City & County of San Francisco

Mayor's Office Instructions & Controller's Technical Instructions

December 13, 2016

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Budget Schedule

Date	2 Year Rolling Budget	2 Year Fixed Budget
Friday, January 13, 2017	• Technology Project Proposals, Form 5, due to COIT for all IT projects greater than $100,000 • Capital Budget requests, Form 6, due to the Capital Planning Committee via the Capital Planning & Reporting Database (CPRD).	
Tuesday, February 21, 2017	• All departments submit budget in system and all forms to the Mayors Budget Office (electronically) and to the Controller's office (hard copy and electronic copy) • All capital projects funded with non-General Fund money should be loaded by departments into the budget system	• All departments with fixed two-year budgets submit form 2B, 2C & 2D to the Controller's office • Departments submit all changes in the system (must stay under 5% threshold or will require reopening of the budget) • Departments that must reopen their budgets submit budget in system and all forms to the Controller's office
Friday, March 31, 2017		• Departments with fixed two-year budgets submit all budget related legislation to the Mayor's Office
Monday, May 1, 2017	• Capital Budget submitted by City Administrator's Office to Capital Planning Committee for final review and adoption • Rolling two-year budget department submit related legislations to Mayor's Office	• MTA budget increase supplemental ordinance due to the Board of Supervisors
Thursday, June 1, 2017	• Mayor's Proposed Citywide Budget to the Board of Supervisors	• Mayor's Proposed Citywide Budget to the Board of Supervisors • Mayor's Office introduces any required adjustments to fixed two-year department budgets to the Board of Supervisors
Friday, July 28, 2017	• Last day for Board of Supervisors to adopt the two-year budget	
Friday, August 25, 2017	• Department Budget Certification Letter Due	

Introduction – User Guide

This document contains the Mayor's Office policy instructions and the Controller's technical instructions for preparation of the Fiscal Year 2017-18 (BY) and Fiscal Year 2018-19 (BY+1) budgets.

The document is divided into five major parts:

Section I – New Instructions: Outlines key changes to look for in this year's instructions, including specific instructions for the departments required to submit fixed two-year budget requests.

Section II - Mayor's Office Policy Instructions: Outlines the Mayor's Office policy instructions for the development of the budget.

Section III - Controller's Technical Instructions: Outlines the organization of the budget process and highlights changes from last year's budget instructions.

Section IV - Budget Submission Forms and Instructions: Provides the required budget forms.

Section V - Appendices: Provides additional information on policies, processes, and forms to help departments complete budget instructions. **Appendix A** is the Controller's Guidelines, which contains detailed information and guidelines for using the City's Budget System.

The following documents may be useful to you as you prepare your budget submission:

- Chart of Accounts
    (1) http://sfcontroller.org/sites/default/files/FileCenter/Documents/1557-D-8-ChartofAccounts-1stpageonly-70.pdf
    (2) Controller's Office, City Hall, Room 316

- Electronic Version of Instructions and Budget Forms
    (1) Instruction: http://openbook.sfgov.org/webreports/details3.aspx?id=2395
    (2) Forms: http://openbook.sfgov.org/webreports/details3.aspx?id=2394
    (3) Controller's Budget Office, City Hall, Room 312

- Budget System and helpful links
    (1) http://budget.sfgov.org/

For questions concerning the Mayor's Office Policy Instructions, contact the Mayor's Budget Office. For questions concerning the Controller's Technical Instructions or the budget system, contact the Controller's Budget Office. Your department's designated analyst in the Mayor's Budget Office and Controller's Budget Office is listed in Appendix E at the end of this document.

New Instructions & Key Reminders

Changes to Instructions:

Performance Measures: While the Mayor's Office and the Controller's Office expect departments to comply with Performance Measure instruction and deadlines as established by the City Service Auditor, this document does not contain Performance Measure information. If you have questions on Performance Measurement, please contact Natasha Mihal at 554-7429 or email performance.CON@sfgov.org.

Departments with Fixed Two-Year Budgets: The Departments of Airport, Child Support Services, Municipal Transportation Agency, Port, and Public Utilities Commission completed fixed two-year budgets last year and will be between budget development years this budget season. These departments have unique instructions, provided at the end of this section.

Policy for Restoring Items Rejected by the Mayor or the Board of Supervisors
Pursuant to San Francisco Charter Code Section 9.113(c) and Administrative Code section 3.18, "in the even the Mayor or a member of the Board of Supervisors recommends a supplemental appropriation ordinance after the adoption of the budget for any fiscal year and prior to the close of the fiscal year containing any item which had been rejected by the Mayor in his/her review of departmental budget estimates for the fiscal year or which had been rejected by the Board of Supervisors in its consideration of the Mayor's proposed budget for the fiscal year, it shall require a vote of two-thirds of all members of the Board of Supervisors to approve such supplemental appropriation ordinance."

This provision applies when the Mayor or the Board of Supervisors reduces expenditures in department's budget after the department phase of the budget. Departments should be aware of this provision before adjusting budget appropriations that could be subsequently reduced in Mayor or Board phase. Should a department adjust appropriations and have these funds reduced in a subsequent phase, both surplus transfers and supplemental appropriation adjustments to restore the appropriation will require approval of two-thirds of the Members of the Board of Supervisors. Departments are always welcome to discuss potential increases with their Mayor's Budget Analyst ahead of loading in the Budget System.

Reductions proposed by departments, by inclusion in the department budget submission, and accepted by the Mayor and Board of Supervisors, would **not** require a two-thirds vote if subject to a supplemental appropriation ordinance to restore that reduction.

Project Titles
Code titles, specifically projects, should reasonably articulate the project. Titles should never contain ambiguous text such as "placeholder" in the title.

Budget Year (BY) and Budget Year plus 1 (BY+1): Included in the Budget Instructions is reference to Fiscal Year 2017-18 and Fiscal Year 2018-19 as BY and BY+1 respectively.

Prior Year (PY) and Current Year (CY): Included in the Budget Instructions is reference to Fiscal Year 2015-16 and Fiscal Year 2016-17 as PY and CY respectively.

Subobject 01901 Fringe Adjustments-Budget: This subobject should not be used by Departments. The Controller's Office may move budget entries in subobject 01901 to other subobjects and/or remove balancing entries in this subobject. During the department phase please remove all 01901 entries.

Job Class 9995M_Z: This job class should not be used, please replace this job class with actual job classes in the Department budget submission.

Work Orders not to adjust: Please see "Changes to Work Order Balancing and Entries" of this report, which details instructions related to work orders.

IPIC Projects – Capital Load: Similar to last year, please load Interagency Plan Implementation Committee (IPIC) capital projects in department phase, (both expenditures and revenues). You should still coordinate with IPIC and Capital Planning on these expenditures and revenues to ensure they are correct.

Grant End Dates: Departments should confirm that grants are not expired. Expired grants will not interface into FAMIS. If a grant end date should be extended, please work with your Controller's Office Fund Accountant to extend the date in FAMIS, or replace the grant with new grant codes as needed.

Budget Submission: Please only submit an electronic copy of your budget submission to the Mayor's Budget Office; a hard copy is no longer needed. However, you do need to submit both an electronic and one hard copy to the Controller's Office.

Action Indicator "P": Please use this action indicator for Limited to Permanent Reclassifications – reclassify a limited position to a permanent position. Reference numbers must be used to link positions with "P" indicators.

Technology purchases: For all technology purchases (either Commodity or Service) that will be conducted via the City's Technology Store, departments are reminded to add **1.9%** of total cost to the total budgeted amount to account for the "City's Technology Fee". The Fee is authorized under Admin Code Sec 21.8.(b). For further information, please contact your Controller or Mayor's Office Analyst.

Organization Charts: Departments are reminded that Organization Charts are due to the budget office with your budget submission in two forms. The first, a high level chart that discusses only major departmental structures, is for publication in the budget book. The second is an org chart for all major divisions down to the position level, with indication of if the position is filled or not

Financial System Project (F$P) Impact on Budget Development

Changes to the budget instructions due to the PeopleSoft project (F$P) are relatively limited this year. FAMIS coding will still be used in the budget system and will be mapped to the new PeopleSoft coding (see the New Codes Instructions at pages 12 to 13. The budget development process for the next cycle (the two year budget for FY 2018-19 and FY 2019-20) will be impacted more as FAMIS coding will no longer be used in the budget preparation system. The system will be updated for that cycle (which begins in December of 2017) to use PeopleSoft coding. Be sure you are involved in F$P activities so you know what is coming.

Work Order Balancing and Entries

Similar to last year, the Controller's Office and the Mayor's Office want to emphasize that departments should make every effort possible to balance all work orders and be in agreement on work orders prior to their budget submissions on February 21, 2017.

Service Work Orders: Departments shall contact and reach agreement with all departments with whom the department has a workorder relationship. Departments will ensure that budget submissions for sending, receiving and expenditure authority are agreed to and balanced across both departments. Departments that fail to do so will be contacted and asked to balance their work orders right away, in order to avoid last-minute balancing by either the Controller's Office or Mayor's Office.

Centrally Loaded Citywide Work Orders: Departments should **not** adjust citywide work orders that are loaded centrally by the Mayor's Office in Mayor phase. The following list of work order subobjects and other citywide budget entries shall not be updated by departments in the Budget System. The Mayor's Budget Office will review the budget values in the Base Budget and update if needed during the Mayor's Budget Phase. General Fund departments will be held harmless for the changes in these work orders as they relate to employee wage and benefit cost increases at the performing departments.

One exception to this rule - If departments have service level changes (i.e., a department wants an increase in the amount of service provided through one of the citywide work orders below), adjustments must be discussed with the performing department well before budget submission at the end of February. The requesting department must be able to afford this increase within their base budget without increasing their general fund support, and even then the department should not load this change, but rather discuss it with the performing department and ensure the performing department informs the Mayor's Budget Office of this change , which (if approved) will then be loaded centrally in Mayor phase along with the rest of these work orders.

If any questions remain on these work order changes, please contact your Mayor's Budget Office analyst.

Centrally Loaded Work Orders

Type of Workorder Services	Subobject Code / Title
Fleet	081PF IS-PURCH-CENTRAL SHOPS-FUEL STOCK 081PA IS-PURCH-CENTRAL SHOPS-AUTO MAINT 081PE IS-PURCH-VEHICLE LEASING (AAO)
Real Estate	081RR GF-RENT PAID TO REAL ESTATE 081W6 ADM-REAL ESTATE SPECIAL SERVICES 081RE GF-REAL ESTATE SERVICE 081FM GF-GSA-FACILITIES MANAGEMENT SERVICES 081LS LEASES PAID TO REAL ESTA
Contract Monitoring	081H9 GF-HUMAN RIGHTS COMMISSION
Risk Management	081CB GF-RISK MANAGEMENT SERVICES (AAO) 081SB GF-HRC SURETY BOND
Reprographics	081PR IS-PURCH-REPRODUCTION 081PM GF-PURCH-MAIL SERVICES
Public Utilities Commission Rates	081UL GF-PUC-LIGHT HEAT & POWER 081W1 PUC SEWER SERVICE CHARGES 081W2 EF-PUC-WATER CHARGES
Worker's Compensation	081H3 GF-HR-WORKERS' COMP CLAIMS
Department of Technology	081CI IS-TIS-ISD SERVICES- INFRASTRUCTURE COST 081C5 IS-TIS-ISD SERVICES 081CW TIS-SFGTV SERVICES (AAO) 081ET GF-TIS-TELEPHONE(AAO) 081EA ENTERPRISE AGREEMENT
Controller's Office	081HZ GF-HR MGMT/BENEFITS ADMIN SYSTEM 081C4 GF-CON-INTERNAL AUDITS 081CX CON FINANCIAL SYSTEMS REPLACEMENT PROJECT 081CO GF-CON – INFORMATION SYSTEM OPS

Other Centrally Loaded Citywide Budget Entries: Departments also should **not** load debt service on General Fund Certificates of Participation; equipment lease finance program costs; General Fund capital; or General Fund equipment expenses; COIT General Fund projects; or COWCAP expenses – all of these things are loaded centrally by the Mayor's Office in the Mayor's phase. Non-general Fund capital, debt and equipment should be loaded in Department phase.

Debt	Character 070 DEBT SERVICE
Capital	Character 060 CAPITAL OUTLAY (INCLUDES EQUIPMENT) Character 069 PROJECT CARRYFORWARD BUDGET ONLY Character 06F FACILITIES MAINTENANCE Character 06P PROGRAMMATIC PROJECTS
COIT	Please refer to Form 5 Instructions
COWCAP	02001 INDIRECT COST REIMBURSEMENT

Departments Submitting Fixed Two Year Budgets

The departments listed below completed fixed two-year budgets during the FY2016-17 and FY2017-18 budget process and therefore have fixed budgets in BY, FY2017-18.

- Airport
- Child Support Services
- Municipal Transportation Agency
- Port
- Public Utilities Commission

These departments' budgets were approved for both fiscal years during the previous biennial budget adoption. The second year, FY2017-18, has now become the first year in the budget system, "BY." With the exception of the Municipal Transportation Agency (MTA), if these departments' BY budgets are projected to have significant increases or decreases in revenues or expenditures, defined as more than 5%, then the budget will be reopened and follow the usual budget process. If this threshold is not met, these departments may use the budget system to address base budget changes through surplus transfers and position substitutions guidelines. If budget changes exceed surplus transfer and position substitution guidelines, and/or the total level of appropriations increases from the approved FY2017-18 budget, supplemental ordinances will submit to the Board of Supervisors to reflect policy changes. Additionally, any budget items that were reduced by either the Mayor or the Board of Supervisors during the prior year's budget process must come to the board in a supplemental ordinance, and must be approved by a 2/3 approval vote by the Board of Supervisors in order to be implemented in the budget. The Controller's Office will review all proposed changes to the budget to verify that proposed budget adjustments are within the applicable guidelines.

Although the departments with fixed budgets through FY2017-18 are not submitting budgets for FY2018-19, in order to balance with the remainder of the city, these departments will have "shadow budgets" in the AAO. While the fixed budget departments are asked to assist in the balancing of these budgets, they may be changed entirely during next year's new two-year budget cycle, however they will serve as the base budgets for these departments.

Departments with fixed two year budgets that have proposed supplemental ordinances must submit these to the Board of Supervisors with the Mayor's proposed budget on June 1st. Please contact the Mayor's Budget Office regarding internal deadlines for which these submissions are due, in order to meet the June 1st date.

As for the Municipal Transportation Agency (MTA), per Charter section 8A.106.(d), the MTA is required to submit a supplemental ordinance budget amendment to the Board of Supervisors no later than May 1st for *any* increase to the budget, for only those amounts that exceed the budget adopted for FY2017-18 in the prior year.

The table below highlights key elements for departments' budgeting in the second year of the two-year fixed budget:

Item	Description	Action
Total budget increase	Increases the expenditure authority, with balancing revenue sources, in BY (FY 17-18).	BY (FY 17-18, the second year in the two-year fixed budget cycle) budget increases can be done via the budget process and will require the submission of a supplemental appropriation to the Board of Supervisors.
Re-open second year of fixed 2-yr budget (FY 2017-18)	Budget changes in revenue or expenditures > 5% of total budget require full Mayor and Board of Supervisors review.	Changes made via the budget system and process.
10% Surplus Transfer	(1) Move <10% into a budgeted line item from another character or project, depending on how it was initially appropriated. The 10% limit applies to the line *to which funds are moved*. (2) Position substitutions may be made by following substitution guidelines allowable during the fiscal year. (3) Changes may be due to administrative changes made in the base budget by the Controllers Office, such as for fringe benefit adjustments, revenue updates, etc.	Complete Surplus Transfer in the financial system during the course of the year (FY 2017-18) *or* via the budget system in BY (FY2017-18), as desired by the dept. The only caveat is that the department's budget must be balanced, so some changes would need be done in the budget system in order to address administrative change made by the Controller's Office.
Projected Revenues > Adopted Budget in BY (FY 17-18) but no request to increase expenditure authority	Balanced revenue & reserve entries for BY. (Reserve is budgeted in subobject 098G, reserve expenditure subobject.)	(1) <5% is a Controller's Administrative Change & does not need BOS approval as a "Policy item" as long as the bottom line total budget does not change. The Board of Supervisors approves all changes in the budget each year. (2) >10% changes within appropriations are policy changes that should be submitted to the Board of Supervisors in a supplemental appropriation.
Capital Budget Changes	(1) Existing capital projects can only change within surplus transfer guidelines of 10% (2) All new capital projects require new authority and because this is a 100% increase from the approved budget, would need to be submitted to the Board of Supervisors in a policy supplemental ordinance.	Work with Capital Planning Committee & Staff on required entries for BY (FY 2017-18).
Restoring a cut in an adopted budget	Any time that a department wishes to restore funding in an adopted budget that was cut by the Mayor or Board of Supervisors, this must be submitted as part of a supplemental appropriation and must be approved by a 2/3 vote, per the Admin. Code 3.18. This is required for cuts made at the level of appropriation; i.e. if a cut was made at the sub fund/character level, then all restorations to that sub fund/character require a 2/3 BOS vote. This is required regardless of whether the entire budget is expected to change by less than 5%.	Controller's Office will confirm whether any proposed items were previously reduced by the Board of Supervisors.
Supplemental Appropriation	Required for any changes that exceed surplus transfer guidelines or position substitution guidelines.	Submitted by June 1st, 2017 with Mayor's Proposed Budget to the Board of Supervisors. Departments must coordinate with the Mayor's Office regarding internal submission deadlines prior to this date.
Annual Salary Ordinance Amendment	Position substitutions that exceed the position substitution guidelines.	Supplemental Annual Salary Ordinance (ASO Amendment) to be submitted by June 1st.
Equipment Changes	If the department wishes to change equipment appropriations based on changing needs.	Provide the Mayor's Office and Controller's Office with proposed changes and the reasons thereof, enter into the budget. This can also be done separately from the budget process if desired during FY 2017-18.
BY+1 -- Shadow Budget	FY 18-19 is included in the AAO as a "shadow" budget that is only for citywide balancing purposes and is not a proposed budget for Mayoral or Board of Supervisors' review.	Department will assist with balancing this budget.
Prop Js	Prop Js have already been approved for FY 17/18; only changes must be reviewed.	Only submit new Prop Js or changes to assumptions in last year's approved Prop Js.
Fees	Fees must be reported annually to the Controller's Office.	Submit the form for fees that is included in the budget instructions forms by February 21st, 2017 to the Controller's Office.

Please contact your department's MBO and/or Controller's Budget Office Analyst with any questions.

