be performed by outside auditors.





*a*

AM-405-01

*m*                      *Money Due the City*

**CHARTER PROVISION**

In all financial transactions, involving money due the Mayor and City Council of Baltimore City, all City Departments, Agencies, Bureaus, or Commissions must comply with the Baltimore City Charter provision providing that "The Director of Finance shall receive, collect, and account for all moneys due the City from any source whatsoever." Agency heads are encouraged to check the financial statement issued by the Department of Finance for the receipt of funds due their agencies with special emphasis on funds of a non-recurring nature and report any apparent discrepancies to the Department of Audits.

**REQUIRED STATEMENT -- RESPONSIBILITY**

It shall be the responsibility of the head of every City Department, Agency, Board, or Commission to insure that the following statement is included verbatim in all instruments, contract, grants, and miscellaneous documents including insurance policies:

Any payment(s) to the Mayor and City council or any of its Departments, Agencies, Boards or Commissions due under the terms of this agreement or arising incident thereto shall be made to the Director of Finance and be mailed or delivered to:

*Director of Finance  
c/o Bureau of Revenue Collections  
Abel Wolman Municipal Building  
200 N. Holliday Street  
Baltimore, MD 21202*

Wiring instructions may be obtained from the Bureau of Treasury Management.

The City Solicitor will not approve for legal sufficiency any instrument not containing the aforementioned statement.

**EXCEPTION**

The Director of Finance may authorize an exception to this policy whenever, in his/her opinion, inclusion of the aforementioned statement would not be practicable. Such exception must be in writing with copies to:

- City Auditor
- City Solicitor
- Clerk to the Board of Estimates

**CITY OF BALTIMORE**  
**Notes to Basic Financial Statements**  
 (Continued)

**6. Interfund Balances and Activity**

**A. BALANCE DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at June 30, 2010, were as follows (amounts expressed in thousands):

Fund	Interfund	
	Receivable	Payable
General	\$62,021	
Motor vehicle		\$ 1,557
Grants revenue		41,292
Capital projects	1,519	1,358
Nonmajor governmental funds	1,358	11,555
Nonmajor proprietary funds		1,519
Internal service funds		7,617
Totals	\$64,898	\$64,898

The interfund balances are primarily the result of the City's policy not to reflect cash deficits in its individual funds. Also, at June 30, 2010, certain transactions between funds had not been completed.

**B. TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds at June 30, 2010, consist of the following (amounts expressed in thousands):

Fund	General	Capital Projects	Nonmajor Special Revenue	Motor Vehicle	Parking	Total Transfers To
General					\$37,312	\$ 37,312
Debt service	\$ 86,361	\$7,873		\$14,169		108,403
Loan and guarantee	1,365					1,365
Capital projects	2,609		\$13,624			16,233
Motor vehicle	53,800	1,467				55,267
Grants revenue					4,760	4,760
Totals transfers from	\$144,135	\$9,340	\$13,624	\$14,169	\$42,072	\$223,340

Transfers were primarily to the Debt Service and General funds to provide funds for debt service and to transfer excess revenue from the Proprietary Funds to the General fund.

**C. DEFICITS**

The following funds had a deficit in unrestricted net assets/fund balances at June 30, 2010, (amounts expressed in thousands):

Special Revenue Funds:	
Grants Revenue	\$ 38,385
CDBG	12,268
Internal Services Funds:	
Risk management	104,674
Energy conservation	265
Municipal Post Office	635
Reproduction and printing	5,333

The deficit in the Grants Revenue Fund is the result of timing differences. Revenues to cover this deficit are expected to be received in fiscal year 2011.

The City plans to continue to charge City agencies premiums in excess of that needed to cover expected operating expenses, including claims paid and incurred, and thereby eliminate the accumulated Risk Management Fund deficit over the next ten years.

Document 14: Comprehensive Annual Financial Report, Year Ending June 30, 2010, cont.

**CITY OF BALTIMORE**  
**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)

(Expressed in Thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved .....	\$ 76,741	\$ 89,278	\$ 88,422	\$101,777	\$119,793	\$146,107	\$168,912	\$180,794	\$181,585	\$157,131
Unreserved .....	30,437	33,459	40,902	37,878	72,762	65,417	56,043	33,629	35,344	20,441
<b>Total General Fund .....</b>	<b>\$107,178</b>	<b>\$122,737</b>	<b>\$129,324</b>	<b>\$139,655</b>	<b>\$192,555</b>	<b>\$211,524</b>	<b>\$224,955</b>	<b>\$214,423</b>	<b>\$216,929</b>	<b>\$177,572</b>
<b>All Other Governmental Funds</b>										
Reserved .....	\$ 42,481	\$ 91,079	\$134,313	\$123,991	\$121,639	\$138,734	\$149,684	\$166,551	\$119,928	\$151,855
Unreserved reported in:										
Special revenue funds .....	(25,805)	(48,831)	(64,148)	(88,188)	(108,326)	(99,577)	(100,707)	(140,026)	(43,679)	(43,687)
Capital projects fund .....	77,743	37,025	(87,579)	(44,106)	(83,622)	28,370	56,661	30,251	48,128	(43,974)
Debt service fund .....	20,647	22,990	17,715	18,099	27,503	26,082	30,296	82,579	41,240	41,319
Permanent funds .....	16,264	6,659	6,602	6,237	13,774					
<b>Total all other governmental funds .....</b>	<b>\$131,330</b>	<b>\$108,922</b>	<b>\$ 6,903</b>	<b>\$ 16,033</b>	<b>\$(29,032)</b>	<b>\$ 93,609</b>	<b>\$135,934</b>	<b>\$139,355</b>	<b>\$165,617</b>	<b>\$105,513</b>

Document 14: Comprehensive Annual Financial Report, Year Ending June 30, 2010, cont.

