



## ADMINISTRATIVE REGULATION Office of the City Manager

Number	AR 304
Sections	107
Effective Date	8/1/07
Amended Date	10/1/14
Responsible Department	FINANCE
Review Date	10/1/19

**SUBJECT: *FINANCIAL IMPACT STATEMENT (FIS)***

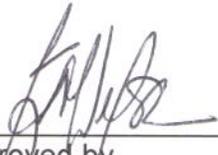
- 1. Purpose:** To provide meaningful and accurate information that will provide the City Council the opportunity to make decisions based upon a thorough knowledge of the financial impact as it relates to the recommended action and alternative actions included in a Request for City Council Action (RCA).
- 2. Authority:** Article IV Section 401 of the Huntington Beach City Charter. Article VI, Fiscal Administration of the Huntington Beach City Charter, Huntington Beach City Municipal Code Title 3 – “Revenue and Finance”
- 3. Application:** This Administrative Regulation applies to all departments.
- 4. Definitions:** Not applicable.
- 5. Policy:**
  - 5.1.** All RCAs with an estimated fiscal impact of \$10,000 or more, regardless of fund type, shall require the review and approval of the Finance Department for accuracy and due diligence prior to submission to the City Manager. Please refer to the attached “Financial Impact Statement Guidelines” for preparing your Financial Impact Statement (FIS.)
  - 5.2** All RCA's requesting additional appropriations in the amount of \$10,000 or more must include verbiage addressing the questions in the Financial Impact Statement (FIS) Guidelines Questionnaire prepared by the Finance Department.
  - 5.3** All RCAs with an estimated fiscal impact of \$10,000 or more must obtain Department of Finance approval via the City's RCA processing system (SIRE). When uploading the RCA into SIRE, the submitting department shall check/mark the “Financial Impact” field in the SIRE system to obtain Finance Department approval of the draft FIS.
  - 5.4.** Total anticipated expenditures of an RCA item should not exceed the beginning fund balance plus anticipated revenues for the fiscal year.

**6. Responsibilities:**

- 6.1. Each department is responsible for preparing the FIS prior to submitting it to the Finance Department.
- 6.2. The Finance Department shall review the FIS prepared by departments describing the proposed action's fiscal impact on the budget, fund balance, cash or available resources of the department's budget and fund(s) involved, and amend it as necessary to ensure full accuracy.
- 6.3. The City Manager's Office will only accept for consideration of approval those RCAs requesting expenditure of funds in the amount of \$10,000 or more that have a FIS approved by the Finance Department.

**7. Procedures:**

- 7.1. All RCAs will include a section entitled "Financial Impact." This section will state, at a minimum, if the item is budgeted and, if so, which fund and what account will be used. If the item is not appropriated, the FIS will state the amount of additional appropriations needed and the fund and business unit for which the additional appropriations are being requested. Please utilize Attachment A – "Financial Impact Statement Guidelines" - for full compliance.
- 7.2. In reviewing the Guidelines, the initiating department will complete the FIS following the Guidelines contained in Attachment A, and then forward it to the Finance Department. The Finance Department will review the FIS and assist the department as needed.
- 7.3. All RCAs that require an FIS must be submitted to the Finance Department at least one week prior to the City Manager's agenda deadline for the particular City Council meeting where the action is agendaized.
- 7.4. Each department that is scheduling an RCA that requires the submittal of an FIS shall inform/notify the Department of Finance via email prior to posting the item on SIRE to allow the Finance Department time to schedule review of the RCA and FIS.

  
\_\_\_\_\_  
Approved by  
Fred A. Wilson, City Manager

  
\_\_\_\_\_  
Submitted by

**ATTACHMENT A**

**CITY OF HUNTINGTON BEACH  
Financial Impact Statement Guidelines**

(To be used if \$10,000 or more funds appropriated)

Date:

Department:

Requested by:

1. Title of RCA:
  
2. Explain why the budget amendment is needed:
  - A. Explain why it was not anticipated:
  - B. Can anticipated current year budget savings be used to fund this item?
    - a. Yes
    - b. No  (if not, please explain why on separate page)
  - C. Can the Department re-prioritize current expenses so this item can be funded instead of approved budget items? Yes  No  If not, why?
  
3. Cost:
  - A. Direct Cost:  
Current Fiscal Year: \$  
Future Years: \$
  - B. Indirect Cost: \$
  
4. Funding Source:
  - A. Fund:
  - B. Specific Revenue Source:
  - C. Alternative Funding Source:
  - D. If approved from existing fund, what expense account will this be appropriated into?
  - E. Is this approved from a proposed NEW fund? No  Yes   
(If yes, department must create a Master Chart of Accounts form and forward to Finance, Accounting Division)
  - F. Will this request require the use of reserves?
  - G. Will outside reimbursement be obtained for this expenditure item? Full or partial?
  
5. History - please provide a brief history of the item:

**FOR FINANCE USE ONLY**

FIS Type:

- Additional appropriation from fund balance – no offsetting revenue
- Additional appropriation from existing fund with offsetting revenue
- Additional appropriation from new fund with offsetting revenue