New Codes Instructions (Subsetting)

The Budget System only includes coding that is in use or has been in recent budget use. There are many more codes in FAMIS than exist in the budget system. We employ an "add it when you need it" approach to making FAMIS codes accessible in the budget system. **The budget system does not automatically pick up codes that are added to FAMIS. The manual process of making a FAMIS code available in the budget system is called subsetting.**

We refer to the process of making codes available in the budget system as subsetting, because technically we are taking a *subset* of codes from FAMIS and making them available in the budget system. However, *Subsetting* is also often referred to as the process where a code may also be new to FAMIS, and then subsequently is then added into the budget system.

As departments build BY and BY+1 budget requests, new codes may be needed either in FAMIS and/or in the budget system. The Controller's Budget Office is the conduit for making codes available in the budget system. In order to include a code in the budget, it must first exist in FAMIS. Departments should confirm that a code exists in FAMIS before requesting that the Controller's Budget Office subset it. It may require 2-3 business days before the code is available, depending on whether the code exists in FAMIS. For coding setup in FAMIS, please request and coordinate with your departments Controller's Office Fund Accountant or Budget Office Analyst for assistance. The diagram on the following page illustrates the process to make a new code available.

Once a code has been created in FAMIS, please send the following information to your departments Controller's Office Budget Analyst:

- Department
- Code that will be added to the budget system (index code, grant code, project code)
- Section of the budget system for the new code (non-position, position, capital, revenue transfer)
- E-List where it will go – e.g. DSS-HS-CAL-2SHWFGNC (Organization-Program-Subfund)

The Controller's Budget Office subsets on Tuesdays and Thursdays, meaning that codes new to the budget system are available on Wednesdays and Fridays. When departments request codes to be subset in BPMS via email, please state "subsetting request" in the subject line of the email so the item is addressed as soon as possible.

Financial System Project (F$P) Impact

1. **Crosswalk of codes used in the budget preparation system**
   F$P staff will coordinate with the Controller's budget staff to ensure that all codes used in the budget preparation system are included in the crosswalk tables being reviewed by departmental staff. They will continue to work with department Chart of Account Subject Matter Experts (SMEs) to issue updates to the crosswalk tables after the Department Submission in February, Mayor's Submission in June and Board of Supervisors Approval in July phases to ensure proper mapping. As budget staff be sure you work with your department SMEs on this.

2. **Breaking one budget into more than one part**

The FAMIS to PeopleSoft crosswalk tables can combine multiple FAMIS codes into one PeopleSoft code, but they cannot break one FAMIS code into multiple PeopleSoft codes. In meeting with Chart of Account SMEs, there have been a limited number of cases where departments want to separate one budget into multiple budgets. For example, the Controller's Office wants to separate the Budget Group (BAD) from the Administration Group – they are currently budgeted in the same organization and index codes. To accomplish this

    a. Create the new required coding in FAMIS (a new organization code and new index code in the example above) and follow the usual sub-setting process described above.

    b. Make the entries in the budget system to move the budget amounts from one place to the other (positions, non-position, etc.)

    c. Be sure review the crosswalk tables during the Chart of Accounts review process to see that the new coding has been mapped to PeopleSoft properly.

Budget System Subsetting Process

Does code exist in FAMIS?

No → Set up code in FAMIS though your department's process*

Yes

1 or more days

Code is available for budget system the day after it is created in FAMIS — Day 1

Dept requests BAD to subset the code for use in the budget system by noon Tuesday or Thursday

Day 1 — Day 2

BAD reviews request and submits to BAD-IT by 3 pm Tuesday or Thursday

Code is available in the budget system the next morning (Weds or Fri)

Day 2 — Day 3

The following departments input their own codes into FAMIS: Airport, Controller, Public Health, Public Works, Human Services Agency, Municipal Transportation Authority, Port, Public Utilities Commission and Recreation and Parks. Other departments request codes through their Controller's Office Fund Accountant.

Mayor's Office Policy Instructions
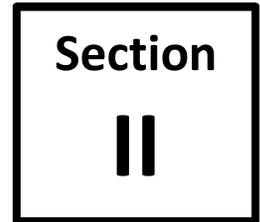
The Mayor's Budget Office projects a $119.0 million General Fund shortfall for FY 2017-18 and a $283.4 million shortfall for FY 2018-19, based on current operations, staffing levels, and estimated revenues. The following table shows contributing factors to the shortfall, which is the result of strong year-over-year local tax revenue growth offset by the expiration of one-time solutions used to balance the FY 2016-17 budget. In addition, there are increased expenditures related to salaries and benefits, fiscal impacts of voter-adopted baselines and set-asides, and projected increases in citywide operating costs. For more information, please refer to the FY 2017-18 through FY 2021-22 Five Year Financial Plan.

MAJOR CHANGES TO SOURCES	FY 17-18	FY 18-19
Use of One-Time Sources	(59.0)	(43.0)
Regular Revenues, Transfers, & Other	202.9	371.7
Subtotal - Sources	**143.9**	**328.7**
Major Changes to USES	**FY 17-18**	**FY 18-19**
Salaries & Benefits	(145.8)	(273.1)
Other Expenditures, Reserves & Transfers	(117.1)	(339.0)
Subtotal - Uses	**(262.9)**	**(612.1)**
Projected Cumulative Surplus / (Shortfall)	**(119.0)**	**(283.4)**

Financial Targets and Policy Instructions

As in previous years, the Mayor's Office is requesting that departments complete a number of forms providing information about their proposed budgets. Each form in the following sections of this booklet is accompanied by detailed instructions for its completion. What follows are specific policy instructions to departments:

Instruction #1: Submit a budget including ongoing savings equal to 3% of base General Fund Support for FY 2017-18 as well as on-going savings equal to 3% of base General Fund support for FY 2018-19.

For Fiscal Year 2017-18, departments are instructed to submit budget requests that reflect a 3% reduction in General Fund support. The entire 3% savings proposal should be ongoing.

For Fiscal Year 2018-19, departments are instructed to submit budget requests that reflect an **additional** 3 % reduction in General Fund support. The cumulative 6% savings proposal over the two years should be ongoing.

Departments are instructed to utilize Form 1A (Major Changes Table) to explain major changes in their budget submission including how they met target. Departments should load their target submission into the budget system.

Departments should absorb any known revenue losses. Non-General Fund departments are instructed to absorb all known costs increases within their proposed budget submissions by increasing revenues and/or reducing expenditures.

Instruction #2: Departments should not increase their total FTE count in their budget submissions.

The City faces a large and growing deficit over the next five years, which is projected to reach $848.4 million by FY 2021-22. Salary and benefits cost increases represent a large portion of both this deficit as well as the increase in our deficit projection since the City last released a 5 Year Financial Plan two years ago. Much of this cost growth is due to the fact that the City has created hundreds of new positions over recent years. Finally, although the City's economy and revenues are still strong, the outcome of the 2016 federal election and potential constraints on local economic growth result in additional uncertainty about the City's fiscal position.

Given these trends, Departments are instructed to **not** increase their total FTE count with their budget submission. If a Department wants to increase existing services or add new services, then it needs to identify lower priority costs within its existing budget that can be reallocated. To be clear, the Mayor's Office is not asking departments to do layoffs, a hiring freeze, or keep positions vacant as an instruction, but simply to not request to create new positions.

Instruction #3: Department submissions should be reflective of the five vision areas set forth in the citywide strategic planning process (for more information please see the Citywide Strategic Initiatives section of the City's Five Year Financial Plan). When developing future departmental strategic plans or their two year budget submission, departments should consider the following:

1. **Residents and Families That Thrive –** A strong City is one in which all residents and families thrive. San Francisco residents and families should have access to high quality education, job opportunities, and health care in order to thrive in our City.

2. **Clean, Safe, and Livable Communities –** San Francisco is a city that is clean, safe and livable for residents, businesses, and visitors. The City should encourage community engagement and local pride, ensuring that neighborhoods have clean air and water, healthy ecosystems, as well as well-maintained roadways and physical infrastructure.

3. **A Diverse, Equitable, and Inclusive City –** San Francisco remains committed to lifting up all in our diverse city and creating access and opportunity for everyone to share in the prosperity. The City must develop strategies to address the problems of poverty and homelessness while at the same

time acknowledging the impact of the intersection of gender, gender identity, race, and national origin. All neighborhoods should receive high-quality benefits and services

4. **Excellent City Services –** Excellent city services are central to helping us achieve our full vision. Our services must be well managed, embrace modern tools and technology, and be delivered by engaged and committed employees.

5. **A City and Region Prepared for the Future –** San Francisco must prepare for coming changes and challenges over multiple time horizons to ensure that the City is resilient environmentally, economically, and educationally now and for future generations

Instruction #4: Do not propose raising fees for individual San Franciscans and families without strongly considering whether the fee is fair, practical, efficient to collect, and does not disproportionately impact low income communities and communities of color.

Every year Mayor Lee has instructed departments not raise or create new fees for San Franciscans. This year, as we face larger target reductions than in recent years and uncertainty at the federal level, it is more important than ever that our budget reflect our deep commitment to equity and justice-- the San Francisco values we all hold dear. Please keep this in mind when considering any new fees and fines and when looking at existing fees to ensure fair collection practices and that the fees do not disproportionately impact poor and minority communities.

Instruction #5: Departments are encouraged to apply to participate in the City's talent development programs including the San Francisco Fellows Program (formerly City Hall Fellows), the 1249 Personnel Analyst Training Program, and the Mayor's Senior Fellows Program, which serve as talent development pipelines for the City. These programs are likely to continue in FY 2017-18; however, consistent with the instruction to not grow FTEs, it is unlikely that the programs will be larger than the FY 2016-17 level of positions.

San Francisco Fellows – The San Francisco Fellows Program is one that engages recent college graduates to learn about and work in local government in an 11 ½ month placement in a City Department. This program encompasses many aspects of the former City Hall Fellows program. Departments may propose sponsoring a fellow and should identify whether funding will come from existing resources in the base budget, or whether it is a proposed enhancement. In the current year, there are 18 Fellows working in various City departments.

1249 Personnel Analyst Training Program - This program is designed to develop highly-skilled personnel analysts for city departments. These trainees rotate through DHR divisions, receive training, and then are placed at the sponsoring department. DHR anticipates this may be a major pipeline for personnel analysts for the City in the future. Eleven trainees are currently participating in this year's (FY 2016-17) cohort.

Senior Fellows – The Mayor's Senior Fellows Program places private sector executives into various City departments for an 11 ½ month, full-time assignments that are designed to help accelerate high-impact strategic projects. Once a given project has been selected and defined, an executive search by a nonprofit recruitment partner is conducted to help attract some of the most talented individuals in the country. Fellows are given training and support from the nonprofit partner throughout the course of their fellowship. All departments are encouraged to compete for this

highly competitive program.

For additional information about these programs, please contact Risa Sandler, Talent Acquisition & Development Manager in the Workforce Development Division, 415-557-4890 or Risa.Sandler@sfgov.org, or your Mayor's Budget Analyst. It is likely that interest in these programs will be greater than program capacity; as a result only selected departments will be able to participate.

Instruction #6: Foster community engagement in the budget development process

Departments are encouraged to foster community engagement in the budget development process. This includes clearly describing and publicizing (on departmental websites) each department's budget development and community engagement process. In addition, departments are instructed to engage community stakeholders and non-profit partners through commissions, advisory boards, and/or additional community meetings.

Instruction #7: Consider Independent Reviews and Audits in Developing Budget Submissions

Departments are to consider independent reviews and audits such as Civil Grand Jury reports, audits by the Controller's Office, and reports by the Budget Analyst's Office in developing their budget submissions.

Controller's Technical Instructions

Required Departmental Submissions and Deadlines

Committee on Information & Communication Technology: January 13, 2017
Submit your department Technology Project Proposals (see budget Form 5D and 5E) for all IT projects exceeding $100,000, to the Committee on Information Technology (COIT). Complete Form 5D and 5E for each project.

Capital Budget Request
Submit Capital Budget Requests greater than $50,000 to the Capital Planning Committee using the Capital Planning & Reporting Database (see Budget Form 6) by Friday, January 13, 2017. These requests also must be included in the Annual Departmental Budget Request to the Controller's Office on Tuesday, February 21, 2017.

Annual Departmental Budget Request: February 21, 2017
All departments must submit one hard copy and one electronic copy of their budget requests and supporting documents to the Controller's Budget Office. Please submit ONLY an electronic copy (via email) to the Mayor's Budget Office. Departments must have completed changes to the budget system at this time, as access to make entries in the budget system will end by the close of business on February 21st. Documents required in the budget submission include:

- Form 1A -   Summary of Major Changes Reflected in the Departments Proposed Budget
- Form 2A -   Department Revenue Report
- Form 2B -   Schedule of Licenses, Permits, Fines & Service Charges
- Form 2C -   Fee Cost Recovery Form
- Form 2D -   Local Legislative Changes Assumed in Budget Submission
- Form 3A -   Program Expenditure Report
- Form 3B -   Work Order Balancing Report
- Form 3C   Position Changes
- Form 4 -   Equipment and Fleet
- Form 4D-   Fleet Vehicle Acquisition Request Form
- Form 5 -   IT Requests
- Form 6 -   Capital Budget Request Form (submitted online)
- Form 7A -   Major Contract Changes (Non-ICT)
- Form 7B -   Major Contract Changes – Enterprise IT and Telecom Contracts
- Form 8A -   FAMIS Project Coding Request
- Form 8B-   FAMIS Index Code Coding Request
- Prop J -   Several forms for proposals to contract out services

You may download all templates and forms from the Controller's website located at http://openbook.sfgov.org/webreports/details3.aspx?id=2394 or you may request an electronic copy via email from the Controller's Budget Office.

Budget Certification Letter: San Francisco Charter Section 9.115 and San Francisco Administrative Code Section 3.14 require that all departments and agencies of the City and County be required to conduct their departmental operations with such moneys as are provided in the various departmental and agency budgets. In conformance with Charter Section 9.115, the head of each agency shall, within 30 days of the adoption of the annual budget by the Board of Supervisors, by letter addressed to the Mayor, Board of Supervisors and Controller, agree that the funding provided is adequate for his or her department, board, commission or agency unless otherwise specifically noted by the appointing officer and acknowledged in writing by the Board. Appendix C contains a template for the certification letter.

Budget Submission Forms and Instructions

Forms 1A High-level Summary

Form 1A: Summary of Major Changes Reflected in the Department's Proposed Budget

<u>To be Completed by</u>: Departments without commissions; departments with commissions may submit a copy of their budget presentation to their commission in lieu of completing this form, if preferred.

<u>Instructions</u>: Using Budget Form 1A, departments should provide specific dollar and FTE amounts associated with major changes in operations in the proposed budget. Examples of these include: changes in staffing levels, items responsive to the Mayor's Office reduction targets, and any administrative changes. Where applicable, identify resulting service impact with specific estimates, if available, and fiscal impact of the major changes. **Changes that result in an increase in general fund support (enhancement requests) should not be loaded in the system.** A 'brief description' column is on this form to assist departments in grouping together and explaining multiple budget changes into one policy change or initiative if applicable.

Forms 2A, 2B, 2C & 2D: Sources & Legislative Changes

Additional information on budgeting for sources, including City policies and definitions, are located in the Controller's Guidelines in Appendix A.

Form 2A: Department Revenue Report

To be completed By: All Departments, (including departments with a fixed two year budget).

Overview: Form 2A should reflect all revenues including state and federal revenues and grants (Characters 300, 350, 400, 450, and 490), but **exclude** revenue from licenses, permits, fines and service charges (Characters 200, 250, 600, and 750) as these will be listed separately on Form 2B. For multi-year grants, budget only the FY 2017-18 and FY 2018-19 portions of the grant award.

Instructions: This Form should be submitted using data from the 15.40.007 report from the budget system. Please run this report and use the data to fill in the following columns:

- **CY Projected**
- **BY Base Budget**
- **BY Department Proposed**
- **Change from Base budget**
- **BY+1 Department Proposed**
- **Revenue Description and Explanation of Change**

If there are changes in the amount of projected revenues, departments should explain historical trends or events causing the change. The explanations of existing revenue should be complete to allow for revenue assumption confirmation.

If you need assistance running the 15.40.007 report, please contact your Mayor's Budget Office or Controller's Budget Office analyst. The Form 2A submission must be formatted appropriately so that printed copies are easily readable by the public.

Please Note: All proposed revenue changes are subject to Mayor's Budget Office approval. Departments should discuss proposed revenue changes with their analysts in the Mayor's Budget Office and the Controller's Budget Office prior to loading into the budget system. The Controller's Budget Office will review departmental revenue estimates and their reasonableness and submit an opinion regarding the accuracy of the economic assumptions included in the Mayor's Proposed Budget to the Board of Supervisors. In addition, a copy of the related proposed ordinances should be forwarded to the Controller's Budget Office.

Form 2B: Schedule of Licenses, Permits, Fines, and Service Charges

To Be Completed By: All Departments, (including departments with a fixed two year budget).

Overview: San Francisco Administrative Code Section 3.7 requires departments to submit a comprehensive schedule of license and permit fees, fines, and service charges and associated revenue (except charges regulated by State or Federal law) with each year's budget submission.

Instructions: List each of the Department's license, permit, fine, and service charge items in Form 2B with the details below. Please be sure to include all license and permit fees in Characters 200 and 750, fines in Character 250, and charges for service in Character 600.

- Status
    - C - for continuing fees without changes for CY (except for automatic CPI adjustment, if legislatively allowed);
    - M - for modified fees (increase or decrease); and
    - N - for new fees
- Brief description of the license/permit fee, fine, or service charge
- Authorizing Code citation;
- Whether the authorizing code provides for an automatic CPI adjustment (Yes/No);
- Subobject and Index Code;
- Unit Basis (e.g., per year, per application, per inspection, per event, per appeal);
- Charge (per unit) in CY;
- Estimated quantity (in units) for CY;
- Budgeted Revenue for CY;
- Estimated percentage of the overall cost of the service in CY that will be covered by the current charge;
- Proposed BY and BY+1 charge (per unit);
- Estimated quantity (in units) for BY and BY+1;
- Proposed Revenue for BY and BY+1;
- Estimated percentage of the projected cost of a unit of service in BY and BY+1 that will be covered by the proposed fee (revenue may not exceed the cost of providing service);
- Date of the last increase in the fee; and
- Fee prior to last increase.

Please note that the Controller's Office will provide the CPI values for BY and BY+1 based on information published by the Department of Labor in January. Contact the Controller's Budget Office for the CPI values before submitting Form 2B.