**CITY OF BALTIMORE**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)  
 (Expressed in Thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
<b>General fund:</b>										
Taxes — Local .....	\$ 758,351	\$ 767,384	\$ 793,817	\$ 821,701	\$ 910,701	\$ 992,464	\$1,040,361	\$1,074,234	\$1,105,037	\$1,137,523
Licenses and permits .....	21,347	22,051	21,429	26,805	28,570	31,143	32,784	34,717	29,390	34,438
Fines and forfeitures .....	1,298	2,162	2,401	4,408	3,575	3,372	2,900	7,321	6,896	7,116
Interest, rentals, and other investment income .....	36,637	27,468	24,968	20,729	25,364	31,206	34,047	38,602	23,616	24,148
Federal grants .....	68	45	77	111	150	90	93	99	224	213
State grants .....	79,985	87,580	98,778	96,412	92,240	91,331	98,120	101,235	99,423	97,320
Other grants .....	159	4,139	6,112	6,064	4,174	75	173	153	154	46
Charges for services .....	34,581	35,718	36,315	39,692	39,770	42,243	43,697	42,646	41,560	29,251
Miscellaneous .....	3,233	8,945	6,694	9,889	2,643	8,817	6,420	12,429	234	4,528
<b>Total revenues — general fund .....</b>	<b>935,659</b>	<b>955,492</b>	<b>990,591</b>	<b>1,025,811</b>	<b>1,107,187</b>	<b>1,200,741</b>	<b>1,258,595</b>	<b>1,311,436</b>	<b>1,306,534</b>	<b>1,334,583</b>
<b>Other governmental funds:</b>										
Motor vehicle fund .....	188,115	185,538	187,891	187,119	212,477	238,002	244,316	232,716	206,015	156,590
Grants revenue fund .....	334,831	287,578	340,989	324,317	263,542	280,232	258,288	231,047	338,749	270,692
Capital projects fund .....	21,640	40,913	60,345	68,647	64,031	84,247	66,341	65,129	46,028	75,296
Other funds .....	12,773	48,986	25,555	29,820	37,334	32,251	55,941	36,696	33,030	28,641
<b>Total revenues — other governmental funds .....</b>	<b>557,359</b>	<b>563,015</b>	<b>614,780</b>	<b>609,903</b>	<b>577,384</b>	<b>634,732</b>	<b>624,886</b>	<b>565,588</b>	<b>623,822</b>	<b>531,219</b>
<b>Total revenues all governmental funds .....</b>	<b>1,493,018</b>	<b>1,518,507</b>	<b>1,605,371</b>	<b>1,635,714</b>	<b>1,684,571</b>	<b>1,835,473</b>	<b>1,883,481</b>	<b>1,877,024</b>	<b>1,930,356</b>	<b>1,865,802</b>
<b>Expenditures:</b>										
<b>General fund:</b>										
General government .....	204,564	214,288	253,812	267,527	273,606	290,727	337,700	368,022	368,279	410,746
Public safety and regulation .....	332,315	350,941	377,494	376,052	383,318	416,781	446,072	475,629	474,031	437,031
Conservation of health .....	24,355	24,102	24,760	23,528	24,442	30,507	28,948	29,371	33,066	44,950
Social services .....	754	1,743	1,952	2,032	2,146	2,138	3,007	4,498	6,057	396
Education .....	1,308	202,117	202,046	202,192	205,067	205,552	206,016	205,858	205,909	207,657
Public library .....	19,521	19,680	19,493	20,124	18,093	20,853	23,135	24,253	25,720	24,246
Recreation and culture .....	24,685	26,255	25,998	27,143	26,464	29,151	34,568	37,707	35,163	30,212
Highways and streets .....	3,348	175	153	244	407	312	484	720	244	16,376
Sanitation and waste removal .....	33,751	29,435	30,617	29,209	28,109	37,474	39,754	40,032	40,593	37,862
Public service .....	12,039	12,170	11,889	12,234	12,715	12,448	12,210	13,259	17,510	21,455
Economic development .....	23,672	14,631	19,077	19,262	18,854	21,420	30,440	39,616	36,573	36,186
<b>Total expenditures — general fund .....</b>	<b>680,312</b>	<b>895,537</b>	<b>967,291</b>	<b>979,547</b>	<b>993,221</b>	<b>1,067,363</b>	<b>1,162,334</b>	<b>1,238,965</b>	<b>1,243,145</b>	<b>1,267,117</b>
<b>Other governmental funds:</b>										
Motor vehicle fund .....	125,781	132,117	144,495	148,268	148,974	157,248	164,419	175,354	173,570	191,558
Grants revenue fund .....	298,551	316,563	344,830	342,586	282,888	272,814	257,756	259,387	238,399	280,603
Capital projects fund .....	125,214	171,910	206,246	217,621	208,219	568,951	246,775	317,031	267,641	275,701
<b>Debt service fund:</b>										
Principal .....	39,121	34,080	36,065	36,209	42,048	48,073	53,351	56,694	52,651	60,054
Interest .....	32,528	34,900	31,760	29,674	30,197	30,555	47,302	51,198	26,144	39,014
Other bond costs .....	462				1,357	1,861	6,829		13,945	9,847
Other funds .....	241	23,180	21,524	22,752	25,052	22,038	17,015	14,161	18,052	11,863
<b>Total expenditures other governmental funds .....</b>	<b>621,898</b>	<b>712,750</b>	<b>784,920</b>	<b>797,110</b>	<b>738,735</b>	<b>1,101,540</b>	<b>793,447</b>	<b>873,825</b>	<b>790,402</b>	<b>868,640</b>
<b>Total expenditures all governmental funds .....</b>	<b>1,302,210</b>	<b>1,608,287</b>	<b>1,752,211</b>	<b>1,776,657</b>	<b>1,731,956</b>	<b>2,168,903</b>	<b>1,955,781</b>	<b>2,112,790</b>	<b>2,033,547</b>	<b>2,135,757</b>
<b>Excess (deficiency) of revenues over expenditures .....</b>	<b>190,808</b>	<b>(89,780)</b>	<b>(146,840)</b>	<b>(140,943)</b>	<b>(47,385)</b>	<b>(333,430)</b>	<b>(72,300)</b>	<b>(235,766)</b>	<b>(103,191)</b>	<b>(269,955)</b>
<b>Other financing sources (uses):</b>										
Transfers, net .....	(174,133)	27,661	31,570	28,401	33,873	16,568	20,694	36,044	27,839	40,707
Capital leases .....	21,082	12,400	433	25,136	10,189	10,265	25,447	7,372	3,956	75,099
Face value of bonds and loans .....	34,454	42,869	201,399	65,996	49,689	379,676	81,915	154,914	100,164	54,688
Premium (discount) on sale of bonds .....			(2,064)	731						
Payments to escrow agents .....			(128,030)	(11,760)						
Demand obligation transferred from fund liability .....			(51,900)	51,900	(38,531)	38,531				
<b>Total other financing sources (uses) .....</b>	<b>(118,597)</b>	<b>82,930</b>	<b>51,408</b>	<b>160,404</b>	<b>55,220</b>	<b>445,040</b>	<b>128,056</b>	<b>198,330</b>	<b>131,959</b>	<b>170,494</b>
<b>Net changes in fund balances .....</b>	<b>\$ 72,211</b>	<b>\$ (6,850)</b>	<b>\$ (95,432)</b>	<b>\$ 19,461</b>	<b>\$ 7,835</b>	<b>\$ 111,610</b>	<b>\$ 55,756</b>	<b>\$ (37,436)</b>	<b>\$ 28,768</b>	<b>\$ (99,461)</b>
<b>Debt service as a percentage of noncapital expenditures .....</b>	<b>6.77%</b>	<b>4.54%</b>	<b>4.25%</b>	<b>3.83%</b>	<b>4.58%</b>	<b>3.84%</b>	<b>5.48%</b>	<b>5.41%</b>	<b>3.50%</b>	<b>5.26%</b>

