



RESOLUTION 21-012

Adopting Policies and Procedures to Improve
Internal Controls Relating to the City's
Special Events Fund

CITY OF CARSON

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April 6, 2021

Finance Department



Special Events

- The City of Carson has a long history of supporting signature Special Events for its residents.
- The Special Events bring our community together and create a sense of place.
- Special Events assist in making Carson a regional destination, as well as a desirable place to live and work.



Special Events Analysis Timeline

March 19, 2019

City Council directed staff to move forward with the next steps related to reviewing the Specials Events fund



July 22, 2019

The City Manager authorized the service agreement with Gruber and Associates to conduct Special Events analysis



February 18, 2020

The City Council accepted and adopted the Report and directed staff to return with policies to implement the recommendations made by Gruber in the report



April 6, 2021

Staff is recommending that City Council approve Resolution No. 21-012 to adopt a policy recommended by Gruber in the report



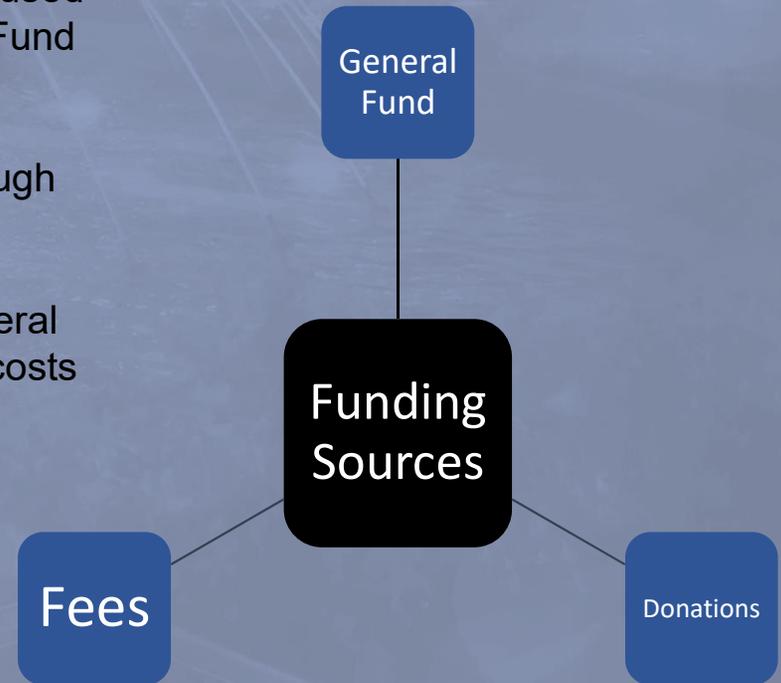
Resolution 21-012 Improvements

1. The accounting policies and procedures,
2. The cash receipting process,
3. The internal controls over:
 - Cash disbursement, expense approval and related activities
 - Event expense tracking and related activities,
 - Contract approvals and related activities,
4. The tracking of indirect costs (including personnel expenditures) of each special event each year to capture a true cost of putting on a specific event



Special Events Funding Sources

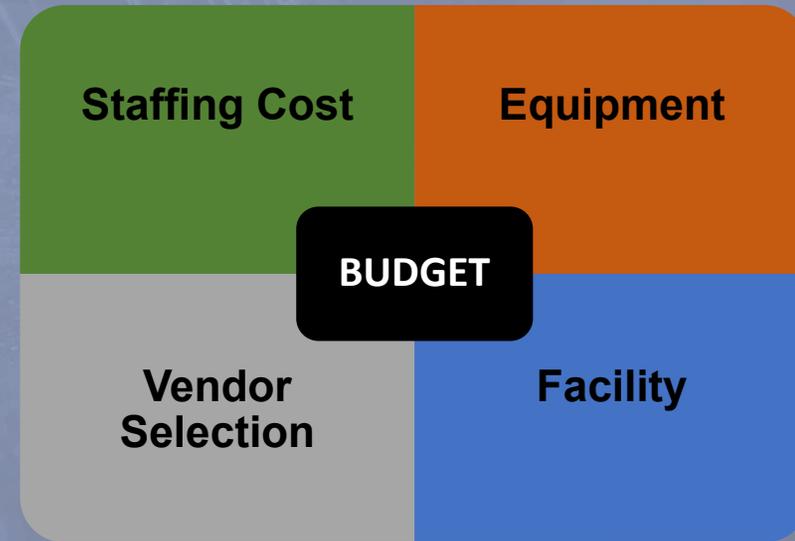
1. All event fees and financial contributions to special events must be used before any transfer of General Fund monies to the Special Events Fund are made for subsidizing events.
2. The Special Events Fund should not accumulate fund balance through the General Fund subsidy.
3. Budget controls should be focused on the event costs and the General Fund transfer must provide funding for an amount up to the actual costs incurred.





Budgeted Expenditures

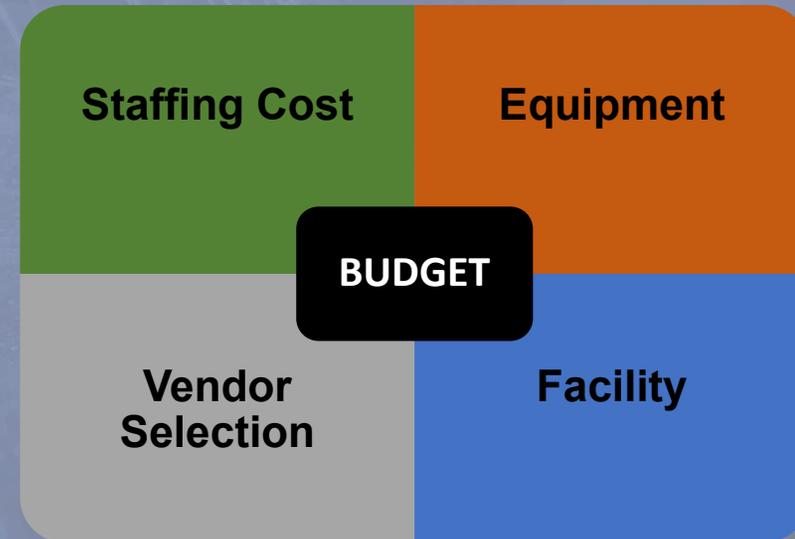
- Special Events must be treated as a project where all revenues and expenditures can be recorded, which will allow City Council and management the ability to evaluate the cost benefit of each special event.
- The City is to improve its budgeting process by submitting detailed budgets for each event (including personnel and non-personnel expenditures), which would be approved by Council and entered into the general ledger.
- Individual budgets are to be created for each event so that expenses can be charged against the budgeted accounts and that they account for straight time in addition to overtime that employees spend on special events.





Budgeted Expenditures - continued

- All indirect costs of each special event are to be tracked each year to capture the true cost of putting on a specific event. This practice will help determine if the “cost benefit” of the event justifies City continuing to subsidize a particular event. This budgeting tool can also be used as a marketing resource to the community to illuminate the cost in which the City is subsidizing events that benefit the community.
- All City sponsored events must follow the City’s purchasing regulations, inclusive of approved City employees authorizing purchases on behalf of the City.
- All special events contracts are to be entered into using the City’s standard services contracts, or another contract form approved by the City Attorney, to ensure the City’s funds are adequately protected.





THANK YOU

City of Carson - Finance Department