Please ensure that new and modified fees are included on Table 1, form 2B, while continuing fees are included on Table 2, form 2B. Drop down menus have been included for your use.

Please Note: Each year, the Controller's Budget Office relies on submitted information to compile a Master Fee Schedule for City policymakers and other interested stakeholders. Therefore, departments must complete Form 2B in full detail. Please pay special attention to the list of fees to ensure that each fee listed is actually being collected, and that all fees being collected by the department are listed. Also, please note that the Department must certify that the proposed fee levels do not generate revenue in excess of the cost of providing the service.

Some departments have particularly complex fee schedules, making it difficult to summarize data into Budget Form 2B. In these cases, departments may submit documentation with similar fee information in lieu of Budget Form 2B.

Proposition 26 - Supermajority Vote to Pass New Taxes and Fees Act

Any departments proposing to increase fees or create new fees should contact their Deputy City Attorney and Controller's Budget Office and Mayor's Budget Office analysts to ensure any proposals comply with the terms of State Proposition 26, passed on November 3, 2010, which changes the definition of a tax and imposes increased approval requirements for some rate increases.

Form 2C: Fee Cost Recovery Form

To be completed by: Departments submitting new and/or modified fees, fines, or service charges, in BY or BY+1, (including departments with a fixed two year budget).

Instructions: Follow the fee change example provided in the sample form. The Mayor's Budget Office will coordinate the legislative process for all changes in fees, fines, and charges for service.

Any departments proposing to increase fees or create new fees should contact their Deputy City Attorney and Controller's Budget Office and Mayor's Budget Office analyst to ensure any proposals comply with the terms of State Proposition 26, passed on November 3, 2010, which changes the definition of a tax and imposes increased approval requirements for some rate increases.

Please Note: All budget-related legislation, including legislation to enable new fees or increases to current fees, should be submitted by departments to the Mayor's Budget Office by April 1 (for fixed two-year budget departments) or May 1 (for rolling two-year budget departments).

With prior approval from their Mayor's Budget Office analysts, departments may use proposed and projected increases in revenues from fees and fines to meet their BY and BY+1 General Fund targets. The Controller's Budget Office will provide the CPI values for BY and BY+1 based on information published by the Department of Labor in January. Departments are encouraged to begin discussions with their Mayor's Budget Office analysts well in advance of the Department Budget Request submission deadline, to facilitate implementation of their proposed new fee or fee modification. Departments should be prepared to discuss the structure of all new fees, as well as plans for their implementation.

Form 2D: Local Legislative Changes Assumed in Budget Submission

To be completed by: All departments. Details must be provided by departments assuming or proposing legislative changes in their budget proposal, including any fee changes requiring legislation. However, even departments that are not proposing legislative changes should check the box stating this to make it clear that they reviewed this form.

Overview: To provide departments with increased flexibility with which to plan and budget resources in BY and BY+1, departments are allowed to submit a budget that assumes local legislative changes. Departments should propose changes that achieve cost recovery, facilitate efficient service delivery and maximize returns on investment of City resources. **Departments should consult with and obtain approval from their Mayor's Budget Analyst prior to assuming any legislative changes in their budget submission.**

Instructions: Examples of legislative changes include departmental and program reorganization, new proposals to contract for service delivery, **and increasing fees, fines, and charges for service**. Departments should provide a general discussion of the need for and value of such changes assumed in their budget

submissions. **Please note that if a department is proposing a change in fees, fines or charges for service, the Fee Cost Recovery Form, Form 2C, is also required.**

Departments are responsible for drafting and submitting all budget-related legislation to their Mayor's Budget Analyst. The Mayor's Budget Office will coordinate the introduction of legislation to the Board of Supervisors for changes proposed in the budget. **Departments should not introduce authorizing legislation independently**. Please submit a signed original, plus three copies of the legislation, in addition to an electronic copy. For ordinances, please remember to include a legislative digest with your submission. If you do not plan on proposing any legislation with the budget, please check the box at the top of the form.

Departments must submit all budget related legislation to the Mayor's Budget Office by **March 31, 2017 for MTA and by May 1, 2017 for all June 1 budget departments**.

Form 3A, 3B & 3C: Uses (Including Position Changes)

Form 3A: Program Expenditure Report

To be completed by: All Departments.

Instructions: This Form should be submitted using the 15.40.005 and 15.40.006 reports from the budget system. Please run these reports, export them to Excel, manually paste the data into Form 3A, and fill in the column labeled "Explanation of Change." Explanations for changes in expenditures require the same information required for changes in revenues. Departments should be as precise as possible, and show all calculations used in estimating increases or decreases. If necessary, departments may increase program expenditure budgets by increasing departmental revenues or by rearranging expenditures from one program to another. Increases based upon new revenue require prior authorization from your Mayor's Budget Office analyst before loading into the budget system.

All work order recoveries and expenditures should be detailed at the subobject detail level, i.e., 081xx, 087xx or 086xx. Do not use 08199, 08799 or 08699. Replace existing 08199, 08799 and 08699 subobjects with the actual work order subobject that references a specific department. Use the Chart of Accounts coding that specifies the requesting or performing department by a two letter department code. As in CY, the requesting departments drive spending authority for work order departments.

Please Note: If disagreements arise on work order amounts, the Controller's Budget Office, in consultation with the Mayor's Budget Office, will balance work order funds to the best of our ability. However, we would much prefer departments come to agreement and balance on their own prior to their budget submission.

Form 3B: Work order Balancing Report

To be completed by: All Departments.

Instructions: This Form should be submitted using the 15.20.012 (requesting & preforming) from the budget system. The report will display all imbalanced work order relationships with other departments.

Ensure you run the report as either the performing or requesting department (or both) as appropriate for your department. Ensure you select department phase, and the 'show exceptions only' check box.

The resulting report will highlight work orders that are imbalanced (via the variance column) or work orders that don't have a corresponding 081/086 (missing column.) Cut and paste the results into form 3B. When complete – ensure you give a narrative to all lines that are marked as "Y" in the missing or variance columns.

Please Note: If a work order is out of balance or missing due to a pending citywide rate change (PUC, DT, Fleet, Real Estate, Risk Management, REPRO, Workers Comp, Emerge, CMD) annotate the reason column as 'Pending Citywide Work order Load'

Form 3C: Position Changes

To be completed by: All Departments.

Instructions: This Form should be submitted using budget system report "15.40.025 Form 3C: Position Changes." Please run the report, export it to Excel, and fill in the columns labeled "does this change result in a layoff" and "Explanation."

Departments must indicate whether a proposed deletion or substitution of position will result in a layoff or whether the changes are being applied to vacant positions. **Departments must contact their Mayor's Budget Analyst prior to deleting any filled position in the budget system.**

Departments should be as precise as possible and explain all proposed position changes and the change in work or organization that is leading to the request. Requests are subject to future review by the Department of Human Resources for classification verification.

New positions should be entered to begin no earlier than Pay Period 7 and/ or no greater than 0.77 FTE. New positions should only be entered to begin in Pay Period 1 and /or 1.0 FTE if departments are requesting an interim exception from the Mayor's Budget Office. Please include all new positions and associated FTE's that will be entered into the budget system on Form 3C.

Form 4: Equipment & Fleet

Completed equipment requests will be evaluated in accordance with 1) the Policy Instructions and guidelines described within the Budget Instructions; 2) Department's justification and alignment with overall strategic and operational goals and objectives of the Department; and 3) availability of funding in a) the Fiscal Year of request and b) the Department's prioritization of equipment. Requests will also be evaluated in light of budget requests made in previous Fiscal Years and associated funding levels.

Department requests should be reasonable in both size and scope – reflecting on past equipment allocation amounts and the fiscal realities of the City as a whole.

Before making a request for new equipment, departments should visit the Virtual Warehouse managed by the Department of the Environment. The Virtual Warehouse is an exchange system for surplus items – office furniture, computers, equipment, and supplies – among City departments. All items in the Virtual Warehouse are free to City departments. By using these items rather than making new purchases, the City can save money and reduce its environmental impact by limiting waste. Visit the warehouse at: http://www.sfgov.org/surplusdisposal.

Definition of Equipment:
- Items with a unit cost of $5,000 or more; and
- Having a useful life of three years or more.

Items not meeting these criteria must be budgeted and loaded in materials and supplies. Do not include materials and supplies on this Form 4.

Equipment requests that are part of a Technology Project Proposal should be included on Form 5 only.
- Please do not list the same equipment requests on Forms 4 and 5.

Instructions: Requests should be placed on the appropriate table and include the following information:
- Fiscal year
- Priority
- Equipment Number (if Table 4B)
- Index code
- Item description
- New/Replace
- Type of equipment (e.g. IT, Vehicle, Other)
- Estimated Useful Life
- Estimated Annual Maintenance Cost
- If the request is for a replacement vehicle fill out the following columns (Leave these columns blank if the row is not for a replacement vehicle request). All replaced vehicles need to be tied to a vehicle currently assigned to the Department. Departments should only list one vehicle per spreadsheet row.
  - VIN
  - Make and Model
  - In-service date
  - Total mileage
- Number of units

- Cost per unit
- Total cost
- Total cost with sales tax
- Justification of need (if Table 4B).

Note: Departments are encouraged to work with Fleet Management prior to submitting your vehicle requests. All vehicle requests will be reviewed by Fleet Management during Mayor phase. Please review Appendix B for further information.

All departments requesting equipment must complete Tables 4A, 4B and/or Table 4C as more fully described below.

Table 4A: Equipment Approved During Last Year's Budget Process (and included in the FY 2017-18 base budget)

To be completed by: Departments with any equipment already reviewed and approved by the Mayor's Budget Office, the Budget and Legislative Analyst, and the Board of Supervisors during last year's budget process.

Instructions: Use sample form and list all BY equipment previously approved. Please be sure to indicate the approved equipment number on each line item. The fund, index code, equipment number, title, base units, and base amount can be copied from an equipment report.

Fill out the vehicle information section for all vehicles that will be replaced. Vehicle requests will be reviewed by Fleet Management. Please contact your Mayor's Budget Office analyst if you have any questions.

Table 4B: General Fund Equipment Request

To be completed by: Departments with General Fund equipment requests that cannot be purchased within the department's proposed base budget submission must complete Table 4B. **Equipment proposed in Table 4B should not be entered in the budget system during department phase.**

Instructions: This Table 4B will be used by the Mayor's Budget Office to prioritize and allocate equipment needs citywide. Include installation costs, where applicable, in the total amount requested.

Please Note: Before completing the Request Form, departments should:
- Review the Virtual Warehouse for available equipment; and
- Contact their Purchasing Representative to obtain recent and accurate estimates of equipment life cycle costs (e.g. purchase, installation, maintenance).

Vehicles: Information about Basic costs and clean air vehicle requirements per the Healthy Air and Clean Transportation Ordinance are included in *Appendix B*. If a program requires a specialized vehicle, the equipment item description should detail the need for additional outfitting and the according cost. Pursuant to the amendment of Administrative Code Section 4.10-1, all new vehicle purchases, rentals or leases must be approved by the City Administrator, Fleet Management. In general, the City's fleet policy aims to reduce the size of fleet and encourage the utilization of the central vehicle pool.

Budget forms available at http://openbook.sfgov.org/webreports/details3.aspx?id=2394 29

Equipment Numbers: The Mayor's Budget Office will work with the Controller to assign equipment numbers to all approved items on Table 4B after departmental equipment allocations are finalized.

Table 4C: Equipment Funded in Operating Budget

To be completed by: General Fund Departments proposing to fund equipment within the department's proposed budget submission may complete Table 4B. **General Fund departments may only use this Table 4C if they meet their reduction targets; however, requests will be reviewed in accordance with the Policy Instructions detailed above.**

Instructions: Equipment numbers will be finalized following allocation of Citywide equipment during Mayor phase. Departments may enter preliminary equipment numbers in the system based on the following logic: The first two characters are the two-letter code for the department (for example, "AD" for Administrative Services), the next two characters indicate the SECOND half of the fiscal year (i.e., "18" for FY 2017-18), and the last two positions are sequencing numbers. A separate field indicates whether the item is new "N" or replacement "R" equipment.

Departments should not budget in objects 063 and 064
- Object 063 is for proposed lease revenue program purchases. Proposed purchases should be listed in Form 4B and not entered in the budget system. If the Mayor's Office proposes to issue lease revenue bonds in the Budget Year, the Mayor's Office will enter equipment numbers into this subobject.
- Object 064 is for the repayment of existing lease purchase debt. The payments will be entered into the budget system by the Controller's Office.

Please see the equipment section in Appendix B for further information concerning equipment purchases.

Form 4D: Vehicle Acquisition Request Form

To be completed by: Departments proposing to replace an existing City vehicle or add a vehicle to the City's fleet.

Instructions: Complete form and send to Fleet Management as part of your budget submission. Submission of this form to Fleet Management does not constitute implied approval of fleet request. For further details, see Annex B of this document

An online version of this form can be found here:
http://admweb/AdminServices/Fleetmgmt/DocsForms/CityVehicleProcurementWorkshop/VehicleAcquisitionRequestFormFMCS%20100-2015.pdf

Form 5: Technology Project Proposals

OVERVIEW:

All departments with new technology projects in FY 2017-18 and FY 2018-19 must submit Technology Project Proposals to COIT via SharePoint.

Technology projects reviewed by COIT are $100,000 or more and have a defined beginning and end. Requests for equipment and materials and supplies are generally not considered technology projects. As such these should be included in your budget requests to the Mayor's Office. COIT members will review project proposals from March to May 2017.

Note: New General Fund supported projects should not be loaded in the Budget System by Departments; project details and unique COIT project identifiers in FAMIS will be loaded centrally upon final approval by COIT.

Please do not submit duplicative requests to Capital Planning and COIT.

In the budget preparation system, new COIT project codes should follow new codes instructions at pages 12-13 and will be included in the updated crosswalk tables for Financial System Project (F$P) during the budget process.

In the New PeopleSoft system, COIT funded projects will be identified by putting the 4 characters 'COIT' at the beginning of the Authority field description. All Technology Projects (whether COIT funded or not) will be identified by using the Technology Project Type and rolling those projects to the Technology summary project in the new PeopleSoft system. Departments are encouraged to create an activity structure consisting of phases (Waterfall/Agile/Other) for Technology Projects. For citywide reporting these will be combined into the following three phases: Initiation/Analysis, Development, Deployment.

DEADLINE:

All documents are to be submitted by **January 13, 2017**.

INSTRUCTIONS:

When filling out your submission, please use layman's terms wherever possible. Please define any specialized terms or acronyms and avoid technical terms.

As you are completing your request, please account for recently adopted technology policies:

- Disaster Preparedness, Recovery, Response, and Resiliency Policy
- Cybersecurity Policy

Complete a request form for each project submission in SharePoint.

If you have any questions, please contact COIT staff.

CONTACT INFORMATION:

Matthias Jaime, Acting Director	Lily Liang, Admin Support
Matthias.Jaime@sfgov.org	Lily.Liang@sfgov.org
(415) 554-4568	(415) 554-4577

Definitions

- **Technology Project:**
  A new ICT initiative that would increase the personnel or contractual staff for a limited duration, with costs to the city by more than $100,000;

  - Or-

  A project with a total cost (personnel and non-personnel) of more than $100,000.

- **Technology Equipment**: Expenditures related to basic maintenance of ICT systems or replacement of existing ICT equipment. Unless these expenditures are included as part of a larger ICT project, they should be requested on Form 4A of the Budget Instructions.

- **Technology Materials & Supplies:** Expenses related to routine maintenance and materials and supplies of existing ICT systems. Unless these expenditures are included as part of a larger ICT project, they should be requested as part of a Department's operating budget and outlined on Form 3.

- **Information Technology (IT) Budgeting**
  IT projects should be budgeted using the following IT subobjects:

02761	Systems Consulting Services
02911	DP/WP (Data Processing/Word Processing) Equipment Maintenance
03111	Data Processing Equipment Rental
03596	Software Licensing Fees
04921	Data Processing Supplies
04973	Periodicals – Library Only
06061	Data Processing Equipment
06161	Data Processing Equipment – Lease/Purchase-Initial
06261	Data Processing Equipment – Lease/Purchase-Renewal
06361	Data Processing Equipment – Lease/Purchase-Finance Agency-Initial
06461	Data Processing Equipment – Lease/Purchase-Finance Agency-Renewal

Note that departments should use subobject 04921 for all data processing supplies worth less than $5,000 per unit, and should no longer use subobject 04925 "Minor Data Processing Equipment."

Form 6: Capital Budget Request Form

<u>To be Completed by</u>: All departments with capital requests.

<u>Instructions</u>: Submit FY 2017-18 and FY 2018-19 Capital Budget requests to the Capital Planning Program (CPP) via the **Capital Planning & Reporting database (CPRd)** by **January 13th, 2017**.

Please ensure that Capital Budget requests are in line with the draft Capital Plan for FY 2018 – 2027. Inclusion in the Capital Plan does not guarantee funding for a project; therefore, be sure to submit a formal budget request for each project. As always, renewal projects will be prioritized, and should make up the majority of budget requests. Since FY 2017-18 is likely to be a challenging budget year, please make sure to prioritize all requests (by assigning a "Dept Priority in CPRd), provide vetted cost estimates, and be thoughtful about expected project spending (i.e. prioritize projects that can be executed in a timely manner).

The Capital Planning Committee (CPC) will review CPP staff recommendations from February to March 2017. Once projects are approved by Capital Planning Committee they will be loaded into the Budget System centrally. **New Capital Project codes will follow the new codes instruction on page 12-13, and will be included in the updated crosswalk tables for Financial System, Project (F$P) during the budget process**. In the New PeopleSoft system, CPC funded projects will be identified by putting the 3 characters 'CPC' at the beginning of the Authority field description. Budget revisions in the accounting system that establish a delivery project scope of work should create an activity structure consisting of phases as the first level. For citywide reporting these will be combined into the following three phases: Planning, Design, and Construction.

The Capital Budget includes three types of capital projects: renewals/replacements, enhancements, and maintenance.