**CITY OF BALTIMORE**  
**Notes to Basic Financial Statements**  
**(Continued)**

**6. Interfund Balances and Activity**

**A. BALANCE DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at June 30, 2011, were as follows (amounts expressed in thousands):

Fund	Interfund	
	Receivable	Payable
General .....	\$ 71,173	
Motor vehicle .....		\$ 1,908
Grants revenue .....		44,382
Capital projects .....	1,519	2,958
Nonmajor governmental .....	1,358	13,983
Nonmajor proprietary .....		1,519
Internal service .....		9,300
<b>Totals .....</b>	<b>\$ 74,050</b>	<b>\$74,050</b>

The interfund balances are primarily the result of the City's policy not to reflect cash deficits in its individual funds. Also, at June 30, 2011, certain transactions between funds had not been completed.

**B. TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds at June 30, 2011, consist of the following (amounts expressed in thousands):

Fund	General	Motor Vehicle	Capital Projects	Nonmajor Governmental	Parking	Total Transfers To
General .....					\$ 52,945	\$ 52,945
Grants revenue .....					5,307	5,307
Capital projects .....	\$ 5,207	\$ 5,000		\$ 10,087		20,294
Nonmajor governmental .....	79,910	14,618	\$ 5,469			99,997
Internal service .....	28,100					28,100
Nonmajor proprietary .....	2,730					2,730
<b>Total transfers from .....</b>	<b>\$ 115,947</b>	<b>\$ 19,618</b>	<b>\$ 5,469</b>	<b>\$ 10,087</b>	<b>\$ 58,252</b>	<b>\$ 209,373</b>

Transfers were primarily to the Debt Service and General funds to provide funds for debt service and to transfer excess revenue from the Proprietary Funds to the General fund.

**C. DEFICITS**

The following funds had a deficit fund balance/net assets at June 30, 2011, (amounts expressed in thousands):

<b>Special Revenue Funds:</b>	
Grants revenue .....	\$ 32,688
CDBG (nonmajor governmental fund) .....	10,733
<b>Internal Service Funds:</b>	
Risk management .....	91,129
Energy conservation .....	1,237
Municipal post office .....	466
Reproduction and printing .....	6,628

The deficit in the Grants Revenue Fund is the result of timing differences. Revenues to cover this deficit are expected to be received in fiscal year 2012.

The City plans to continue to charge City agencies premiums in excess of that needed to cover expected operating expenses, including claims paid and incurred, and thereby eliminate the accumulated Risk Management Fund deficit over the next ten years.

Document 15: Comprehensive Annual Financial Report, Year Ending June 30, 2011, cont.

**CITY OF BALTIMORE**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (1)**  
(Modified Accrual Basis of Accounting)  
(Expressed in Thousands)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>General Fund</b>										
Reserved .....	\$ 89,278	\$ 88,422	\$ 101,777	\$ 119,793	\$ 146,107	\$ 168,912	\$ 180,794	\$ 181,585	\$ 157,131	
Unreserved .....	33,459	40,902	37,878	72,762	65,417	56,043	33,629	35,344	20,441	
<b>Total General Fund .....</b>	<b>\$ 122,737</b>	<b>\$ 129,324</b>	<b>\$ 139,655</b>	<b>\$ 192,555</b>	<b>\$ 211,524</b>	<b>\$ 224,955</b>	<b>\$ 214,423</b>	<b>\$ 216,929</b>	<b>\$ 177,572</b>	
<b>All Other Governmental Funds</b>										
Reserved .....	\$ 91,079	\$ 134,313	\$ 123,991	\$ 121,639	\$ 138,734	\$ 149,684	\$ 166,551	\$ 119,928	\$ 151,855	
Unreserved reported in:										
Special revenue funds .....	(48,831)	(64,148)	(88,188)	(108,326)	(99,577)	(100,707)	(140,026)	(43,679)	(43,687)	
Capital projects fund .....	37,025	(87,579)	(44,106)	(83,622)	28,370	56,661	30,251	48,128	(43,974)	
Debt service fund .....	22,990	17,715	18,099	27,503	26,082	30,296	82,579	41,240	41,319	
Permanent funds .....	6,659	6,602	6,237	13,774						
<b>Total all other governmental funds .....</b>	<b>\$ 108,922</b>	<b>\$ 6,903</b>	<b>\$ 16,033</b>	<b>\$ (29,032)</b>	<b>\$ 93,609</b>	<b>\$ 135,934</b>	<b>\$ 139,355</b>	<b>\$ 165,617</b>	<b>\$ 105,513</b>	

	Fiscal Year
	2011 (1)
<b>General Fund</b>	
Nonspendable .....	\$ 6,154
Assigned .....	104,862
Unassigned .....	93,884
<b>Total General Fund .....</b>	<b>\$ 204,900</b>
<b>All Other Governmental Funds</b>	
Nonspendable	
Motor vehicle fund .....	\$ 2,658
Other nonmajor funds .....	2,811
Assigned	
Motor vehicle fund .....	15,177
Capital projects fund .....	128,813
Other nonmajor funds .....	48,837
Unassigned	
Grants revenue fund .....	(32,688)
Capital projects fund .....	(80,539)
Other nonmajor funds .....	(10,733)
<b>Total all other Governmental Funds .....</b>	<b>\$ 74,336</b>

(1) During fiscal year 2011, the City implemented GASB Statement No. 54 which changed the format for fund balance presentation.

Document 15: Comprehensive Annual Financial Report, Year Ending June 30, 2011, cont.

