

# Memorandum

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**TO: Blue Ribbon Task Force**

**FROM:** Lee Price  
City Clerk

**SUBJECT: SPECIAL EVENT ACCOUNT DETAILS**

**DATE:** 01-10-05

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At the November 19, 2004 Blue Ribbon Task Force meeting, I was asked to provide additional information about Council District Office Special Event Accounts. This memo is intended to detail the accounting process for money raised and spent by Council District Offices on special “community” events. This memo will not, however, summarize or assume how donations are solicited by individual Council Offices. That procedure may vary depending on the Council Office and/or the event.

The process to account for donations and expenditures relating to individual special events for Council District Offices is as follows:

- Staff in the Council Office will notify this Office when donations are expected for an event being co-sponsored by the District Office and City department or departments.
- Our Office contacts the Finance Department to set up an accounting code (known as a “Depositor’s Fund”) for tracking donations and expenditures for the specific event. If it is an annual event, then the same accounting code is used from one year to the next.
- This Office creates a log sheet to track donations received and money spent for each event. (Note: The log is not a ledger or journal in an “accounting sense”, but serves as an internal tool for simple record keeping).
- Donations are generally sent directly to the Council Office, who then delivers the checks to this Office. The checks are made out to “City of San Jose” and the Council Office verifies for us which event the money is for.
- When checks are received, we “batch” them along with any other fees, payments, or reimbursements received that week. This means that if multiple checks are received for one account code, only the total received for each accounting code is entered into the Financial Management System (FMS). The checks and the FMS Cash Collection paperwork are reviewed, approved and sent to the Treasury Division in Finance, where the batch is processed and money deposited. My Office keeps a photocopy of the checks received, lists the donations on the log sheet and keeps a running total of the amounts received by event.

- When expenses are incurred related to an event and payment requested, Council Office staff notify us and payment is arranged, depending on the circumstances and/or needs of the provider, but always in accordance with the City's purchasing and expenditure policies. For example, a vendor providing a product may be a small business that requires immediate payment upon delivery of the merchandise or service. If the vendor is set up to accept credit card payments, the Council Office may pay the vendor on the day of the event using a City credit card. If the merchant does not accept credit cards, staff in the Council Office may request an advance from petty cash to pay the vendor. In either case, Council Office staff submits receipts from the vendor to my Office, with an explanation of the service or product/s provided. If the vendor is a larger business, we will generate a Purchase Order, the vendor will invoice the City and my staff will process payment.
- In all cases, expenditures are coded to the relevant accounting code and the expenditure is recorded in the log. Staff's processing of petty cash reimbursements and City Visa card payments for expenditures related to an event is no different than the processing of reimbursements and expenditures for other Council Office expenditures. All financial transaction services provided by my staff are subject to audit and public disclosure
- A few events have included the sale of tickets as a method of recovering expenses. Examples include the Mayor's State of the City Address and the annual Cesar Chavez Breakfast. The process for handling the revenue from ticket sales is identical to the process for handling donations—the money is delivered by Council Office staff to Clerk's Office staff and it is batched and coded.
- If there is money left over after an event, it either stays in the Depositor's Fund earning interest until the next year's event, or it may be transferred to a different community event account in that district.

Nancy Alford, Assistant City Clerk, and I are available for additional questions.

LEE PRICE  
City Clerk