<table>
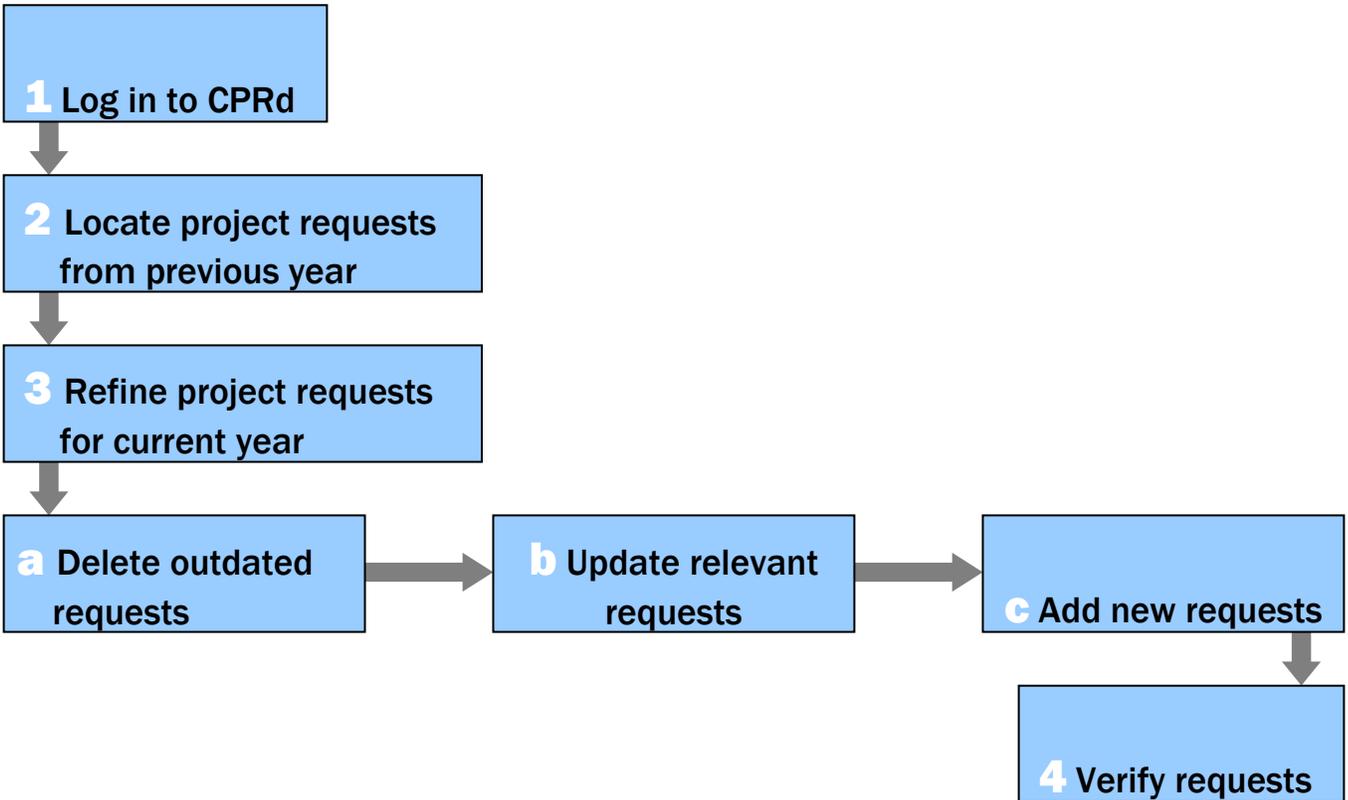<tr><td colspan="2" align="center">**Capital Budget Request Types**</td></tr>
<tr><td>1. **Renewals & Replacements** (subobject 06R00)</td><td>Repairing or replacing facility components and infrastructure to maintain an asset's current use or value and/or preserve its useful life. For example, repaving a street and replacing a building's roof or HVAC equipment are renewals/replacements.
Requests for renewals/replacements at City facilities should align with data in the City's Facilities Renewal Resource Model (FRRM)</td></tr>
<tr><td>2. **Enhancements** (subobject 06700)</td><td>New construction, renovations, or other improvements that increase an asset's value or useful life or change its use. Requests for planning and design funding are considered enhancements. For example, removing barriers to the path of travel to comply with ADA requirements, building a new data center, and seismically bracing or retrofitting an existing facility are all enhancement projects.
Requests for enhancements should be projects or programs approved in the Capital Plan.</td></tr>
<tr><td>3. **Maintenance** (subobject 06F00)</td><td>These projects are for the day-to-day maintenance of existing buildings and infrastructure, including labor costs. Some examples of maintenance projects include replacing filters, filling potholes, replacing light bulbs, exterior and interior painting. The amount allocated for maintenance is based on the previous year's appropriation.
Maintenance allocations for eligible departments are handled by CPP staff. Departments should budget additional funds to meet maintenance needs if applicable.</td></tr>
</table>

Please note:
(1) Requests for IT software, IT Capital Investment, and related equipment should be submitted to the Committee on Information Technology using form 5.
(2) Requests for ADA-related projects should be coordinated through the Mayor's Office on Disability. Contact Arfaraz Khambatta (Arfaraz.Khambatta@sfgov.org)

## How to update CPRd for the Capital Budget

OVERVIEW

1 Log in to CPRd

↓

2 Locate project requests from previous year

↓

3 Refine project requests for current year

↓

a Delete outdated requests → **b Update relevant requests** → **c Add new requests**

↓

4 Verify requests

INSTRUCTIONS

1 Log in to CPRd

1. Go to the **Capital Planning and Reporting Database (CPRd)** at the following link: http://10.90.1.243/CIPAce631/Users/Login.aspx
2. Log in

Notes

- *Use Internet Explorer.*
- *Disable pop-up blockers for the site. If you have difficulties, please ask your IT staff to review your browser security settings.*
- *The system is only accessible from City facilities or VPN, and your session may time out after 20 minutes of inactivity.*

2 Locate project requests from previous year

Budget forms available at http://openbook.sfgov.org/webreports/details3.aspx?id=2394

Once you log in, navigate to the "Projects" menu and click on "Browse Planning Projects" to review project requests from the previous year.
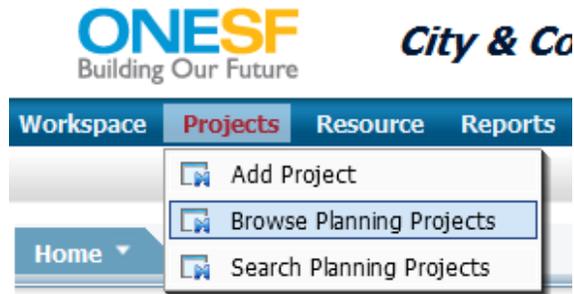
3 Refine project requests for current year

The project requests from the previous year have been rolled forward to assist with making project requests for the upcoming year.

- If the project is no longer relevant, it should be **DELETED**
- If the project is still relevant, it should be **UPDATED**
- Additional projects may be **ADDED**

a Delete outdated requests

2. Review the project list on the "Browse Planning Projects" screen, and delete requests that are not applicable to the upcoming fiscal year.
    - For example, projects that were previously funded and do not require further funding should be deleted

3. To delete a project, click the icon.

b Update relevant requests

1. On the "Browse Planning Projects" screen, click on the project request to be updated for the upcoming fiscal year.

- Both the **General** and **Scoping** tabs need to be updated following the instructions below

2. General Tab Update
   - Review the **General** tab and update the necessary fields following the instructions below.
   - Fields for which instructions are not provided are optional

Field	Instructions
Basic Information	
Project Name	Enter a descriptive name for the project (<60 characters)
FAMIS Project Code	In the case of an existing project code, update it if it has changed
Program	Select "General Fund Depts"
Funding Principle	Select the expenditure type from the following options: - Critical Project Development - Enhancement – ADA Facilities - Enhancement – ADA Streets and Right-of-Way - Enhancement (Uncategorized) - Maintenance - Facility Renewal - Streets and ROW Renewal - Street Resurfacing
Department Information	
Department	Click the magnifying glass icon and select your department
Department Priority	We ask that you rank-order all project requests for your department in order of importance. Select the number corresponding to this rank.

Basic Information panel fields:
- *Project ID: 113620
- *Project Name: Legion of Honor - Masonry
- *Program: General Fund Depts
- Annual Project: ● False ○ True
- *Funding Principle: R - Renewal
- Upload Picture: Browse...
- FAMIS Project Code: CFALHM00
- Subprogram:
- Service Area:

Department Information panel fields:
- *Department: FAM - Fine Arts Museums
- Contact (Last, First): Lacson, Patty
- *Department Priority: 1
- Dept Project ID :
- Contact Number: 415-750-7655

Project Details

* Short Description:	Masonry is cracking due to water intrusion and rebar spalling. Chunks of plaster fall from the building on a regular basis. Masonry would be surveyed and repaired as necessary.
Project Justification:	Falling masonry presents a hazard to the public, masonry must be restored.
Extended Description:	Consultant Fees (FY14: $12,255, FY15: $66,745) Masonry (Court of Honor) (FY14: $125,000, FY15: $125,000) Exterior Balustrade (FY15: $225,000, FY16: $225,000)
Funding Notes:	
Operation Impact:	
Project Manager:	Lacson Patty
* Subobject:	06R00 (Renewal & Replacement)	Index Code: 612130

Short Description	Describe the project in brief, including high-level details such as location and purpose of the project (<250 characters)
Project Justification	Optional field, update as needed
Extended Description	Optional field, update as needed
Funding Notes	Optional field – include notes on non-GF funding sources (if applicable)
Operation Impact	Optional field, update as needed
Subobject	Select the subobject from the following options: ▪ 06700 (Enhancement) ▪ 06R00 (Renewal and Replacement) ▪ 06F00 (Maintenance)
Index Code	In the case of an existing index code, update it if it has changed

Project Location

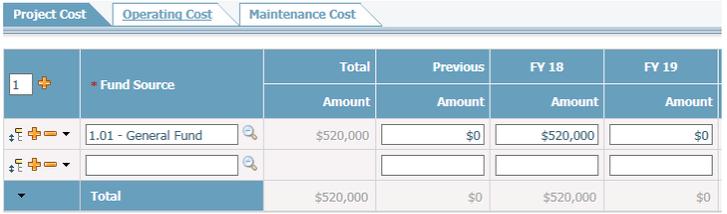|	
Asset ID:	0000000195	* District:	01 - Eric Mar
Location Description:	
Address:	Legion of Honor	Zip Code:	

District	Indicate which district the project is located in, if it is a citywide project, or if the district is unknown. You may provide additional detail or clarification in the "Location Description" field.

3. Scoping Tab Update

   ▪ Click on the **Scoping** tab

- Both the **Project Cost** and **Funding Sources** need to be updated following the instructions below

---

■ Click on the "Scope Online" icon ![icon] ■ **Amounts in the "Previous" and "FY18" columns of the "Project Cost" row indicate amounts that <u>WERE FUNDED</u> in the previous Capital Budget**	**Type** / **Total** / **Previous** / **FY 18** Project Cost — $520,000 — $0 — $520,000 Operating Cost — $0 — $0 — $0 Maintenance Cost — $0 — $0 — $0
■ Click the magnifying glass icon ![icon] to bring up a list of Fund Sources	Fund Source — 1.01 - General Fund — Total Amount $520,000 — Previous Amount $0 — FY 18 Amount $520,000 Total — $520,000 — $0 — $520,000
■ Select a Fund Source	**Fund Source** 0001 - Local.- General Fund Sources ☑ 1.01 - General Fund ☐ 1.02 - Capital Planning Fund ☐ 1.03 - Other Local Sources ☐ 1.04 - General Fund - TSIP 0002 - Local - General Obligation Bonds ☐ 2.01 - Earthquake Safety & Emergency Response Bond #1 ☐ 2.02 - SFGH and Laguna Honda Bonds ☐ 2.03 - Clean and Safe Neighborhood Parks Bond

■ As indicated above, **amounts in the "Previous" and "FY18" columns of the "Project Cost" row are amounts that <u>WERE FUNDED</u> in the previous Budget.**
 	
■ Next steps:
  – Delete the amount under "Previous"
  – If additional funds are needed in FY18, update the "FY18" amount to reflect the <u>total</u> FY18 need
  – If funds are needed in FY19, enter the FY19 request under "FY19"
  – Leave all other amount fields blank
	Project Cost / Operating Cost / Maintenance Cost
	Fund Source — 1.01 - General Fund — Total Amount $520,000 — Previous Amount $0 — FY 18 Amount $520,000 — FY 19 Amount $0
	Total — $520,000 — $0 — $520,000 — $0

▪ Use the [icon] icon to add / remove rows for other funding sources (if needed)	

▪ Click "Save Project Cost" when you are finished, and "Return" to reach the Scoping screen.	
▪ You must click "Submit" on the Scoping Screen to finalize your request.	

⊂ Add new requests

1. Navigate to the "Projects" menu and click on "Add Project"
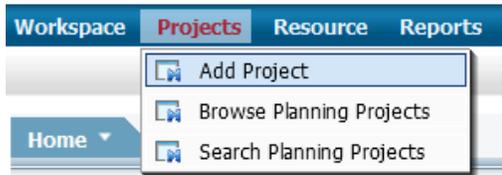
2. Both the **General** and **Scoping** tabs need to be updated, following the steps outlined in the General Tab Update and Scoping Tab Update sections above. <u>**Tip**</u>: Once you have updated the **General** tab, the "Save and go to Project Management Page" button will take you directly to the **Scoping** tab.

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4 Verify requests

1. Go to "Workspace > Dashboard" and click the "FY18-19 Capital Budget Request Summary (PDF)" link to review the requests you have submitted.
2. Make changes as needed, and log out of CPRd.

Form 7: Contract Changes

The Mayor's Office and the Controller's Office are seeking information about all contracts, with additional emphasis on Information and Communication Technology (ICT) contracts. On Forms 7A and 7B, departments should provide summaries of the major contract changes assumed in the Proposed Budget under objects 027 (Professional and Specialized Services) and 036, 037 and 038 (City Grants Programs)

Instructions: In completing forms 7A and 7B, please include the following:
- Name the contract agency. **NOTE:** Individual contracts should be itemized; do not aggregate multiple contracts with a given contractor.
- Indicate whether the contract agency is a non-profit organization.
- Will the contract go through an RFP in the Fiscal Year?
- Provide a brief description of the services purchased through this contract. Please be specific but concise (e.g., "shelter beds for homeless families").
- Indicate the Fund, Program Code and Subobject in which the contract is budgeted.
- What type and number of Units are covered under the contract? (E.g. licenses, desktops)
- Contractor Budget/Hours. **NOTE:** Reported contract amounts should be annual, regardless of whether a multi-year contract agreement exists.
- Calculate the change in total contract amount and contractor hours between fiscal years.
- Provide a brief explanation for the change, if any. Explanations of change in proposed contract amounts should be precise and should indicate whether direct services are being expanded, enhanced, or cut.

Form 7A: Major Contract Changes (non-ICT)

To be completed by: All departments with non-ICT contract changes.

Instructions: Provide a summary of the major non-Information and Communication Technology (non-ICT) contract changes assumed in the Proposed Budget under objects 027 (Professional and Specialized Services) and 038 (City Grants Programs).

Form 7B: Major ICT Contract Changes

To be completed by: All departments with ICT contract changes.

Instructions: Provide a summary of the major contract changes assumed in the Proposed Budget under the appropriate IT subobjects (e.g. 02761 Systems Consulting Services). Contracts of particular interest include:
- ESRI, IBM, Adobe, Cisco, Microsoft, Motorola, AT&T, and Avaya

This information will help the Mayor's Office, in concert with the Department of Technology, determine what enterprise agreements to pursue in FY 2017-18 and FY 2018-19. Such agreements are consistent with the Mayor's Executive Directive to consolidate, standardize and optimize the technology operations, services, and applications of the City and County of San Francisco (City).

Form 8A & 8B: FAMIS Coding Requests

Instructions: The Controller's Office requests departments seeking to code new projects and index codes into FAMIS fill out the forms and submit completed form(s) to their Controller's Office Fund Accountant. Coding setup request in connection with the Capital Project Committee and COIT are coordinated by the respective committees, in collaboration with the Mayor's Budget Office and Controller's Budget Office and independent from these forms.

Form 8A: Project Code Request Form

To be completed by: All Departments requiring Controller's Office new FAMIS project code setup.

Instructions: This form should be completed when requesting new project codes to be added to FAMIS by Controller's Office. Following completion, email form to your Controller's Office Fund Accountant.

Form 8B: Index Code Request Form

To be completed by: All Departments requiring Controller's Office new FAMIS index code setup.

Instructions: This form should be completed when requesting new index codes to be added to FAMIS by Controller's Office. Following completion, email form to your Controller's Office Fund Accountant.

Prop J Contracting: Reporting Requirements

Under the provisions of the City Charter Section 10.104, employees of the City and County are appointed through competitive civil service selection with exceptions being listed in nineteen specific categories. Subsection 15 of this provision is known as "Prop J" contracting, authorizes outside contracting of existing services, when a service can be performed by private contract at a cost lower than the same service performed by civil servants. Requests must be submitted to the Controller's Office and approved by the Board of Supervisors.

In 2004, the Administrative Code (Section 2.17, added by Ordinance 105-04, File No. 040594, June 2004) was amended to require subject departments to submit contracting out information as part of their annual departmental budget submission. The Controller's determination would then be submitted to the Board of Supervisors no later than June 1 of each year and the Board of Supervisor review and approval will occur along with the adoption of the Annual Appropriation Ordinance.

Prop J. requests must be submitted to the Controller's Budget Office along with the Department's Budget Request submissions. If your department received FY 2017-18 Prop J approval from the Board of Supervisors during the prior year's budget process, it is not necessary to request approval for FY 2017-18 again if none of the assumptions or costs have changed. If this is the case, it is only necessary to submit FY 2018-19 Prop J documents. Any revisions to previously approved, or new Prop J activities should be submitted for both FY 2017-18 and FY 2018-19 as applicable by fixed two-year departments and for FY 2017-18 only for departments submitting annual rolling two-year budgets.

Prop J. Procedures

Prop J. requests require the submission of a Prop J Form, and documentation addressing the following subjects:

1. The department's basis for proposing the Prop J certification;

2. The impact, if any, the contract will have on the provision of services covered by the contract, including a comparison of specific levels of service, in measurable units where applicable, between the current level of service and those proposed under the contract. For contract renewals, a comparison shall be provided between the level of service in the most recent year the service was provided by City employees and the most recent year the service was provided by the contractor;

3. The department's proposed or, for contract renewals, current oversight and reporting requirements for the services covered by the contract;

4. The contractor's proposed or, for contract renewals, current wages and benefits for employees covered under the contract, and the contractor's current labor agreements for employees providing the services covered by the contract;

5. The department's proposed or, for contract renewals, current procedures for ensuring the contractor's ongoing compliance with all applicable contracting requirements, including Administrative Code Chapter 12P (the Minimum Compensation Ordinance), Chapter 12Q (the Health Care Accountability Ordinance); and Section 12B.1(b) (the Equal Benefits Ordinance);

6. The department's plan for City employees displaced by the contract; and,

7. A discussion, including timelines and cost estimates, of under what conditions the service could be provided in the future using City employees. (Added by Ord. 105-04, File No. 040594, App. 6/10/2004)

Form Prop J: Contracting Out

Note: Please be sure to download and use this year's Prop J form as there are two additional tabs. Departments must provide supporting documentation for the Prop J form, include electronic versions of any spreadsheets used to calculate the city and/or contract cost. Submitting the form alone is not sufficient for obtaining certification from the Controller's Office. To obtain an Excel version of the final completed and approved Prop J form from the current year, please contact the Controller's Budget Office.