CITY OF BALTIMORE										
Changes in Fund Balances										
Governmental Funds										
Last Ten Fiscal Years										
(Modified Accrual Basis of Accounting)										
(Expressed in Thousands)										
	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
<b>General fund:</b>										
Taxes— Local	\$ 767,384	\$ 793,817	\$ 821,701	\$ 910,701	\$ 992,464	\$ 1,040,361	\$ 1,074,234	\$ 1,105,037	\$ 1,137,523	\$ 1,176,038
Licenses and permits	22,051	21,429	26,805	28,570	31,143	32,784	34,717	29,390	34,438	42,129
Fines and forfeitures	2,162	2,401	4,408	3,575	3,372	2,900	7,321	6,896	7,116	8,055
Interest, rentals, and other investment income	27,468	24,968	20,729	25,364	31,206	34,047	38,602	23,616	24,148	21,903
Federal grants	45	77	111	150	90	93	99	224	213	
State grants	87,580	98,778	96,412	92,240	91,331	98,120	101,235	99,423	97,320	89,453
Other grants	4,139	6,112	6,064	4,174	75	173	153	154	46	25
Charges for services	35,718	36,315	39,692	39,770	42,243	43,697	42,646	41,560	29,251	26,654
Miscellaneous	8,945	6,694	9,889	2,643	8,817	6,420	12,429	234	4,528	18,579
<b>Total revenues— general fund</b>	<b>955,492</b>	<b>990,591</b>	<b>1,025,811</b>	<b>1,107,187</b>	<b>1,200,741</b>	<b>1,258,595</b>	<b>1,311,436</b>	<b>1,306,534</b>	<b>1,334,583</b>	<b>1,382,836</b>
<b>Other governmental funds:</b>										
Motor vehicle fund	185,538	187,891	187,119	212,477	238,002	244,316	232,716	206,015	156,590	160,974
Grants revenue fund	287,578	340,989	324,317	263,542	280,232	258,288	231,047	338,749	270,692	292,887
Capital projects fund	40,913	60,345	68,647	64,031	84,247	66,341	65,129	46,028	75,296	84,230
Other funds	48,986	25,555	29,820	37,334	32,251	55,941	36,696	33,030	28,641	26,245
<b>Total revenues— other governmental funds</b>	<b>563,015</b>	<b>614,780</b>	<b>609,903</b>	<b>577,384</b>	<b>634,732</b>	<b>624,886</b>	<b>565,588</b>	<b>623,822</b>	<b>531,219</b>	<b>564,336</b>
<b>Total revenues all governmental funds</b>	<b>1,518,507</b>	<b>1,605,371</b>	<b>1,635,714</b>	<b>1,684,571</b>	<b>1,835,473</b>	<b>1,883,481</b>	<b>1,877,024</b>	<b>1,930,356</b>	<b>1,865,802</b>	<b>1,947,172</b>
<b>Expenditures:</b>										
<b>General fund:</b>										
General government	214,288	253,812	267,527	273,606	290,727	337,700	368,022	368,279	410,746	375,814
Public safety and regulation	350,941	377,494	376,052	383,318	416,781	446,072	475,629	474,031	437,031	452,977
Conservation of health	24,102	24,760	23,528	24,442	30,507	28,948	29,371	33,066	44,950	44,076
Social services	1,743	1,952	2,032	2,146	2,138	3,007	4,498	6,057	396	1,361
Education	202,117	202,046	202,192	205,067	205,552	206,016	205,858	205,909	207,657	247,074
Public library	19,680	19,493	20,124	18,093	20,853	23,135	24,253	25,720	24,246	23,890
Recreation and culture	26,255	25,998	27,143	26,464	29,151	34,568	37,707	35,163	30,212	37,981
Highways and streets	175	153	244	407	312	484	720	244	16,376	16,838
Sanitation and waste removal	29,435	30,617	29,209	28,109	37,474	39,754	40,032	40,593	37,862	39,503
Public service	12,170	11,889	12,234	12,715	12,448	12,210	13,259	17,510	21,455	16,403
Economic development	14,631	19,077	19,262	18,854	21,420	30,440	39,616	36,573	36,186	36,589
<b>Total expenditures— general fund</b>	<b>895,537</b>	<b>967,291</b>	<b>979,547</b>	<b>993,221</b>	<b>1,067,363</b>	<b>1,162,334</b>	<b>1,238,965</b>	<b>1,243,145</b>	<b>1,267,117</b>	<b>1,292,506</b>
<b>Other governmental funds:</b>										
Motor vehicle fund	132,117	144,495	148,268	148,974	157,248	164,419	175,354	173,570	191,558	140,223
Grants revenue fund	316,563	344,830	342,586	282,888	272,814	257,756	259,387	238,399	280,603	292,497
Capital projects fund	171,910	206,246	217,621	208,219	568,951	246,775	317,031	267,641	275,701	199,217
Debt service fund:										
Principal	34,080	36,065	36,209	42,048	48,073	53,351	56,694	52,651	60,054	61,282
Interest	34,900	31,760	29,674	30,197	30,555	47,302	51,198	26,144	39,014	38,256
Other bond costs				1,357	1,861	6,829		13,945	9,847	5,882
Other funds	23,180	21,524	22,752	25,052	22,038	17,015	14,161	18,052	11,863	14,330
<b>Total expenditures other governmental funds</b>	<b>712,750</b>	<b>784,920</b>	<b>797,110</b>	<b>738,735</b>	<b>1,101,540</b>	<b>793,447</b>	<b>873,825</b>	<b>790,402</b>	<b>868,640</b>	<b>751,687</b>
<b>Total expenditures all governmental funds</b>	<b>1,608,287</b>	<b>1,752,211</b>	<b>1,776,657</b>	<b>1,731,956</b>	<b>2,168,903</b>	<b>1,955,781</b>	<b>2,112,790</b>	<b>2,033,547</b>	<b>2,135,757</b>	<b>2,044,193</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(89,780)</b>	<b>(146,840)</b>	<b>(140,943)</b>	<b>(47,385)</b>	<b>(333,430)</b>	<b>(72,300)</b>	<b>(235,766)</b>	<b>(103,191)</b>	<b>(269,955)</b>	<b>(97,021)</b>
<b>Other financing sources (uses):</b>										
Transfers, net	27,661	31,570	28,401	33,873	16,568	20,694	36,044	27,839	40,707	27,422
Capital leases	12,400	433	25,136	10,189	10,265	25,447	7,372	3,956	75,099	11,020
Face value of bonds and loans	42,869	201,399	65,996	49,689	379,676	81,915	154,914	100,164	54,688	54,730
Premium (discount) on sale of bonds		(2,064)	731							
Payments to escrow agents		(128,030)	(11,760)							
Demand obligation transferred from fund liability		(51,900)	51,900	(38,531)	38,531					
<b>Total other financing sources (uses)</b>	<b>82,930</b>	<b>51,408</b>	<b>160,404</b>	<b>55,220</b>	<b>445,040</b>	<b>128,056</b>	<b>198,330</b>	<b>131,959</b>	<b>170,494</b>	<b>93,172</b>
<b>Net changes in fund balances</b>	<b>\$ (6,850)</b>	<b>\$ (95,432)</b>	<b>\$ 19,461</b>	<b>\$ 7,835</b>	<b>\$ 111,610</b>	<b>\$ 55,756</b>	<b>\$ (37,436)</b>	<b>\$ 28,768</b>	<b>\$ (99,461)</b>	<b>\$ (3,849)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.66%</b>	<b>4.31%</b>	<b>4.17%</b>	<b>4.57%</b>	<b>1.78%</b>	<b>5.62%</b>	<b>5.64%</b>	<b>3.50%</b>	<b>5.26%</b>	<b>5.24%</b>

