

# City of Richmond

## Administrative Manual

**SUBJECT:** CIP Control Program Procedure

**SECTION:** Finance

**POLICY NUMBER:** AP 513

**INITIAL DATE PREPARED:** November 24, 1999 **LAST DATE REVISED:** November 24, 1999

### **I. Purpose**

To provide a standard approach to the planning, evaluation and control of capital expenditures.

### **II. Policy**

The City of Richmond Capital Improvement Program (CIP) is a management information system designed for planning and controlling capital expenditures. With this program, management determines the cumulative financial effects of approved capital projects on the cash position of the City. Through a CIP Control Program Procedure which analyzes capital project encumbrances and expenditures, together with the City's operating income and operating expenditures, management assesses the financial impacts of various capital investment programs and, when appropriate, determines the need for alternative financing of major projects.

The Public Services Department and Finance Departments are jointly responsible for implementing the CIP Control Program Procedure through functions described in the following procedures.

### **III Procedure**

- A. The Public Services Department has responsibility for providing the inputs required to produce the Quarterly Schedule of Future Encumbrances (AP 513-1). This report lists those approved City funded projects that are scheduled for undertaking during the next three years. The quarterly period in which contracts are to be let and the amount to be obligated under contract (as well as the amount previously obligated) are indicated for each project.
- B. The Public Services Department has responsibility for providing inputs required to produce the Quarterly Schedule of Capital Expenditures (AP 513-2). This report lists approved City-funded projects that are currently under contract and those that will

# City of Richmond

## Administrative Manual

**SUBJECT:** CIP Control Program Procedure

**SECTION:** Finance

**POLICY NUMBER:** AP 513

**INITIAL DATE PREPARED:** November 24, 1999 **LAST DATE REVISED:** November 24, 1999

be under contract at some time during the twelve-quarter period. With input from the Public Services Department regarding the beginning and ending construction periods of each project, the report shows the schedule and amount of expenditures estimated to be made to the contractors of each project.

- C. The Finance Department is responsible for updating the income and expense categories that are used to produce the Cash Flow Summary Report (AP 501-7). The report shows the City's projected cash balance for each quarter taking into account capital expenditures, future contract encumbrances and City operating income and expenditures. The Public Services Department shares responsibility with Finance to produce the Cash Flow Summary Report.

The reports described above are updated once each quarter and additionally upon request of the City Manager.