To be completed by departments:

Prop J – Main Template:
1. Top portion:
    a. Department name, Division
    b. Description of the services to be contracted out
2. Projected Personnel Costs:
    a. Job Class Title
    b. Class - Job Class
    c. Number of Full-Time Equivalent Positions
    d. Biweekly Wage Rate – enter rates for bottom and top step*
    e. Holiday Pay, Night/Shift Differential, Overtime Pay, and/or Other Pay (if applicable). Note: formulas assume that Holiday Pay and Night/Shift Differential are applicable to all job classes. If this is not the case, adjust the formula accordingly.
    f. Fringe Benefits**
3. Estimated Capital and Operating Costs- all non-personnel related costs that would be included in the contract
4. Comments/Assumptions- Any assumptions or comments necessary to understand the submission. Examples include how long the service has been contracted out, what year the contract is in, where the estimated contract cost came from, etc.

Contract Cost Detail Tab:
1. Estimated Contract Cost
2. Contract Monitoring Costs
3. Contract Cost Calculation***
4. Additional Contract Cost Detail
    a. List all assumptions made in calculating contract cost.
    b. What is the source of the data used to calculate the contract cost?
    c. What year is the data from?
    d. If contract cost is based on RFP, was the RFP for comparable services? Was RFP for San Francisco?

Summary Tab:
1. Departmental Contact Information
2. Contract Cost Contact Information, if different from Department contact

* Obtain biweekly wage rates from the Human Resources Classification and Compensation Database, available online at http://www.sfdhr.org/index.aspx?page=32.

** Obtain fringe benefits rates by contacting your analyst in the Controller's Budget Office or by using the fringe benefit costs in budget system report 15.15.002. Enter estimated fringe benefit costs. These costs will be recalculated once the Controller's Office inputs the fringe benefit rates.

*** Departments must provide detailed information about how the contract cost was calculated, including job classifications, number of positions in each classification, salaries or hourly wages, number of work hours for each position covered by the contract, etc. Non-personnel costs such as management fees, profit, operating costs, equipment, training, and other related costs should be broken-out separately.

Appendices

Appendix A: Controller's Guidelines

Sources

a. **Revenue Policy**

General Statutory Authority:

Article IX, Sections 9.100, 9.101, 9.102 of the San Francisco Charter, supplemented by Chapter 3 of the San Francisco Administrative Code, establishes budget policies and procedures with respect to revenue estimates. Specifically, San Francisco Charter Section 9.101 states, in part:

The annual proposed budget shall include:

1. Estimated revenues and surpluses from whatever sources, to the extent feasible, for the forthcoming fiscal year and the allocation of such revenues and surpluses to various departments, functions and programs to support expenditures. Proposed expenditures may include such necessary and prudent reserves as recommended by the Controller; and

2. A summary of the annual proposed budget with a narrative description of priorities, services to be provided and economic assumptions used in preparing the revenue estimates.

San Francisco Charter Section 9.102 provides:

The Mayor shall submit to the Controller for review the estimated revenues contained in the annual proposed budget and any subsequent revisions. The Controller shall then provide the Board of Supervisors with an opinion regarding the accuracy of economic assumptions underlying the revenue estimates and the reasonableness of such estimates and revisions.

Chapter 3 of the San Francisco Administrative Code outlines general requirements relating to departmental budget submissions. Specifically, Section 3.7 of the San Francisco Administrative Code requires departments to "submit with their budget a schedule showing each fee charged by said department, the revenues received from each such fee, except fees regulated by State or Federal law, and the costs incurred in providing the services for which the fee is assessed."

Sources

Total sources are determined by adding together the following components.

1. General Fund Allocation
2. Revenues (Citywide and Departmental)
3. Transfers In
4. Bond Proceeds
5. Available Surplus (Fund Balances)
6. Work Order/Direct Charges (Recoveries)

Revenues Definition:
All City revenues fall into two basic revenue categories: (1) Citywide and (2) Departmental.

1. Citywide revenue is budgeted primarily in the General Fund Unallocated (UNA) and the General City Responsibility (GEN) sections of the budget. These revenues are generally not attributable to a specific department, commission, or agency. Citywide revenue estimates (e.g., Property Tax, Sales Tax, Hotel Room Tax for the General Fund) are projected and reviewed for accuracy by the Controller's Office and budgeted by the Mayor's Office. In preparing and reviewing these estimates, the Mayor's Office and the Controller's Office will use the CY budgeted revenue amounts as a starting point, incorporating year-to-date performance as well as current economic information pertinent to the various revenue sources.

2. Departmental revenue is generated by the services, programs, or activities of a particular City department, commission, or agency.

Revenue Forms
All revenue forms are due to the Controller's Budget Office by the Department Budget Request submission deadline

All Departments
   Form 2A: Please refer to the Budget Submission Forms and Instructions for specific guidance.
   Form 2B: Please refer to the Budget Submission Forms and Instructions for specific guidance.
   Form 2C: Please refer to the Budget Submission Forms and Instructions for specific guidance.

Form instructions, templates, and examples are available in the Budget Submission Forms and Instructions section.

b.   Reference Guide for Revenue Budgeting

1.   **Property Taxes**   **(Character 100, Objects 101-109)**
      Business Taxes   **(Character 110, Objects 111-119)**
      Other Local Taxes   **(Character 120, Objects 121-129)**
      Franchises   **(Character 200, Object 206**)

Property taxes, business taxes, other local taxes, and franchises are citywide revenue sources budgeted by the Mayor's Office. Departments, commissions or agencies that receive a direct allocation of any of these taxes (e.g., property tax or hotel tax) will be informed by the Mayor's Office of the amount budgeted for the department, commission, or agency in BY and BY+1.

2.   **Licenses and Permits**   **(Character 200, Object 201-205; 207-209)**
      Charges for Services   **(Character 600, Object 601-699)**

Licenses, permit fees, and charges for services are budgeted by the department issuing the licenses or permits or providing the services. In estimating revenue from these sources for BY and BY+1, departments should review trends of the past two years, taking into account year-to-date receipts as well as current economic information. Departments must also keep in mind that the revenue from these sources may not exceed the cost of providing the service. If in doubt, departments are encouraged to complete Form 2C Fee Cost Recovery Form to determine how much of the cost for the service is being

recovered by the fee or charge.

Note: New or modified licenses, permits, or service charges require the submission of Form 2B.

3.	**Fines, Forfeitures and Penalties**	**(Character 250, Object 251-259)**
	Rents and Concessions	**(Character 350, Object 351-399)**

Revenues from fines, forfeitures, penalties, rents and concessions are budgeted by the department receiving the funds. In estimating revenue for BY and BY+1, departments should review trends of the past two years, taking into account year-to-date receipts as well as current economic information.

4.	**Interest and Investment Income**	**(Character 300, Object 301-304)**

Interest and investment income is based on projected cash balances and interest rates. General interest assumptions are available from the Controller's Office for departments with non-General Fund operations that budget interest and investment income. In estimating interest and investment income, departments should project CY year-end cash balances then take into account cash flow projections through BY. Based on projected BY cash flow projections, estimate year-end cash balances for BY+1 projected cash flow.

5.	**Intergovernmental Revenues**	
	Federal	**(Character 400, Object 401-449)**
	State	**(Character 450, Object 451-489)**
	Other	**(Character 490, Object 491-499)**

Intergovernmental revenues (e.g. grants, realignment funds, subventions) from Federal, State or other governmental agencies are budgeted by the department receiving the funds. In estimating revenue, departments should review prior year trends, but place particular emphasis on current economic information affecting the agencies and/or programs providing the revenue.

Note: In estimating BY and BY+1 grant revenue, departments should refer to *Appendix A: Controller's Guidelines, Section 2.a.ii Grants.*

6.	**Other Revenues**	**(Character 750, Object 751-799)**

Departments, commissions, or agencies that budget other revenues should include them on Budget Form 2A to convey to the Mayor's Budget Office and Controller's Budget Office the basis of the BY and BY+1 revenue estimates.

7.	**Other Financing Sources**	**(Character 800, Object 801-849)**
	ISF Charges for Services	**(Character 860, Object 860-890)**
	Transfers In	**(Characters 910-950, All Objects)**
	Unappropriated Fund Balance	**(Character 999, Object 999)**

These sources of funds are budgeted by the Mayor's Budget Office after review by the Controller's Budget Office and the department, commission or agency using these sources to fund its budget.

Uses

In developing the Department Budget Request submission, the department must analyze the total projected sources of funding and match its requested uses (i.e. expenditure appropriation). Total departmental sources are determined by adding together the revenue components described in the preceding section. Departmental expenditure requests are limited by the amount of revenue available to each department.

Reference Guide for Expenditure Budgeting

i. Program Structure

Departments are required to explain the budget requests using the program structure. It is important that departments confirm that the program coding accurately reflects the program structure as approved by the Mayor's Budget Office and notify the Controller's Budget Office as soon as possible of any required structural changes.

In general, departments should submit budget expenditure requests using budget-only subobjects that appear in the Chart of Accounts, found at
http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2116 (Copies of the Chart of Accounts are also available from the Controller's Budget Office). Actual expenditures typically will be charged at a lower level of detail. When done correctly, budget versus actual data is readily available in the system and on reports.

In some cases, the programs associated with the index codes where actuals are recorded do not match the programs assigned to index codes with budget information. When this occurs, tracking budget versus actuals by program becomes difficult. Please confirm that all index codes have the correct programs.

Departments should also ensure that all revenues attributed to a specific program are budgeted within that program. Departments may also find it helpful to budget revenues in index codes where the program expenditures occur, as separate revenue and expenditure index codes are not required by FAMIS or the budget system.

Children and Youth Baseline
Children and Youth Spending

The San Francisco Charter requires that General Fund appropriations for Children's services (Program **FAL**) provided in the baseline FY2000-01 budget year must be maintained (with adjustments for changes in aggregate discretionary revenues). Proposition C, passed in the November 4 2014 election, expands the baseline to include Disconnected Transitional Aged Youth (TAY) services (Program **FAY**) appropriated in the baseline FY2013-14 budget year. All General Fund-supported Children and Youth Baseline expenditures must be budgeted in separate programs so that we can track compliance with the San Francisco Charter, any changes to index codes in Program FAL or the FAY program must be reviewed and approved by the Controllers' Budget Office. Please note that no revenue should be budgeted in these programs, which are expenditure appropriations funded through the baseline.

All Other Spending on Youth Programs

Departments shall code discretionary General Fund budgetary appropriations related to Children's Services using the "FAL - Children's Baseline" program code, and disconnected transitional-aged youth services in the "FAY - Transitional-Aged Youth Baseline" program code, as required to meet the reporting requirements under San Francisco Charter Section 16.108. In addition to that FAL and FAY program coding of discretionary appropriation authority, Charter Section 16.108 also requires that the City periodically make available the Community Needs Assessment and Children and Youth Services Allocation Plan.

Presently, most departments do not separately track non-Children and Youth Baseline spending by customer or user, so it will be necessary to approximate how much spending on youth occurs in your department. For example, the Health Department tracks budgetary spending by major program, so at General Hospital, a cost estimate for children and youth services would need to be made for the different programs at SFGH, including acute care, ambulatory care, emergency care, etc. We understand that these will be general estimates, and thank you in advance for approximating as best as you can for your department.

General Administration

Programmatic budgeting of general departmental administration and centralized functions may be isolated into a specific program (i.e., Administration). The Controller's Office is then able to use the budgetary appropriation identified as Administration as the basis for calculating departmental overhead rates. The greater the proportion of the department's budget that is classified as Administration, the higher the departmental overhead rates will be. This can be important in determining administrative efficiencies, and in calculating departmental indirect costs that can be recovered through fees and charges. (Please note Budget Form 2C, the Fee Cost Recovery Form discussed previously.) Departments should use care in using Administration-like program descriptions to appropriately reflect only centralized departmental costs.

ii.) Grants

In general, accepting and expending grants of certain dollar amounts and for certain purposes, requires approval by the Board of Supervisors. Ordinance 97-12, adopted in May 2012, revised the threshold for Accept and Expend grants. Now all grants that are for less than $100,000, or for less than a total of $100,000 per grant if subsequent increases raise the initial grant, do not require board approval, as long as there are no new positions created. Board approval can be obtained through: a) the budget process using the Annual Appropriation Ordinance, b) through an Accept and Expend Resolution for grants not creating new positions, or c) through an Accept and Expend Ordinance amending the Annual Salary Ordinance (ASO) if new positions are created. **For multi-year grants, budget the BY and BY+1 portions of the grant award respectively.** Each successive year's portion of the multi-year grant should be budgeted in future years' budgets using the last two digits of the new fiscal year.

A substantial number of the City's grants are recurring, that is, they are granted to the City each year, fund the same programs and related positions, and essentially provide a portion of the department's operating budget. Ongoing grants are included in the annual budget in order to more accurately display departmental resources and give a more complete picture of the City's overall operating budget. Grants that meet the following requirements should be included in departmental annual budget requests:

1. The grant is an operating grant, not a capital grant.

2. The new grant has been awarded and will begin on or after the beginning of the new fiscal year (July 1 of BY or BY+1)

3. The Department is confident that the grant will be awarded or renewed in the budget year, and can document the basis for the projected grant budget.

4. The grant budget has not already been authorized through an Accept and Expend Resolution or an Ordinance amending the ASO, and consequently, already recorded in FAMIS.

All new operating Federal, State and local grants in this budget cycle are placed in index codes within Special Revenue Funds (i.e. fund type 2S), with the subfund designation of "GNC" (Grant, Non-project, Continuing). Federal, State and local grants will still be distinguished by the grant type indicator used in the FAMIS grant set-up, and by the different revenue subobjects used.

Private grants including those from non-profit organizations, private corporations and individuals should be placed in 2S-GNC subfunds.

New grant index codes will require grant details, prohibit project details, and allow unused appropriations to be carried forward (continued) from one year to the next. The Controller's Budget Office will work with departments to establish new index codes for grants in the subfunds. In special cases, where Departments need to use project details together with grant details, please contact your analyst in the Controller's Budget Office.

For grants that may have expired or grants that are renewed each year, departments should request a new grant detail coding in FAMIS and the budget system to represent the new fiscal year. The coding should follow the convention of using the last two digits of the calendar year that represents the SECOND half of the fiscal year, (i.e., use detail "18" for FY 2017-18). If a department receives operating grant awards on a different cycle than the City's fiscal year, they may set up a new detail for each grant award. If spending during the City's fiscal year is likely to be divided between two different grant awards, the department should show this by dividing the budget between the two relevant grant details.

Note: For operating grants budgeted in the AAO, Ordinance 265-05 requires grants of $5,000,000 or more that anticipate the issuances of Requests for Proposals, to submit a resolution articulating the grant application to the Board of Supervisors for review and approval at least 60 days prior to the issuance of the RFPs. Admin Code Sec. 10.170(b).

Departments are encouraged to work with the Controller's Budget Office to balance all grants at the grant detail level before the department budget submission. The Controller has been provided with the authority to approve minor adjustments, prepared by departments, to reflect actual awards made if granting agencies increase or decrease the grant award amounts estimated in budget submissions. Departments should also provide documentation to the Controller's Office showing the revised grant awards.

Note: Departments **must** zero out the old grant details for revenue and non-salary items and by creating position records which delete or reassign all budgeted positions to new grant details. Departments are

expected to analyze each grant, determine if it is appropriate to budget it again in BY and BY+1, and then enter the appropriate amounts and position records in the relevant new grant detail. As noted above, unspent amounts from prior years are continued, departments do **not** need to re-enter unspent amounts in the new grants.

All positions funded by grant revenue should be designated by the "G" status indicator. The "H" status indicator should be used to identify previously grant-funded positions that will no longer be funded from a grant.

Code a negative count/amount with status indicator "G" to remove the position in the grant; and code a positive count/amount with status indicator "H" to add the position in the new funding source. Link these two records using a reference number.

As an alternative to budgeting grants through the Annual Appropriations Ordinance (AAO), departments may still submit grant budgets for Board approval at any time during the year using an Accept and Expend Resolution or an Ordinance amending the ASO. Departments receiving grants before July 1 that wish to start spending the money in advance of the new fiscal year must use the Accept and Expend Resolution process. If the grant includes new positions, an Ordinance amending the ASO and approving the Accept and Expend shall be submitted.

Questions concerning grants should be directed to your fund accountant in the Controller's Office.

iii.) Information Technology Projects Including Equipment and Software

Please refer to Form 5 instructions and the "Information Technology (IT) Subobjects" section for guidance on Information Technology budget requests.

iv.) Salary Items

General Information

Workdays:
BY has 260 workdays (26.0 pay periods) and BY+1 has 260 workdays (26.0 pay periods).

Level of Budget:
In the budget system, permanent salary position detail by classification is required. Temporary salaries, overtime, premium pay, and holiday pay are budgeted as lump sums by subobject and are not detailed at the position level. Temporary positions cannot exceed a six-month duration. The Controller's Budget Office will not automatically reflect cost of living increases in lump sum budget subobjects such as temporary salaries, overtime, premium, and holiday pay; **departments are responsible for making these proposed changes manually in the budget system.**

Full- Time Equivalents (FTEs):
In the budget system, positions are budgeted by entering head count (i.e. number of employees), starting pay period, and hours per pay period. The system then calculates FTEs based on the values entered. One FTE is equal to one person working full time (80 hours per pay period) for a full year (starting in Pay Period 1).

New Positions:

New positions should be budgeted for the amount of time the employee is actually on payroll in the fiscal year. As the recruitment process takes approximately three months, new positions for each fiscal year should not be budgeted with a "Start Pay Period" earlier than Pay Period 7 in the budget system. The Mayor's Budget Office will review requested exceptions to this rule. New partial-year positions entered in BY will be annualized by the Controller's Budget Office in the BY+1 budget to reflect on-going salary costs for the full year.