**CITY OF BALTIMORE**  
**Notes to Basic Financial Statements**  
 (Continued)

**6. Interfund Balances and Activity**

**A. BALANCE DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at June 30, 2012, were as follows (amounts expressed in thousands):

Fund	Interfund	
	Receivable	Payable
General .....	\$98,406	
Grants revenue .....		\$ 53,766
Capital projects .....	10,321	21,065
Nonmajor governmental .....	1,358	12,612
Nonmajor proprietary .....		11,968
Internal service .....		10,674
<b>Totals .....</b>	<b>\$ 110,085</b>	<b>\$ 110,085</b>

The interfund balances are primarily the result of the City's policy not to reflect cash deficits in its individual funds. Also, at June 30, 2012, certain transactions between funds had not been completed.

**B. TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds at June 30, 2012, consist of the following (amounts expressed in thousands):

Fund	General	Motor Vehicle	Capital Projects	Nonmajor Governmental	Parking	Total Transfers To
General .....					\$ 44,959	\$ 44,959
Grants revenue .....					5,487	5,487
Capital projects .....	\$ 9,000	\$ 5,000		\$ 10,358		24,358
Nonmajor governmental .....	89,797	3,496	\$ 4,486			97,779
<b>Total transfers from .....</b>	<b>\$ 98,797</b>	<b>\$ 8,496</b>	<b>\$ 4,486</b>	<b>\$ 10,358</b>	<b>\$ 50,446</b>	<b>\$ 172,583</b>

Transfers were primarily to the Debt Service and General funds to provide funds for debt service and to transfer excess revenue from the Proprietary Funds to the General fund.

**C. DEFICITS**

The following funds had a deficit fund balance/net assets at June 30, 2012, (amounts expressed in thousands):

<b>Special Revenue Funds:</b>		
Grants revenue .....		\$ 40,248
CDBG (nonmajor governmental fund) .....		7,192
Capital Projects Fund .....		5,265
<b>Internal Service Funds:</b>		
Risk management .....		134,230
Reproduction and printing .....		7,164
Energy conservation .....		1,644
Municipal post office .....		640
Municipal telephone exchange .....		603

The deficit in the Grants Revenue Fund is the result of timing differences. Revenues to cover this deficit are expected to be received in fiscal year 2013.

The City has elected to operate its Risk Management Fund on a pay-as-you-go basis. As a result, the Risk Management Fund has experienced an increase in the fund's deficit balance resulting from estimated future expenditures based upon the City's actuarial analysis.



Document 16: Draft Comprehensive Annual Financial Report, Year Ending June 30, 2012, cont.