Step Adjustments:

In the budget system, positions are budgeted at the top step of the normal range. The budget system includes step adjustment classes to allow departments to reflect positions where actual salaries are less than the top step. Review projected costs by cost center compared with the net budget amount and use the appropriate step adjustment class if there is a need to change the budget to reflect anticipated step adjustments. Departments must document and justify these changes in their budget explanations.

Departmental Attrition Savings:

Departmental attrition savings is the anticipated amount of salaries that will not be expended due to normal departmental attrition. The Controller's Budget Office and Human Resources will work with departments to retain flexibility in staffing, consistent with normal salary savings, so that "extra" positions do not need to be included in the budget to provide managerial flexibility. During the budget process, the Mayor's Budget Office will instruct departments on the desired level of attrition savings for departments.

When attrition savings appears in the budget (the 9993x job classification series), the budget system will compute a negative FTE count so that the total position count reflects the net funded positions. In the budget system, the negative count is computed using the average salary for positions in the base budget by node. Attrition Savings is not position specific and is a manual entry that departments input.

Adjustments Pursuant to Memoranda of Understanding and Labor Agreements:

The budget system has been updated for pay increases and/or wage concessions contained in labor agreements or memoranda of understanding (MOUs). Departments should not attempt to manually add cost of living adjustments to any salary and fringe benefit line items other than overtime and other premiums such as holiday pay.

Departments are reminded that they need to adjust the budgets for temporary positions, overtime, holiday pay, premiums and work order positions to include negotiated pay increases. **This step is not part of the automatic base budget rollover process and is up to each department to analyze each year to maximize staffing flexibility while minimizing total costs.**

Non-Operating Budget Positions:

To allow for processing of requisitions throughout the year, all City positions must be reflected in the Annual Salary Ordinance (ASO). The ASO is extracted from the budget system, therefore the budget system allows for listing all positions while at the same time not distorting the annual budget totals. Off-budget positions will be listed in the budget; however, the budget system will not calculate associated salaries and benefits, and FTEs associated with off-budget positions will be excluded from the grand recap position report and other position reports of the operating budget.

- Use position status indicator "O" to account for positions that are not funded from the annual budget (e.g. positions which are funded from multi-year capital projects or outside agencies).
- Departments must be able to provide supporting information showing justification and funding for non-operating budget positions.

Position Coding

To input position data into the budget system, enter:

- classification code (4 characters);
- retirement indicator (appended to the classification code);
- position status indicator; and
- position action indicator.

Classification Code:

The classification code is a four-character code, which uniquely defines a position title and salary range. Proposed new classification codes must be approved and have a rate of pay assigned (contact the Department of Human resources or the Civil Service Commission) before they will be accepted into the budget system. Temporary appointments to such positions will not be approved prior to formal classification action.

To show the position detail in the main on-line budget system, subobjects are used to identify all job classifications. These subobjects roll-up to the regular salary objects and characters and will be converted to the regular salary subobjects, which are used in FAMIS prior to the interface of the budget system to FAMIS.

For example, job class 1424 Clerk Typist appears as a subobject in the budget system rolling up to object and character 001, Permanent Salaries Miscellaneous. When the BY budget is interfaced into FAMIS, job class 1424 will automatically be converted to the salary subobject 00101, Permanent Salaries Miscellaneous.

Retirement Indicator:

A retirement indicator is an alphabetic character appended to the job classification code that allows the budget system to automatically calculate retirement and Social Security costs. Each position record must contain one of the following codes:

C - Regular City Retirement (Miscellaneous Employees)

E - Exempt from retirement. This indicator should be used for temporary, premium, holiday and overtime pay that are not retirement pay-eligible. Note: retirement membership is extended to non-permanent employees who have at least 1040 hours (6 months) of service.

F - City Retirement - Fire (Excludes FICA costs as classes do not participate in Social Security)

M - State Retirement (Miscellaneous)

P - City Retirement - Police (Excludes FICA costs as classes do not participate in Social Security)

S - State Retirement (PERS Safety/Excludes FICA costs as classes do not participate in Social Security)

X - Uniform Exempt from Social Security. The "X" retirement indicator was created in the budget system to distinguish uniform salary subobjects for premiums, overtime and holiday pay which are subject to Medicare tax but not Social Security (FICA).

Z - Retirement indicator Z is entered in the budget system to ensure that corresponding fringe benefit savings by subobject will be automatically computed for the salary savings classes (9993 series), MCCP Adjustment classes (9994M, 9994N, 9994P, and 9994U), and step adjustment classes (STEP series).

Position Status Indicator:

A Position Status Indicator identifies the type of position that is being entered. The following are valid Position Status Indicators:

A   Regular Position: used for regular ongoing positions.

E   Disability Transfer (existing): used for individuals who change classifications after a disabling injury; the rate of pay may not be higher than former position.

G   Grant Funded: used for positions funded by grant revenues in the budget.

L   Limited Duration: used for positions with a definite duration, e.g., bond funded projects (even if the duration is several years). Note: In the new budget system, Limited Duration positions can only be entered in the "Limited Entry" cube and will be defined as ending within three fiscal years.

O   Non-Operating Budget: used to allow non-operating budget positions such as those funded from bond proceeds for capital projects to be included in the Annual Salary Ordinance. These positions will be excluded in position count reports for the City's operating budget.

W   Off Budget with Benefits: only used for non-operating budget positions in the City Attorney's Office

Position Action Indicators:

A Position Action Indicator is required if a change is being made. It identifies the type of change being   entered. The following are valid Position Action Indicators:

D   Deleted - used when deleting a position where no substitution is made.

H   Transition from Grant to Non-Grant Funding - used to identify a position that was grant funded last year but will be funded from non-grant funds in the new year. Reference numbers must be used to link the "GH" position (coded with a negative count/amount) to the "AH" position (coded with a positive count/amount).

N   New - used to identify any newly requested full or part-time position that does not qualify as continuing, reassignment, reclassification or substitution.

Q   New by Supplemental Appropriations and/or ASO Amendments - used to identify new positions approved through supplemental appropriations and or ASO Amendments in the current or prior fiscal year. Only the Controller's Budget Office will enter these positions; departments should not make entries into the budget system for this purpose.

R   Reassignment - used to identify positions that are reassigned from one cost center (Index Code) to another. Additionally, reassignments are used to move an "on-budget" position to "off-budget" or vice versa. Reference numbers must be used to link positions with "R" indicators.

S   Substitutions - used to request a trade of one position or more for another position or to reclassify a position. Substitutions may be upward (switching for another position where the rate of pay is higher than the prior position), or downward (switching for another position where the rate of pay is lower). **Use reference numbers** to link positions with "S" indicators. Proposed reclassifications should be identified with an "S" position indicator.

T   Existing Reclassifications - used to identify reclassifications that occurred and/or were approved by Human Resources during the current fiscal year. Reference numbers must be used to link positions with "T" position indicators.

P   Limited to Permanent Reclassification – used to reclassify a limited position to a permanent position. Reference numbers must be used to link positions with "P" indicators.

Special Position Classes:
Several special classification numbers have been created in the budget system to accommodate particular budgeting needs:

9993x	(Used to record normal Attrition savings)
9993M	Departmental Attrition Savings, Miscellaneous
9993N	Departmental Attrition Savings, Nurses
9993P	Departmental Attrition Savings, Platform
9993U	Departmental Attrition Savings, Uniform
9994x	(Used to budget for MEA Range B & C adjustments)
9994M	MEA Range B and C Adjustments, Miscellaneous

9994N	MEA Range B and C Adjustments, Nurses
9994P	MEA Range B and C Adjustments, Platform
9994U	MEA Range B and C Adjustments, Uniform
STEP x	(Used to reflect step adjustment changes in a cost center)
STEP M	Step Adjustment, Miscellaneous
STEP N	Step Adjustment, Nurses
STEP P	Step Adjustment, Platform
STEP U	Step Adjustment, Uniform

For all of the classes listed above departments should always use the "Z" retirement indicator to ensure that corresponding fringe benefit savings by subobject will automatically be computed.

New Positions, Substitutions, Reassignments, & Temporary Exchanges

For proposed new positions, substitutions, and reclassifications, the following information must be included in the Program Expenditure Reports.

- A brief statement of duties and responsibilities of the position;
- Identification of the division and/or unit and name and classification of the supervisor for the position;
- Verification that the assignment is consistent with the approved use of the class in the department; and
- Any other information that would assist Human Resources staff in recommending classification of the position.

The information in the Program Expenditure Report will be used by Human Resources Department staff as a basis for recommending action on or classification of the position. Submit a copy of Program Expenditure Report containing position information to the Department of Human Resources by the Department Budget Request submission deadline. This will expedite Human Resources' and Board of Supervisor's review of the position and will substantially eliminate the amount of data normally required, such as organizational charts and Position Classification Questionnaires (PCQs). If the program expenditure explanation is not sufficient, Human Resources Department staff will request additional information to complete its review and recommendation.

Substitutions
Use substitutions to indicate proposed trades between position(s). To accomplish these trade-offs:
- Enter the new position in the budget and delete the old position, using the substitution position indicator "S",
- Use a reference number to link these entries. All substitutions must be linked with reference numbers (see below).
- If a reclassification has occurred since the budget was approved (approved by Human Resources during the current fiscal year), the "T" position indicator should be used.

Reassignments

Use reassignments to move positions from one index code to another or to move positions from one project or grant to another within the same index code. Additionally, reassignments should be used when moving positions from "on-budget" to "off-budget" or vice versa.

Budget forms available at http://openbook.sfgov.org/webreports/details3.aspx?id=2394   56

- Enter a negative head count for the position in its current index code, and enter it in the new index code with positive head count, using the reassignment position action indicator "R",
- Use a reference number to link these entries.

If the reassignment is disapproved, the Controller will restore the old assignment to the budget. Departments must check that the funding sources involved in reassignments are appropriate. For example, if a position is currently supported by grant or work order funds, in many cases moving it to a General Fund index code would not be appropriate. Departments should consult with the Controller's Budget Office if they have questions on this issue.

Note: Substitutions and Reassignments cannot be used to reduce FTE count or "cut" positions. Negative substituted or reassigned position records must have equal FTE counts with the offsetting positive substituted or reassigned position records.

Temporary Exchanges
All positions that were temporarily exchanged in CY should be substituted in the BY submission to reflect the classification of actual duties performed.

Reference Numbers
Departments must identify and link each position involved in a substitution or reassignment by entering a unique four-character reference number for both sides of each trade. The first two digits of the reference number should correspond to the two-character department designation and the second two characters are a combination of numbers or assigned by the department (1 through 9, A through Z). If a department is unsure how to use reference numbers, please contact the Controller's Budget Office.

Example: A department may have two 1424s in one index code, which are being reassigned to two different index codes. Enter these reassignments on separate lines in order to assign separate reference numbers to each reassignment.

Departments must enumerate each substitution and/or reassignment in the Program Expenditure Report (Budget Form 3), showing the positions involved in each position trade and explaining the reason for the trade. Failure to provide this explanation will result in the trade being denied.

Subobject Codes

00100-00400   Permanent Salaries
All existing positions in permanent salaries are budgeted at the full yearly rate. Any savings, which would accrue from a position being vacant for some portion of the fiscal year, should be netted in the amount requested for salary savings.

00500-00600   Temporary Salaries
Temporary salaries are displayed in the budget system in total amount without position detail. Include the appropriate amount of explanatory detail in the Program Expenditure Report. FTEs and applicable fringe benefits for temporary salary amounts are automatically computed by the budget system.

Amounts budgeted for temporary salaries should include an estimate for the cost of wage increases contained in the Memorandums of Understanding (MOUs); the Controller's Office will not make automatic adjustments in these objects.

Temporary positions cannot exceed six months. Positions expected to last longer than six months must be budgeted as permanent salaries with a position indicator such as "G", "O" or "L". The Temporary Salary account is limited to hiring employees that are, in the opinion of the Human Resources, appropriate for the department and the temporary purpose of the request.

00902-00902   Premium Pay
Show all premium pay types, including standby pay and differential pay, in the Premium Pay objects. **The Controller's Office will not make automatic adjustments in premium pay objects.** For those Premium Pay types which are a percentage of base salary amounts, include the cost of anticipated wage increases in the amounts budgeted.

01101-01202   Overtime and Holiday Pay

00311-00313   Platform Only - Overtime and Holiday Pay
Overtime and Holiday Pay will be displayed in the budget system as a total amount in the respective object without position detail. There are separate subobjects for Miscellaneous Employees, Uniform Police and Fire, Muni Operators and Registered Nurses.

Amounts budgeted for overtime and holiday pay should include the cost of wage increases contained in MOUs. **The Controller's Budget Office will not make automatic adjustments in these objects.** Each department is responsible for making their own proposed adjustments.

01300-01999   Mandatory Fringe Benefits
The budget system automatically calculates fringe benefits based on position detail or amounts in salary objects (with the exception of the administrative and subsidy costs for health services). **Departments are therefore restricted from entering fringe benefit data for the following**:

- Retirement – City or PERS
- Retirement Pick-up
- Social Security
- Social Security – Medicare
- Health Service – City Match
- Flexible Benefits
- Health Service – Retiree Health Subsidy Cost
- Health Service – Administrative Cost
- Dependent Coverage
- Dental Benefits
- Unemployment Insurance

The method of calculation of each fringe benefit is described below.

01301-01309   City or PERS Retirement
These subobjects are computed based on the retirement indicator.

- SFERS - In November 2011, Proposition C adjusted the City retirement contribution, to reflect different City contributions based on wages. The budget system has grouped salaries into three levels, referred as tiers, based on increasing compensation, and applied retirement contributions based on these rates. The following table shows these rates:

	BY	BY+1
Miscellaneous Employees*:		
Less than $56,846 per year	23.15%	23.34%
Between $56,846 and $113,672 per year	19.77%	19.96%
Greater than $113,672 per year	19.29%	19.48%
Uniform Employees* (Police and Fire)		
Less than $56,846 per year	19.02%	19.21%
Between $56,846 and 113,672 per year	19.02%	19.21%
Greater than 113,672 per year	19.02%	19.21%
PERS Employees*		
Less than $56,846 per year	28.13%	31.37%
Between $56,846 and 113,672 per year	28.13%	31.37%
Greater than 113,672 per year	28.13%	31.37%

*the salary base that determines each threshold varies with CPI growth each year

As these rates are updated by the Retirement System, the Controller's Office will update these rates in the Budget System.

Departments must use the correct retirement indicator so the budget database will have the correct coding if these rates are adjusted. Please note that the November 8, 2011 voters approved Proposition C for pension reform has been reflected in the above projected rates.

01371 – 01373   Retirement Pick-up
The Controller's Budget Office adjusted retirement pick-up rates to reflect negotiated BY MOU agreements. The majority of bargaining units have closed contracts for BY, the Controller's Budget Office may need to make subsequent changes as agreements are reached.

Do not compute the amount required for retirement pick-up. The Controller's Budget Office will budget these amounts based on negotiated MOUs.

01401   Social Security Tax (FICA)

The Social Security tax rate remains the same at 6.20% for BY and BY+1 for both the employer and the employee. The calendar year 2017and 2018 wage bases are capped at $127,950 and $132,900, respectively.

01402   Social Security - Medicare

Social Security-Medicare is computed at a rate of 1.45% of salaries or wages paid for each the employer and the employee. There is no wage base cap for Medicare.

01501   Health Service - City Match

The Health Services City Match rate of contribution varies per year for most employees. The amount entered for a job class is the weighted average contribution based on the number of employees in each bargaining unit enrolled in the various health plans offered by the City. An estimated medical inflation factor has been included in the baseline budget. These benefits will be updated by the Controller's Budget Office as actual data from the Health Service System is received (see also subobjects 01571 and 01601).

01551   Health Service - Administrative Cost

The Health Service System calculates this line item based on employee and retiree enrollment records. Costs are allocated to each department/fund based on the number of active members in the health system. The Controller's Budget Office will enter the applicable rate and amount adjustments into the budget system.

01561   Health Service – Retiree Health Subsidy Cost

This subobject captures the contribution that the General Fund supported and Enterprise departments make toward retiree health care. If the employee is vested for health service upon retirement, the department that the employee retires from will receive the budget and charges for that retiree's health service subsidy, regardless of the employee's employment history. The Controller's Budget Office will enter the amount into the budget system, based on information from the Health Service System.

01571– 01573   Dependent Coverage

The Controller's Office will budget these amounts based on MOUs and Health Service enrollment records. An estimated medical inflation factor has been included in the baseline budget. This benefit will be updated by the Controller's Budget Office as actual data is received.

01601   Dental Benefit

The BY and BY+1 average rates of contribution are updated in the budget system by the Controller's Budget Office and can be referenced by running Report 15.15.002. The amounts are computed in the budget system by multiplying the City contribution by the number of employees shown in the budget. An estimated medical inflation factor has been included in the baseline budget. This benefit is updated as actual data is received.

01701   Unemployment Insurance

The City reimburses the State for any unemployment benefits paid to former City employees. The current budgeted rate for BY and BY+1 can be referenced by running Report 15.15.002. The budgeted rate for unemployment insurance costs may change because of factors including required minimum benefit payments, the number of projected staff layoffs, and the number of previously laid-off staff still

collecting benefits. The Controller's Budget Office updates this rate upon review of the balance in the unemployment insurance fund.

01911   **Flexible Benefit Package**
This subobject is used to record the cost of flexible benefit plans that are currently authorized for members of MEA and MAA. The amount will be computed in the budget system.

01901   **Fringe Adjustments-Budget**
This subobject is only used by the Controller's Budget Office during budget balancing.

v.) Non-Salary Items

General Information

At a minimum, departments are required to use the subobjects listed below for budgeting non-salary requests. The required budget subobjects are also highlighted in the Chart of Accounts.

Subobject Codes

02019/02029   *Department Overhead & Division Overhead*
Use subobject 02019 for department level and subobject 02029 for division level administrative costs.

02001   *City Overhead (COWCAP)*
Section 10.199 of the San Francisco Administrative Code requires departments funded by Non-General Fund revenues to include an amount for City overhead in their budget requests. This amount will be transferred to the General Fund to support the estimated costs of services rendered and facilities provided by General Fund agencies. In FY 2009-10, the Controller's Office began direct charging COWCAP instead of billing departments monthly.

The Controller's Budget Office is calculating these amounts for BY based on the City's cost allocation plan. By February, the COWCAP amounts will be entered into the budget system, and the appropriate departments will be contacted regarding these budget amounts. Departments should not change the amounts entered by the Controller's Budget Office for City Overhead. For BY+1, the calculated amount for BY will be applied. If you have questions about the budgeted City Overhead (COWCAP) amount, please contact the Controller's Budget Office.

02103   *Air Travel*

02105   *Non-Air Travel*
Air travel and non-air travel should be budgeted separately in subobjects 02103 and 02105, respectively. Pursuant to Executive Order 07-13, for BY and BY+1, 13% of the city's air travel budget will be used to purchase carbon offsets through the Department of the Environment. The Mayor's Office and the Controller's Office will work with Departments to determine the best means for implementing this program.

Use these subobjects for all types of travel, including travel to and from training or professional development activities. Note that Section A8.410 of the San Francisco Charter and Section 10.28-1 of the San Francisco Administrative Codes provide that attendance at meetings or other events shall only be allowed when funds have been specifically appropriated for the purpose. Examples of these meetings

and events are out-of-town conferences, seminars, and symposiums held by local or national professional organizations for the purpose of interchanging ideas or knowledge, discussing matters of concern, and giving or collecting up-to-date information critical to the operation of city departments.

Departments must detail their travel expenditures in Form 3. Budget and detail all expected travel expenses including registration fees, costs for transportation, lodging and meals in the department's program description reports. Actual travel expenses may be disapproved if they are not included in the department's budget submission.

For each travel request, specify the following:

- Number of persons to attend;
- Purpose;
- Membership authorized by Ordinance No._____(when applicable);
- Date of meeting; and
- Place of meeting.

02200   Training

Staff development and training are those activities where City employees participate in specific course work involving structured training to acquire, enhance, or improve their work related knowledge and skills. Attendance may be held in or out of the City. Employees attending out of town training may incur travel-related expenses in addition to the registration/tuition fees. Budget funds for staff development or training expenses (other than Human Resources management training) under this subobject.

Budget amounts requested for travel to and from the training and accommodations while at the training under subobject code 02100 Travel and/or 02103 Air Travel.

02401   Membership Dues

Section 16.6 of the San Francisco Administrative Code lists allowable membership organizations for city departments. An explanation for the request is required.

02500   Entertainment and Promotion

Provide the purpose for proposed expenditures of this nature, the estimated number of proposed events, and the estimated attendance in the Program Expenditure Report (Form 3).

02600   Court Fees and Other Compensation

Use subobject 02600 only for fee-based costs (e.g. outside attorneys, arbitrators and expert witnesses). Salary-related costs for members of Boards and Commissions have been reallocated to subobject 00100, Permanent Salaries – Miscellaneous, using classifications specific to Commissioner positions. Contact the Controller's Budget Office if you have questions regarding Commissioner compensation.

02700   Professional and Specialized Services

Generally, services for the City and County of San Francisco are performed by positions filled through civil service examination. San Francisco Charter Section 10.104.15 provides for situations exempt from this requirement. Section 10.104.15, commonly referred to as the "Prop J" certification, whereby services may be accomplished by private contract if it is determined that "…the work or services can be practically performed under private contract at a lesser cost than similar work performed by employees

of the City and County…" This same section also prohibits the contracting of any work or services that the San Francisco Charter or other applicable law requires officers and employees of the City to perform.

If a department wants to contract out services under Section 10.104.15, it should consult with Human Resources Employee Relations Division regarding MOUs with the effected City classifications, with the Office of Contract Administration regarding the feasibility and estimated price levels to procure needed services, and the Controller's Budget Office to review the fiscal impact and requirements for securing the Controller's "Prop J" certification.

Departments must complete the required reporting materials for the Controller to review (see Contracting Out, "Prop. J" Required Reporting Materials).

Once the Controller has analyzed the submission materials and determined the contracting alternative is less costly, a formal certification letter is issued to the submitting department. Ultimately, the Office of Contract Administration awards the contract once all contracting requirements have been met and funds encumbered. If your department received Prop J approval from the Board of Supervisors for BY during the prior year's budget cycle and none of the assumptions have changed, it is not necessary to request approval again for BY during the current budget process. Under this condition, it is only necessary to submit BY+1 Prop J documents. **Please note, any new Prop J activities should be submitted for both BY and BY+1.**

Departments may contact the Controller's Budget Office analyst to help them navigate the "Prop J" process.

03000   Rents and Leases-Building and Structures
Departments with leased facilities or required to make lease payments, should budget in subobject 03000.

04000   Materials and Supplies
Budget equipment valued at $5,000 or less (unit cost) and with a useful life of less than three years as Materials and Supplies rather than Equipment. The individual components of this object are shown in the Chart of Accounts.

Departments may budget purchase of desktop computers and other computer equipment with a unit cost of less than $5,000 under Materials and Supplies. However, when a department is buying desktop computers as part of a larger purchase of an information services system that includes network equipment and other components, the total purchase including the related desktop computers should be requested under equipment.

04001   Materials & Supplies – One-Time Budget Items
Equipment purchased on a one-time basis, with a unit cost of $5,000 or less and a useful life of less than three years should be budgeted in 04001. Contact the Controller's Budget Office if there are questions on which subobject to use.

07000   Debt Service
Submit schedule showing the amount of interest and redemption for each issue of:
• General Obligation Bonds
• Revenue Bonds

- Bonds assumed from the State of California

Departments should not enter debt services changes as these values are updated by the Controller's Budget Office. Please contact the Mayor's Budget Office or the Controller's Budget Office for any information and questions regarding Debt Service .

vi.) Equipment Purchase and Equipment Lease-Purchase

General Information

Equipment with a unit cost of $5,000 or more and a useful life of three years or more must be itemized in the budget. Budget all items with a unit cost of less than $5,000 in materials and supplies. See Instructions for Form 4 for specific information on how to request equipment**.**

Equipment amounts are treated as one-time, therefore will not be rolled over from the BY budget to the BY+1 base budget, (amounts adopted in the second year of the prior year's two year budget will remain, but they will not roll forward). Use the Equipment Request form (Form 4) to submit BY and BY+1 equipment requests. The Controller's Budget Office will continue to enter lease payment amounts for all ongoing obligations under the CCSF Finance Corporation.

Equipment Numbers

Each equipment item must be detailed as part of the budget request. In the budget system, a six-character equipment number is used to distinguish each equipment item. The first two characters are the two-letter code for the department. The next two characters indicate the SECOND half of the fiscal year (i.e., "18" for FY 2017-18), and the last two positions are sequencing numbers. A separate field indicates whether the item is new "N" or replacement "R" equipment.

In the budget system, the equipment numbers will roll-up to the regular equipment objects and characters and will be converted to the regular equipment subobjects, which are used in FAMIS prior to the interface of the budget system to FAMIS.

For example, equipment number AC1730N Portable Card Swiper appears as a subobject in the budget system rolling up to object and character 060, Capital Outlay, Equipment. When the BY budget is interfaced into FAMIS, subobject AC1730N will automatically be converted to the equipment subobject 06000, Equipment Purchase.

Equipment Installation

Show the estimated cost of equipment installation in the Program Expenditure Report and indicate whether the vendor, an outside contractor, or a city department will install it. Include this cost in the price of the equipment.

Subobject Codes

06000   Equipment Purchase

The City's accounting policy defines equipment as those items having a unit cost of over $5,000 and a useful life of three years or more. Equipment includes moveable personal property of a relatively permanent nature and of significant value such as furniture, machines, tools and vehicles.

06100   *New Lease Purchases (Third Party and Vendor)*
Budget new third party/vendor lease purchase requests in subobject 06100 and provide a request to the Mayor's Budget Office. Include a description and justification for the equipment, unit cost, count, total cost, length of time you would like to lease purchase the equipment (lease term), and an estimate of the annual lease payment. The lease term may not be more than the useful life of the equipment. The useful life is the manufacturer's estimate of the usefulness of the equipment before it becomes obsolete or not cost-effective to service, not a department's assumption of useful life. Equipment with a total cost of less than $10,000 cannot be lease purchased without prior approval of the Purchaser. Equipment of this value would not be cost-effective to lease purchase.

06200   *Existing Lease Purchases (Third Party and Vendor)*
Include an amount for existing third party lease payments in objects 061 and 062. Provide justification for these budget amounts in the Program Expenditure Report (Form 3). Provide the amount of the budget year lease payment, the name of the lessor or financing organization, and the number of payments remaining (including the budget year payment) until the City owns the equipment. Failure to provide this information will result in the budget figure being zeroed out of the target budget.

06399   *New Lease Purchases (CCSF Finance Corporation)*
The CCSF Finance Corporation is the City's non-profit corporation set up to lease purchase equipment and is managed by the Controller's Office of Public Finance. Submit all requests for new lease finance purchases through the CCSF Finance Corporation to the Mayor's Budget Office using the Equipment Request Form.

06499   *Existing Lease Purchases (CCSF Finance Corporation)*
Amounts to be budgeted for existing lease-purchase obligations through the Finance Corporation will be entered into the budget system by the Controller's Budget Office.

vii.) Capital Projects and Facilities Maintenance

Please refer to in the Capital Budget Request form instruction for more specific information.

viii.) Work Orders

Instruction

Work Orders are used by a department to budget for the services of another department. A department may not apply work order funds to itself. Performing departments (departments that are doing the work) must be able to produce documentation upon request outlining the agreement with the requesting department (the department for whom the work is being done). Work Orders take two forms:
• Interdepartmental Work Order expenditures- Amounts to be spent, via work orders, on the services of other City departments.
• Direct Charge Expenditures - Amounts to be spent, via direct charge, on the services of other City departments.

Performing departments that establish work order budgets or direct charge budgets funded by the operating budget of another department must prepare a work order/direct charge budget request, which itemizes positions and other expenses. Initial budget estimates must be submitted and certified by the performing department to the requesting department before the Department Budget Request submission deadline with supporting documentation attached. (See attached Work Order Certification and Summary Forms in Appendix D.)

Departments required to complete, sign and submit the Work Order Certification form are listed in Appendix D:

Work order budget requests must be discussed and agreed to by both departments. Departments should retain documentation of work order agreements in the event issues arise during the budget process or the budget year. No additional positions or items of equipment can be purchased from work order funds unless specifically itemized in the budget.

All departments budgeting for work order services must consult with the performing department to ensure the costs of such services are estimated accurately. The Controller's Budget Office will adjust salaries for cost of living increases in work order funds. **Performing departments that anticipate an increase in the labor cost or other costs of services must include these anticipated cost increases in the Department Budget Request submission.**

Performing departments must submit a schedule of the funds expected from requesting departments and ensure that the work order costs are fully covered by such funds. The requesting departments drive the spending authority for work order departments. Performing departments must ensure that the total cost of services to be performed for other departments, including the negotiated MOU adjustments, is supported by budgeted requests. **It is critical that all work orders are balanced**, if submitted budgets do not include balanced work orders, the Controller's Budget Office will balance based on the requesting department's work orders.

To assist performing departments in balancing their expenditure budgets with supporting request levels, departments will be able to use the budget system to run reports, such as "15.20.012 Workorder Balancing – Requesting and Performing" showing work order requests coming from other departments. Performing departments should work with requesting departments to determine how the work order billing process will be handled. Contact the Controller's Budget Office with any questions about the work order balancing process. For instructions on running reports from the budget system, see the system user guide.

Subobject Codes

The following is a subset of Work Order subobject codes with general descriptions. Please refer to **Section 1 - New Instructions** of this report for specific instructions regarding citywide work orders and other citywide budget entry subobjects.

081xx   *Services of Other Departments*
The requesting department budgets in a subobject code in the character associated with the performing department. See the Chart of Accounts for a complete list of subobject codes to use. The following outlines the use of the citywide subobject codes.

081CX   *CON Financial System Replacement Project*
081CX covers the costs associated with the implementation of the Financial System Replacement

project. The Mayor's Budget Office and the Controller's Office will determine the work order amounts required of each department to sustain the level of service required for implementation.

081CI   Department of Technology Service Agreement Costs
081CI covers the IT enterprise services provided by Department of Technology (DT) such as E-mail, WAN, Web, Network Engineering, etc. DT will be working with departments, the Mayor's Budget Office and the Controller's Budget Office to determine the work order amounts required of each department to sustain basic levels of service. Additional projects will be budgeted and agreed upon separately. For any service related questions, contact Elaine Benvenuti at 581-3923 or via e-mail, Elaine.Benvenuti@sfgov.org.

081C4   GF-Controller Internal Audits
081C4 covers the services provided by the Controller's City Services Auditor Division (CSA). The City Charter, Appendix F, section F1.113 allocates 0.2% of the City's overall budget, appointed by fund and excluding bond related debt, to CSA. Departments will be charged directly for CSA staff time, professional services, and associated project costs based on an hourly rate for CSA staff time and direct expenditures for all other costs. Department projects will be budgeted in each department's work order and billed on a quarterly basis.

081C5   Pass-through Charges
081C5 is primarily for any pass-through costs that DT incurs on behalf of a department. This would include, for example, equipment purchases, materials and supplies or payment of contractor services required for the completion of a project or service request. This sub-object would also contain any off-budget project requests. For any questions regarding pass-through items, contact Elaine Benvenuti at 581-3923 or via e-mail, Elaine.Benvenuti@sfgov.org.

081CW   SFGTV Services
081CW covers costs for any of the services provided by SFGTV to client departments, which include primarily video production and meeting coverage services. If you have any questions about or interest in these services, contact Jack Chin at 554-4109 or via e-mail at Jack.Chin@sfgov.org.

081ET   Phone company pass through (usage) costs
081ET includes telephone usage, cellular phone usage, voice mail monthly rental, data circuits, monthly pager costs, monthly equipment and maintenance costs and some administrative costs for bill processing. DT will provide each department a recommended amount based on a detailed analysis of activity over the last 15 months. For questions regarding pass-through billing expenditures, contact Elaine Benvenuti at 581-3923 or via e-mail, Elaine.Benvenuti@sfgov.org.

081H0   GF-HR-Equal Employment Opportunity
This subobject records the cost of the Citywide Equal Employment Opportunity program and is based on the number of employees in each fund.

081H1   GF-Recruitment and Assessment Work Order
Human Resources recovery for special exams and classification work is budgeted in 081H1.

081H2   HR Management Training
Use 081H2 to budget for training offered through the Department of Human Resources.

081H3   Workers' Compensation

Budget Worker's Compensation for departments in subobject 081H3. For the BY base budget, the Controller's Budget Office will roll over the adopted Board amount from the prior year's BY+1. For questions, please contact Benjamin Feng at 415-701-5833. This is a citywide work order and will be loaded in Mayor phase.

081H4   Client Services/Recruitment and Assessment Services

Subobject 081H4 accounts for the cost of DHR's Client Services (for those departments using this service), as well as the cost of ongoing Recruitment and Assessment Services work.

081H7   Employee Relations/Negotiations

Subobject 081H7 records the cost of Citywide employee relations and negotiations and is based on the number of employees in each fund.

081H8   Health and Safety-Federal Drug Testing

The federal government requires drug testing for employees in certain positions. Human Resources will determine the cost to each department by computing the total cost to administer the program divided by the total number of eligible positions in each department.

081HX   HRD-HSS-Life Insurance

Charges for life insurance for Local 21 members (International Federation of Professional and Technical Engineers) are budgeted in 081HX. The budget is based on the cost of the insurance multiplied by the number of Local 21 members in each department. The Controller's Budget Office will enter the budget into the budget system.

081HZ   Human Resources Management System

Costs of the PeopleSoft/Human Resources Management and Benefits Administration System (Project eMerge) are based on the number of active employees and budgeted in 081HZ. This is a citywide work order and will be loaded in Mayor phase.

081PR/081PM   Reproduction and Mail Services

081PR and 081PM are for reproduction and mail services, respectively. DT will work with departments and the Mayor's Budget Office to determine the work order amounts for these services.

081W1   Sewer Service Charges

For BY, the Controller's Budget Office will roll over budget amounts for 081W1 from the adopted Board amounts from the prior year's BY+1 into the base. This is a citywide work order and will be loaded in Mayor phase.

086xx   Recoveries

Performing Departments must budget the total expected recovery from all requesting departments in the appropriate 086xx subobject code. For example, use 086AC for recoveries from the Airport. Recoveries should offset the performing budget. Refer to the Chart of Accounts for a complete list of 086xx subobject codes. If you need new work order subobjects please contact your fund accountant in the Controller's Office to determine if a new work order is appropriate.

Subobjects 08699 and 08799 should not be used, except with very limited exceptions and approval from the Mayor's Budget Office and the Controller's Budget Office. If these are used, please discuss the exception with the Controller's Budget Office, and identify and explain these in the work order form, included in Appendix D. Additionally, departments that have "bundled" work orders are asked to "unbundle" and to reflect individual work orders with individual departments. Please contact your Controller's Budget Office analyst with any questions regarding work order unbundling.

ix.) Reports

The following are a subset of the available reports available in the Budget System. While these are many of the more commonly accessed reports BPMS contains other reports that departments may access for assistance is preparing the department budget submission:

15.10.1   Index Code Query (Subobject) – commonly referred to as the "subobject eturn", this report represents the departmental budget as of the day it's generated, typically representing all budget changes as of the night before.

15.10.2   Index Code Query (Positions) - commonly referred to as the "position eturn" this report represents the position FTE and salary amount contained in the departmental budget the day it's generated, typically representing all position changes as of the night before.

15.10.3   Index Code Query (Equipment) - commonly referred to as the "equipment eturn" this report represents the units and expenditure amount of all equipment contained in the departmental budget the day it's generated, typically representing all equipment changes as of the night before.

15.10.4   Index Code Query (Positions and Calc'd Benefits) – commonly referred to as the "position and calc'd benefits eturn" this report represents the FTE's, salary amount , and benefit amount of all positions contained with the department budget the day it's generated, typically representing all position and benefit changes as of the night before.

15.30.4   Position/ Fringe Comparison Snapshot – commonly referred to as the "position audit trail" this report allows departments to compare budget changes over a range of days. Typically this report is generated daily to compare today's budget values to yesterday's values and will reflect any position changes. This is commonly used to validate entries to be sure they were entered as intended.

15.30.5   Snapshot Comparison_No Rollover – commonly referred to as "subobject audit trail" this report allows departments to compare budget changes over a range of days. Typically this report is generated daily to compare today's budget values to yesterday's values and will reflect any subobject changes. This is commonly used to validate entries to be sure they were entered as intended.

15.20.007 Grant Detail Balancing by Dept Subfund Index etc – commonly referred to as the "grant balancing report" this report is used by departments to assist with ensuring all grants are balanced by the end of the Department Submission phase.

15.20.12   Workorder Balancing – Requesting and Performing – commonly referred to as the "workorder balancing report" this report is used by departments to assist with ensuring all workorders are balanced by the end of the Department Submission phase.