**CITY OF BALTIMORE**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)  
(Expressed in Thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 311,906	\$ 406,520	\$ 406,849	\$ 339,059	\$ 452,353	\$ 468,113	\$ 521,242	\$ 545,037	\$ 452,449	\$ 443,957
Public safety and regulation	459,806	462,910	476,157	514,299	536,508	575,859	541,778	504,730	525,792	577,963
Conservation of health	189,881	195,024	142,219	162,319	104,879	157,549	147,054	164,751	151,192	154,105
Social services	31,382	36,822	29,451	30,584	2,252	36,202	6,096	435	14,581	31,136
Education	219,904	219,932	226,913	225,890	227,377	224,830	221,829	228,788	265,204	260,935
Public library	26,877	27,251	23,303	30,400	24,006	31,736	33,728	33,915	33,309	33,390
Recreation and culture	35,119	36,326	36,304	33,060	42,420	44,295	42,565	39,205	48,165	49,291
Highways and streets	195,148	186,393	132,909	123,930	122,212	143,340	135,992	191,536	140,309	162,290
Sanitation and waste removal	38,882	34,151	36,836	40,155	44,169	45,366	51,167	52,905	61,605	65,677
Public service	14,945	15,150	15,695	15,218	15,141	16,769	24,637	24,316	25,059	26,676
Economic development	100,343	96,964	80,045	449,746	145,160	184,286	204,557	182,816	183,331	169,896
Interest	41,271	43,588	40,944	50,070	58,327	63,070	37,885	50,105	47,391	32,624
<b>Total governmental activities expenses</b>	<b>1,665,464</b>	<b>1,761,031</b>	<b>1,647,625</b>	<b>2,014,730</b>	<b>1,774,804</b>	<b>1,991,415</b>	<b>1,968,530</b>	<b>2,018,539</b>	<b>1,948,387</b>	<b>2,007,960</b>
<b>Business-type activities:</b>										
Water	97,883	95,745	96,893	95,010	95,576	105,882	116,407	107,982	120,736	131,271
Waste water	132,785	127,009	133,463	134,290	131,610	145,611	152,595	157,605	159,776	173,106
Parking	13,060	15,272	17,478	19,441	16,520	20,317	23,422	24,832	19,853	25,332
Nonmajor proprietary	7,937	8,355	9,283	14,290	12,657	19,446	12,353	11,538	13,860	13,287
<b>Total business-type activities expenses</b>	<b>251,665</b>	<b>246,381</b>	<b>257,117</b>	<b>263,031</b>	<b>256,363</b>	<b>291,256</b>	<b>304,777</b>	<b>301,957</b>	<b>314,225</b>	<b>342,996</b>
<b>Total primary government expenses</b>	<b>1,917,129</b>	<b>2,007,412</b>	<b>1,904,742</b>	<b>2,277,761</b>	<b>2,031,167</b>	<b>2,282,671</b>	<b>2,273,307</b>	<b>2,320,496</b>	<b>2,262,612</b>	<b>2,350,956</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
Charges for services (a)	73,636	88,587	83,950	90,545	93,046	99,185	94,297	85,683	109,872	118,556
Operating grants and contributions	472,628	477,870	401,958	393,328	382,316	386,972	402,343	359,769	399,844	400,678
Capital grants and contributions	35,873	51,910	49,013	57,313	48,085	51,559	23,181	63,437	72,758	71,258
<b>Total governmental activities revenue</b>	<b>582,137</b>	<b>618,367</b>	<b>534,921</b>	<b>541,186</b>	<b>523,447</b>	<b>537,716</b>	<b>519,821</b>	<b>508,889</b>	<b>582,474</b>	<b>590,492</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water	92,214	104,436	99,282	109,471	111,052	131,233	119,840	130,512	129,292	132,340
Waste water	121,131	126,869	134,805	136,405	151,462	157,974	138,305	166,016	160,076	179,873
Parking	49,883	54,196	56,613	61,896	62,706	69,868	64,380	67,760	63,040	61,476
Nonmajor proprietary	8,856	5,332	7,463	9,971	12,598	11,677	12,440	9,989	9,979	15,546
Capital grants and contributions	30,580	55,165	51,057	69,370	78,032	40,928	22,818	38,313	72,257	100,922
<b>Total business-type activities revenues</b>	<b>302,664</b>	<b>345,998</b>	<b>349,220</b>	<b>387,113</b>	<b>415,850</b>	<b>411,680</b>	<b>377,783</b>	<b>412,590</b>	<b>454,644</b>	<b>510,157</b>
<b>Total primary government revenues</b>	<b>884,801</b>	<b>964,365</b>	<b>884,141</b>	<b>928,299</b>	<b>939,297</b>	<b>949,396</b>	<b>897,604</b>	<b>921,479</b>	<b>1,037,118</b>	<b>1,100,649</b>
<b>Net (Expense)/Revenue</b>	<b>(1,033,327)</b>	<b>(1,043,047)</b>	<b>(1,020,601)</b>	<b>(1,349,462)</b>	<b>(1,091,870)</b>	<b>(1,333,275)</b>	<b>(1,375,703)</b>	<b>(1,399,017)</b>	<b>(1,225,494)</b>	<b>(1,250,307)</b>
<b>General Revenues and Other</b>										
<b>Governmental activities:</b>										
Property taxes	517,452	527,215	539,195	598,089	592,065	626,420	693,767	770,320	813,613	769,094
Income taxes	173,466	182,506	199,635	225,517	243,611	267,625	262,901	251,731	234,955	257,893
Other local taxes	102,899	111,980	171,871	208,858	204,685	180,189	148,369	115,472	147,366	178,441
State shared revenues	173,412	169,703	200,199	222,911	226,692	213,899	187,986	135,226	127,433	130,286
Franchise fees										
Unrestricted investment income	31,841	25,032	30,170	41,776	47,560	53,503	35,756	27,308	23,905	17,404
Miscellaneous	31,324	24,498	36,884	29,727	41,557	34,398	14,568	15,806	35,695	36,794
Transfers	31,570	28,401	32,865	34,024	33,870	42,681	34,339	40,707	55,522	50,446
<b>Total governmental activities</b>	<b>1,061,964</b>	<b>1,069,335</b>	<b>1,210,819</b>	<b>1,320,902</b>	<b>1,390,040</b>	<b>1,418,715</b>	<b>1,377,686</b>	<b>1,356,570</b>	<b>1,438,489</b>	<b>1,440,358</b>
<b>Business-type activities:</b>										
Unrestricted investment income			1,103	1,665			747		5,743	3,075
Transfers	(31,570)	(28,401)	(32,865)	(34,024)	(33,870)	(42,681)	(34,339)	(40,707)	(55,522)	(50,446)
<b>Total business-type activities</b>	<b>(31,570)</b>	<b>(28,401)</b>	<b>(31,762)</b>	<b>(32,359)</b>	<b>(33,870)</b>	<b>(42,681)</b>	<b>(33,592)</b>	<b>(40,707)</b>	<b>(49,779)</b>	<b>(47,371)</b>
<b>Total primary government</b>	<b>1,030,394</b>	<b>1,040,934</b>	<b>1,179,057</b>	<b>1,288,543</b>	<b>1,356,170</b>	<b>1,376,034</b>	<b>1,344,094</b>	<b>1,315,863</b>	<b>1,388,710</b>	<b>1,392,987</b>
<b>Change in Net Assets</b>										
<b>Governmental activities</b>										
	(21,363)	(73,329)	98,115	(152,642)	138,683	(34,984)	(71,023)	(153,080)	72,576	22,890
<b>Business-type activities</b>										
	19,429	71,216	60,341	91,723	125,617	77,743	36,101	69,926	90,640	116,290
<b>Total primary government</b>	<b>\$(1,934)</b>	<b>\$(2,113)</b>	<b>\$ 158,456</b>	<b>\$(60,919)</b>	<b>\$ 264,300</b>	<b>\$ 42,759</b>	<b>\$(34,922)</b>	<b>\$(83,154)</b>	<b>\$ 163,216</b>	<b>\$139,180</b>

(a) Charges for services include charges for various City services such as rental of recreational facilities, solid waste disposal fees, port and stadium security services, impound lot fees and library video rental.

**CITY OF BALTIMORE**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (1)**  
 (Modified Accrual Basis of Accounting)  
 (Expressed in Thousands)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>General fund</b>								
Reserved .....	\$ 88,422	\$ 101,777	\$ 119,793	\$ 146,107	\$ 168,912	\$ 180,794	\$ 181,585	\$ 157,131
Unreserved .....	40,902	37,878	72,762	65,417	56,043	33,629	35,344	20,441
<b>Total general fund .....</b>	<b>\$ 129,324</b>	<b>\$ 139,655</b>	<b>\$ 192,555</b>	<b>\$ 211,524</b>	<b>\$ 224,955</b>	<b>\$ 214,423</b>	<b>\$ 216,929</b>	<b>\$ 177,572</b>
<b>All other governmental funds</b>								
Reserved .....	\$ 134,313	\$ 123,991	\$ 121,639	\$ 138,734	\$ 149,684	\$ 166,551	\$ 119,928	\$ 151,855
Unreserved reported in:								
Special revenue funds .....	(64,148)	(88,188)	(108,326)	(99,577)	(100,707)	(140,026)	(43,679)	(43,687)
Capital projects fund .....	(87,579)	(44,106)	(83,622)	28,370	56,661	30,251	48,128	(43,974)
Debt service fund .....	17,715	18,099	27,503	26,082	30,296	82,579	41,240	41,319
Permanent funds .....	6,602	6,237	13,774					
<b>Total all other governmental funds .....</b>	<b>\$ 6,903</b>	<b>\$ 16,033</b>	<b>\$ (29,032)</b>	<b>\$ 93,609</b>	<b>\$ 135,934</b>	<b>\$ 139,355</b>	<b>\$ 165,617</b>	<b>\$ 105,513</b>

	Fiscal Year	
	2011 (1)	2012
<b>General fund</b>		
Nonspendable .....	\$ 6,154	\$ 5,519
Restricted .....		30,338
Assigned .....	104,862	128,415
Unassigned .....	93,884	91,700
<b>Total general fund .....</b>	<b>\$ 204,900</b>	<b>\$ 255,972</b>
<b>All other governmental funds</b>		
Nonspendable		
Motor vehicle fund .....	\$ 2,658	
Other nonmajor funds .....	2,811	\$ 2,811
Restricted		
Other nonmajor funds .....		\$ 13,013
Assigned		
Motor vehicle fund .....	15,177	
Capital projects fund .....	128,813	7,128
Other nonmajor funds .....	48,837	37,333
Unassigned		
Grants revenue fund .....	(32,688)	(40,248)
Capital projects fund .....	(80,539)	(12,393)
Other nonmajor funds .....	(10,733)	(7,192)
<b>Total all other governmental funds .....</b>	<b>\$ 74,336</b>	<b>\$ (2,359)</b>

(1) During fiscal year 2011, the City implemented GASB Statement No. 54 which changed the format for fund balance presentation.



**CITY OF BALTIMORE**  
**STEPHANIE RAWLINGS-BLAKE**  
Mayor

DEPARTMENT OF AUDITS  
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**Auditors' Report on Internal Control Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit of the  
Financial Statements Performed in Accordance With  
Government Auditing Standards**

The Mayor, City Council,  
Comptroller and Board of Estimates  
Of the City of Baltimore, Maryland:

We have jointly audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baltimore, Maryland (the "City"), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2012. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We did not jointly audit the financial statements of the Pension Trust Funds. We also did not audit the Baltimore City Public School System and the Baltimore Hotel Corporation which comprise the City's discretely presented component units. The financial statements of the Pension Trust Funds were audited by the City Auditor acting separately, and the Baltimore City Public School System and the Baltimore Hotel Corporation were audited by other auditors as described in our report on the City of Baltimore, Maryland's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material



**Finding 2010-4: Grant Funds Accounting**

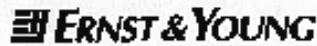
In connection with GASB Statement No. 33 and the matching principle, receivable and deferrals related to monies received or deferred should be done by matching the expenditure with the related receipt by individual grants.

During our audit, we noted material errors related to the accounting for grants. The City manually determines the related grant receivable or grant advance (unearned revenue) in reporting the grants in the government-wide statements by downloading all grant accounts in City Dynamics to an Excel file (Grant Schedule) during the financial statement close process. The analysis performed by the City was on an account by account basis and the analysis did not consider whether there were multiple accounts related to the same grant. Since there were instances where the revenues and expenditures related to a grant were recorded in different general ledger accounts, the analysis prepared by the City did not result in the proper accounts receivable and deferred income balances. Thus, the errors are primarily related to input errors in the spreadsheet to calculate amounts receivable or advances from grantors and the grouping of the appropriate general ledger accounts which comprise the receivables or advances from grantors. Material adjustments were necessary to properly state accrual accounts which required large adjustments at year end.

We recommend that a more effective process and associated internal controls for analyzing the grant accounts be developed and implemented. This process should delineate the roles and responsibilities of City staff, including staff at the various agencies that receive grants, in analyzing these accounts and identify the internal controls designed to provide reasonable assurance that material errors will be prevented or detected. This process should also include an evaluation of human resource needs at both the City and its various agencies to ensure that all related policies, procedures and internal controls can be effectively implemented. This process should include, but not be limited to, the following: (1) reconciling grant accounts from the subsidiary ledgers to the general ledger on a monthly basis; (2) review of the monthly reconciliations to ensure they are properly prepared and that any necessary adjustments are recorded timely; and, (3) internal controls that require the reconciliation of the grants detail to the general ledger and the amounts reported in the financial statements. The City should consider the need to centralize this process. Given the significance of grant activity across virtually all City agencies and the pervasive nature of the identified control deficiencies, the development of the appropriate processes and related internal controls will require a significant effort and require the oversight of senior financial management to ensure the timely remediation of the control deficiencies.

**Management Response:**

The Finance Department recognizes that there are problems with the decentralized nature of grants management. The department is currently evaluating how grants are managed and expect to make enhancements to its grants oversight responsibilities during calendar year 2013. HAPS



will be taking a more active oversight of agency accounting including, accounting for grants to ensure that grants are effectively controlled.

**Finding 2010-5: Water and Wastewater Billing**

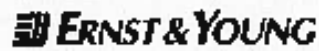
Water and Wastewater utility bills should be provided to City clients on a timely basis and as accurately as possible. Discrepancies should be reviewed by Department of Public Works (DPW) billing specialists and any adjustments to customers' accounts should be made accordingly. Amounts billed to City customers should not be heavily reliant on an estimated read process and actual readings should be conducted at practical intervals.

Based on a review of allegations regarding Water and Wastewater billing procedures performed by the Department of Audits, material errors were detected related to Water and Wastewater billings due to information system deficiencies. We believe that the cause of this material weakness was inadequate staffing resources to fully execute the meter reading process in a diligent manner and a myriad of system deficiencies. Material adjustments were necessary to properly state accrual accounts which required large adjustments at year end. Delays in issuance were realized as well because of labor intensive efforts to perform manual account reconciliations.

We recommend that the information system deficiencies be remediated as soon as possible. Until such time, interim processes should be designed and implemented to mitigate billing errors. Further, given the increased risk that errors will not be prevented, additional review procedures should be designed and implemented to timely detect any inadvertent errors. This evaluation should also include an evaluation of human resource needs at the Bureau of Accounting and Payroll Services and the Water and Wastewater agencies to ensure that all related policies, procedures and internal controls can be effectively implemented.

**Management Response:**

The Bureau of Water and Wastewater acknowledges limitations of the legacy system which provides billing controls across the Utility's retail customer base. The deficiencies in the system hold no correlation to impacts of accuracy; however withhold necessary detail to provide an adequate audit trail of the manual calculation steps prior to system entry. Following a recommendation received from the Department of Audits in November of 2011, the Bureau revised internal procedures and archival methods of capturing historical billing records. Concurrently, leadership within the Bureau conducted an analysis identifying resource sufficiency to meet the Audit recommendations as well as existing business requirements. Conclusion of this analysis resulted in additional review of all operating procedures across the Customer Care Division, additional training of billing personnel, and long term strategic planning to design and procure a replacement for the legacy billing system.



This report is intended solely for the information and use of management of the City of Baltimore, Maryland, Board of Estimates, others within the entity, Federal and State awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Robert L. McCarty, Jr.'.

Robert L. McCarty, Jr., CPA  
City Auditor  
Department of Audits

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young LLP'.

Ernst & Young LLP  
Independent Auditors

December 5, 2012



**CITY OF BALTIMORE**  
STEPHANIE RAWLINGS-SLAKE  
Mayor

DEPARTMENT OF AUDITS  
Room 321, City Hall  
Baltimore, Maryland 21202



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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With Government Auditing  
Standards**

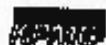
The Mayor, City Council, Comptroller and  
Board of Estimates  
City of Baltimore, Maryland:

We have jointly audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (other than the Pension Trust Funds) of the City of Baltimore, Maryland (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 6, 2012. The financial statements of the Pension Trust Funds were audited by the City Auditor acting separately. Our report was modified to include a reference to other auditors and included an explanatory paragraph regarding the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the City's discretely presented component units as described in our report on the City's financial statements. The financial statements of the Baltimore Hotel Corporation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on a separately by those other auditors.

**Internal Control over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no



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assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the City's internal control over financial reporting described in items 2011-1 through 2011-5 in the accompanying schedule of findings and responses to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance with the City's investment policy, as described in item 2011-05, that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated February 4, 2013.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of management of the City of Baltimore Maryland, Federal and State awarding agencies, pass-through entities, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 6, 2012



CITY OF BALTIMORE, MARYLAND

Schedule of Findings and Responses

Year ended June 30, 2011

**2011-04. Lack of Controls over Grants Receivable and Deferred Revenue**

***Background/Condition***

As noted above in item 2011-01, the City's financial reporting process is heavily reliant on the recording of various manual adjustments. During the review of the deferred revenue balance and the related fund balance deficit, we noted that grants revenues for particular grants were being recorded in one grant project while corresponding grant expenditures were recorded in multiple grant projects under a single grant. The initial grant advance/deferral analysis did not appropriately consider the grouping of grant projects under specific grants and therefore the accrual adjustment was miscalculated. At our request, an additional analysis was performed which provided a more reasonable basis for matching revenues with appropriate expenses. This resulted in approximately \$56.5 million of adjustments in grants receivable and \$57.6 million in grants deferred revenue, thus creating an overall reduction to the deficit in the grants revenue fund by approximately \$114.1 million.

***Criteria***

In order to ensure information is useful in decision-making and evaluating managerial and organizational performance, as well as demonstrating accountability and stewardship, controls must be properly designed, in place, and operating effectively to ensure that the City's accounting and financial information is fairly stated in accordance with GAAP.

***Cause***

Controls are not adequately designed and operating effectively to ensure the accrual adjustment is properly calculated and reflected in the general ledger and financial statements.

***Effect***

As proper controls do not exist over the grants, material misstatements to the financial statements could go undetected.

***Recommendation***

We recommend that the City take appropriate action to ensure that grants revenue and expenses are properly matched and recorded in the general ledger and other accounting records to avoid inconsistencies. We also recommend that the accrual adjustment captures appropriate information, and is properly reviewed and approved prior to posting in the general ledger and financial statements.

***Views of Responsible Officials***

The Finance Department recognizes that there are problems with the decentralized nature of grants management. The department is currently evaluating how grants are managed and expects to make enhancements to its grants oversight responsibilities during calendar year 2013. BAPS will be taking a more active oversight of agency accounting including, accounting for grants to ensure that grants are effectively controlled.

## **APPENDIX II: SCOPE AND METHODOLOGY**

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The objectives of this study are to 1) determine ways to improve the overall management and fiscal oversight of City grant programs, 2) determine the relevance of current polices and the application of various procedures, 3) analyze the budgeting for anticipated grants and the accounting for awarded grants, 4) evaluate other jurisdictions' grants management practices for comparison, and 5) recommend alternatives to safeguard City assets by enhancing fiscal oversight and compliance monitoring.

To determine the potential for improving grants management, BBMR analyzed financial reports from Fiscal Years 2001 through 2012 and interviewed agency representatives with operational knowledge of grants management. In addition, BBMR examined the grant management practices of other cities by interviewing officials from other jurisdictions: Howard County, MD; Houston, TX; Philadelphia, PA; Camden, NJ; Boston, MA and Louisville, KY.

To recommend alternatives to improve the City's overall grants management, other jurisdictions' practices and the best practices recommendations of the Government Finance Officers Association were taken into consideration and explained for each alternative recommended.

BBMR conducted this management research project from September 2012 to June 2013 in accordance with the standards set forth in the BBMR Project Management Guide and the BBMR Research Protocol. Those standards require that BBMR plan and perform the research project to obtain sufficient and appropriate evidence to provide a basis for the conclusions and recommendations contained in this report. BBMR believes that the evidence obtained provides a reasonable basis for the findings and conclusions in this report and those findings and conclusions are based on research project objectives. More information on the scope and methodologies of this project can be found in the appendices.

## **APPENDIX III: BBMR CONTACT AND STAFF ACKNOWLEDGEMENT**

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### **BBMR Contact and Acknowledgements**

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410-396-4952

### **BBMR Mission**

The Bureau of the Budget and Management Research is an essential fiscal steward for the City of Baltimore. Our mission is to promote economy and efficiency in the use of City resources and help the Mayor and City agencies achieve positive outcomes for the citizens of Baltimore. We do this by planning for sustainability, exercising fiscal oversight, and performing analysis of resource management and service performance. We value integrity, learning and innovating, excellent customer service, and team spirit.

### **Obtaining Copies of BBMR**

All BBMR reports are made available at no charge on Management Research Reports our website at:  
<http://www.baltimorecity.gov/Government/AgenciesDepartments/Finance/BudgetManagementResearch.aspx>.

### **Contacting BBMR**

Please contact us by phone at 410-396-4941 or by fax at 410-396-4236.