Appendix B: Vehicle Leasing Program and Vehicle Purchases

The Fleet Management Department of the General Services Agency is authorized by the Mayor and the City's Administrative Code to conduct fleet management programs. The Director of Fleet Management has the primary responsibility to approve requests and purchases of both new and replacement vehicles. The Department has also administered a vehicle leasing program since FY 2003-04 for general purpose light duty vehicles.

Vehicle Leasing Program

Fleet Management administers an internal Vehicle Leasing Program for general-purpose sedans and light-duty pickup trucks/vans (up to 10,000 pounds gross vehicle weight rating). Enterprise departments whose light duty vehicles are not maintained by Central Shops are not covered by this program, nor are emergency response vehicles. Fleet Management acquires vehicles, and then charges departments annually for them on a pay-as-you-go basis. Lease rates cover maintenance and normal repair.

- **Lease rates:** BY lease rates have not yet been determined. Fleet Management will send out the lease rates and recommended amounts once the rates have been set.

- **Lease term:** The leasing term is generally one year. Departments interested in leasing vehicles for a shorter term should contact Fleet Management. We will accommodate shorter term leases if practical.

- **Fuel:** Lease rates do not include fuel. Departments must budget fuel separately.

- **Insurance:** As with most city owned vehicles, lease program vehicles are covered under the City's self-insurance program.

- **Accidents or neglect:** Lease rates cover routine maintenance and repairs, except for those related to accidents, vandalism and driver abuse or neglect, which will be charged to the department.

- **Fleet reduction:** Many departments have turned in vehicles since the inception of the vehicle leasing program. Fleet Management strongly encourages departments to continue to review their transportation needs to identify opportunities for reducing fleet size. If your department chooses to turn in any of the leased vehicles, then you will be able to reduce your vehicle leasing budget request accordingly.

Departments also may request to increase the number of vehicles they lease. Such requests will be reviewed by Fleet Management and the Mayor's Budget Office. Departments should not submit budget requests for purchase of vehicles that are already available through the vehicle leasing program. Departments seeking to acquire such vehicles should contact Tom Fung, Fleet Management, at (415) 550-4600 for program information and budgeting considerations.

Budget Requests for Vehicles not Covered by Vehicle Leasing Program: For general purpose light duty vehicles not covered by the vehicle leasing program, and for all other classes of vehicles, budget instructions are as follows below. Please note: the **Mayor's budget office will not approve budget requests for vehicles without Fleet Management recommendation.**

Vehicle Purchasing Program

⑪ **Vehicle Purchase – replacing an existing City vehicle**

1. Complete Vehicle Acquisition Request Form (form number 4D, dated 9/2015).
2. Prepare vehicle final specifications or preliminary specifications (a purchase request under a citywide term contract does not require final specifications).
3. Submit completed 4D and vehicle final specifications (or preliminary specification) by Department Budget Request submission deadline.
4. Conditional Fleet Approval may be granted once preliminary specifications have been submitted.
5. Final Fleet Approval cannot be granted until final specifications have been submitted.
6. It is the responsibility of the requesting department, following Fleet Approval of a vehicle acquisition request, to ask Fleet Management for any needed HACTO waiver.

⑪ **Vehicle Purchase – adding a vehicle to the existing City fleet**

1. Complete Vehicle Acquisition Request Form (form number 4D, dated 9/2015).
2. Determine and justify the business needs to add a new vehicle to the fleet.
3. Prepare vehicle final specifications or preliminary specifications (a purchase request under a citywide term contract does not require final specifications).
4. Submit completed 4D and vehicle final specifications (or preliminary specification) by Department Budget Request submission deadline.
5. Conditional Fleet Approval may be granted once preliminary specifications have been submitted.
6. Final Fleet Approval cannot be granted until final specifications have been submitted.
7. It is the responsibility of the requesting department, following Fleet Approval of a vehicle acquisition request, to ask Fleet Management for any needed HACTO waiver.

Fleet Standardization: It is in the best interest of the City to standardize its fleets, and citywide vehicle term contracts are available to accomplish this goal. Departments should refer to the term contracts when considering vehicle purchases to minimize processing time and costs and delivery time. Where operationally viable and economically feasible, departments should specify purchases of vehicles that are similarly equipped and refrain from non-value-added items.

Car Sharing Vehicles: The City has a car-sharing contract in place, allowing departments to approve employees to use a car-share vehicle. A department should examine this car-sharing option prior to budgeting for an additional or replacement city vehicle. Car-sharing could reduce your overall vehicle budget when properly managed. Departments interested in car-sharing should contact Fleet Management.

Used Vehicle Purchases: Fleet Management will grant the purchase of used vehicles meeting City standards when operationally and economically feasible. Departments interested in purchases of used vehicles should contact Fleet Management for further instructions.

Alternative Fuel Vehicles: Executive Directive 05-103, dated September 23, 2005, requires: 1) 75% of new non-emergency passenger automobiles to be alternative fuel vehicles; and, 2) 90% of new non-emergency passenger automobiles to be either alternative fuel vehicles or high efficiency vehicles. Departments should be familiar with ED05-103 and make purchase and budget plans accordingly.

Implementation of Healthy Air and Clean Transportation (HACTO) Ordinance: HACTO aims to assist the City in achieving its air pollution and greenhouse gas reduction goals. The ordinance applies to all general purpose vehicles owned, leased or rented by the City and was recently amended by the Board of Supervisors on July 7, 2015 in adopting Ordinance No. 16-15.

The amended ordinance requires the adoption and implementation of policies to:
1. Optimize the size and utilization of the City's general purpose fleet.
2. Use telematics and vehicle assignment systems to promote the optimization of the City's fleet utilization and minimization of environmental harm resulting from the use of the City's fleet.
3. Reduce average per-mile greenhouse gas emissions by not less than 4% by the end of FY 2016-17 and not less than 15% by the end of FY 2020-21.

Exemptions

Pursuant to the ordinance, certain qualifying circumstances are exempted from HACTO requirements including emergency vehicles of Public Safety Departments (Police, Sheriff, Fire, Animal Care and Control and Medical Examiner) and buses of the San Francisco Municipal Transportation Authority.

Waivers
1. Waivers will be handled on a vehicle by vehicle basis.
2. Justification for waivers from the vehicle reduction portion of the HACTO will need to be submitted as part of the department's annual HACTO plan.
3. Justification for waivers from the AFV requirement will be submitted on the Equipment Acquisition Request Form. AFVs will be deemed to be interchangeable with Non-AFV options in the same vehicle class. It will be the requesting department's responsibility to provide sufficient justification to warrant a waiver approval.

If you have questions regarding the Healthy Air and Clean Transportation Program Ordinance or the clean air vehicle policy please contact Fleet Management.

Standard Vehicle Equipment Unit Costs & Purchasing: The Office of Contract Administration, Purchasing Division, has awarded two vehicle term contracts: Sedans, TC72304 and Trucks, Vans and SUVS, TC72502. Please visit http://admweb/AdminServices/fleetmgmt/Workshops.htm for "Guidelines for Vehicle Purchasing" and contact the City's Fleet Buyers for questions regarding estimated unit costs and vehicle purchases.

Requests for these vehicles and equipment must be submitted to the Mayor's Budget Office, with a copy to the Controller's Budget Office, using Budget Form 4 found in the Technical Instructions. The department should assign a unique equipment number to any proposed purchases for medium and heavy-duty vehicles and equipment. Refer to Section V (Equipment Purchase and Equipment Lease-Purchase) in the Budget Instructions for guidelines on assigning equipment numbers.

Form 4D: Vehicle Acquisition Request Form

VEHICLE / EQUIPMENT ACQUISITION REQUEST	Vehicle / Equipment # (to be assigned by Fleet Mgmt)
City and County of San Francisco	
GSA Fleet Management - Central Shops	Requisition # (if available by dept)
Form #: FMCS 100 (revised 10/2012)	

SECTION A - CONTACT INFO

DEPARTMENT		DIVISION / OFFICE		DEPT CODE	
FLEET COORDINATOR		EMAIL ADDRESS			
OFFICE ADDRESS		CITY / ZIP		TELEPHONE	

SECTION B - VEHICLE PURCHASE INFO

TYPE OF VEHICLE(S): YEAR, MAKE, MODEL, SPECIAL EQUIPMENT AND OTHER REQUIREMENTS.

First Choice

Second Choice

INFO ON ACQUISITION (CHECK BOXES AND FILL IN BLANKS AS REQUIRED)

1: TYPE OF PURCHASE 🖉DEPT FUNDED 🖉GSA-VEHICLE LEASING PROGRAM 🖉OTHER _____

2: SOURCE OF FUNDS 🖉G/F (GENERAL FUND) 🖉NON-G/F 🖉GRANTS 🖉OTHER _____

3: BUDGET NUMBER _____ INDEX CODE (if applicable) _____

4: PURPOSE 🖉REPLACE EXISTING INVENTORY 🖉ADD TO EXISTING HOW MANY _____

5: FUEL TYPE 🖉GASOLINE 🖉DIESEL 🖉CNG 🖉HYBRID 🖉PROPANE 🖉ETHANOL 🖉OTHER

6: VEHICLE SPECIFICATION 🖉TERM CONTRACT 🖉PRELIMINARY ATTACHED (or e-mail) 🖉FINAL ATTACHED (or e-mail)

SECTION C - JUSTIFICATION

EXPLAIN WHY A REPLACEMENT AND/OR NEW VEHICLE IS NECESSARY.

EXPLAIN WHAT EFFORTS WERE TAKEN TO IDENTIFY ANOTHER UNDERUTILIZED VEHICLE.

EXPLAIN THE NEGATIVE IMPACT IF THIS PURCHASE REQUEST IS DENIED.

SECTION D - VEHICLE TO BE REPLACED (if applicable)

CITY VEHICLE ID NUMBER	LICENSE NUMBER	YEAR	MAKE	MODEL		MILES/HOURS

SECTION E - REQUESTING DEPARTMENTAL SIGNATURES

PREPARED BY		TELEPHONE		DATE	
APPROVED BY	TITLE	SIGNATURE		DATE	
APPROVED BY (dept 2nd level)	TITLE	SIGNATURE		DATE	

SECTION F - DEPARTMENT OF THE ENVIRONMENT CLEAN AIR VEHICLE WAIVER (if applicable)

EXPLAIN WHY A CLEAN AIR WAIVER IS NECESSARY.

DEPARTMENT HEAD		SIGNATURE		DATE	

SECTION G - FLEET MANAGEMENT DEPARTMENT USE ONLY

🖉 DENIED		Needs Waiver Yes No NA	DATE	
🖉 CONDITIONAL APPROVAL (pending specs review)		BY	DATE	
🖉 FINAL APPROVAL		BY	DATE	

SECTION H - DEPARTMENT OF THE ENVIRONMENT USE ONLY

🖉 DENIED	REASON		DATE	
🖉 APPROVED		BY	DATE	

Return completed form to Fleet Management - Central Shops

fleet.purchase@sfgov.org   1800 Jerrold Ave., San Francisco, CA 94124 (415) 550-4600

Appendix C: Sample Budget Certification Letter

{Date}

Honorable Mayor Lee
Mayor, City and County of San Francisco
City Hall, Room 200

Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall, Room 244

Ben Rosenfield, Controller
City Hall, Room 316

RE: Adopted Budget for FY 2017-18 & FY 2018-19

Ladies and Gentlemen:

I hereby certify, in conformance with San Francisco Charter Section 9.115 and San Francisco Administrative Code Section 3.14, that the funding provided in the budget for FY 2017-18 and FY2018-19 as adopted by the Board of Supervisors is adequate for my department to meet service levels as proposed to the Board.

I anticipate that I shall make no requests for supplemental appropriations barring unforeseen circumstances.

Sincerely,

{Department Head}
{Title}

cc: Melissa Whitehouse, Mayor's Budget Director
cc: Michelle Allersma, Controller's Office Director Budget and Analysis Division

Appendix D: Work Order Certification and Summary Forms

Requesting departments drive spending authority for work order departments. Both requesting and performing departments must sign a Work Order Certification Form and complete the Work Order Summary Form before submitting the department's budget to the Controller's Budget Office.

To allow departments time to budget for work order changes within the Department Phase, performing departments must notify requesting departments of the work order requirements for BY before the Department Budget Request submission deadline.

All departments are encouraged to use the Work Order Certification Form to document all work order agreements between performing and requesting departments. Performing departments may run a work order report in the budget system to complete the Work Order Summary Form. For instructions on running budget system reports, see the system user guide.

The Departments listed below are required to complete, sign and submit the Work Order Certification form with the Department Budget Request submission:

> City Administrator
> City Attorney
> Department of Technology
> Environment
> Human Rights Commission
> Fire Department
> Police Department
> Treasurer Tax Collector

Work Order Certification Form

TO:

FROM:

DATE:

SUBJECT: FY 2017-18 Work Certification Form

The purpose of this document is to provide a written agreement between the requesting and performing departments for services to be provided through work orders. Performing departments must initiate this form and have it signed by requesting and performing department heads. Both departments should retain copies for audit purposes.

Work Order Amount: $

Requesting Department:

Program:_____

Department Index Code: _____   **Subobject**:081
(To be completed by Requesting Dept)

 Performing Department*:   Name and Address

Description of Services:

Performing Department Index Code:_____   **Subobject**:086
Project/Project Detail (if applicable): _____

Signatures:

_____	_____	Date:_____
Requesting Department Head	Print Name and Title	

_____	_____	Date:_____
Performing Department Head	Print Name and Title	

*Please return signed copy to Performing Department above.

Work Order Summary Form
BY and BY+1

Performing Department: _____

Fund: _____

Note: if Recoveries are budgeted from unspecified departments or other sources through the use of subobjects 08699 (AAO) and 08799 (Non-AAO), please explain the expected sources and any other related information to support the budget in the form below.

Requesting Dept	PY Actuals Amount	CY Final Budget Amount	BY Proposed Budget Amount	BY+1 Proposed Budget Amount

Appendix E:
Controller's Budget Office and Mayor's Budget Office Contacts

Dept. #	Code	Department Name	Controller's Office	Mayor's Office
62	AAM	Asian Art Museum	John Lee	Carlo Manaois
70	ADM	General Services Agency - Administrative Services	John Lee	Ted Conrad
13	ADP	Adult Probation	Jay Liao	Nereida Heller
27	AIR	Airport	John Lee	Chris Muyo
28	ART	Arts Commission	Yuri Harden	Carlo Manaois
2	ASR	Assessor/Recorder	Jay Liao	Nereida Heller
1	BOS	Board of Supervisors	John Lee	Ashley Groffenberger
3	CAT	City Attorney	John Lee	Ashley Groffenberger
64	CFC	Children & Families Commission	Maggie Han	Chris Muyo
23	CHF	Children, Youth & Their Families	Maggie Han	Chris Muyo
9	CON	Controller	Jay Liao	Nereida Heller
29	CPC	City Planning	Maggie Han	Raven Anderson
10	CRT	Superior Court	John Lee	Nereida Heller
30	CSC	Civil Service Commission	John Lee	Laura Busch
17	CSS	Child Support Services	Maggie Han	Chris Muyo
4	DAT	District Attorney	John Lee	Ashley Groffenberger
19	DBI	Department of Building Inspection	Maggie Han	Raven Anderson
88	DPA	Department of Police Accountability	Theresa Kao	Ashley Groffenberger
81	DPH	Department of Public Health	Yuri Harden	Kelly Kirkpatrick
90	DPW	General Services Agency - Public Works	Yuri Harden	Theodore Conrad
45	DSS	Human Services Agency	Yuri Harden	Laura Busch
77	ECD	Emergency Communications	John Lee	Chris Muyo
21	ECN	Economic & Workforce Development	John Lee	Raven Anderson
22	ENV	Environment	John Lee	Carlo Manaois
18	ETH	Ethics Commission	Maggie Han	Nereida Heller
61	FAM	Fine Arts Museum	Yuri Harden	Carlo Manaois
31	FIR	Fire Department	Theresa Kao	Chris Muyo
97	GEN	General City Responsibility	Michelle Allersma	
4	HRC	Human Rights Commission	John Lee	Ashley Groffenberger
33	HRD	Human Resources	John Lee	Laura Busch
	HOM	Dept. of Homelessness and Supportive Housing	Yuri Harden	
55	HSS	Health Service System	John Lee	Laura Busch
12	JUV	Juvenile Probation	Maggie Han	Chris Muyo
41	LIB	Public Library	Yuri Harden	Nereida Heller
63	LLB	Law Library	Yuri Harden	Nereida Heller
35	MTA	Municipal Transportation Agency (MTA)	Yuri Harden	Raven Anderson
25	MYR	Mayor	John Lee	Melissa Whitehouse
37	PAB	Board of Appeals	Jay Liao	Raven Anderson

5	PDR	Public Defender	John Lee	Ashley Groffenberger
38	POL	Police Department	Theresa Kao	Ashley Groffenberger
39	PRT	Port	Jay Liao	Raven Anderson
92	PUC-CWP	PUC - Clean Water	Theresa Kao	Carlo Manaois
32	PUC-HHP	PUC - Hetch Hetchy	Theresa Kao	Carlo Manaois
40	PUC-PUC	Public Utilities Commission	Theresa Kao	Carlo Manaois
47	PUC-WTR	PUC - Water	Theresa Kao	Carlo Manaois
42	REC	Recreation & Park	John Lee	Carlo Manaois
80	REG	Elections	Yuri Harden	Carlo Manaois
44	RET	Retirement System	Yuri Harden	Laura Busch
65	RNT	Rent Arbitration Board	Jay Liao	Raven Anderson
60	SCI	Academy of Sciences	Jay Liao	Carlo Manaois
6	SHF	Sheriff's Department	John Lee	Nereida Heller
75	TIS	General Services Agency - Technology	John Lee	Ashley Groffenberger
8	TTX	Treasurer / Tax Collector	Jay Liao	Nereida Heller
99	UNA	General Fund Unallocated	Michelle Allersma	
7	USD	County Office of Education	Maggie Han	
46	WAR	War Memorial	Yuri Harden	Chris Muyo
48	WOM	Department on the Status of Women	Yuri Harden	Ashley Groffenberger
	OCII	Office of Community Investment and Infrastructure	Theresa Kao	Raven Anderson
	TIDA	Treasure Island Development Authority	John Lee	Theodore Conrad

Mayor's Budget Office	
Melissa Whitehouse	(415) 554-6253
Raven Anderson	(415) 554-6617
Laura Busch	(415) 554-6485
Theodore Conrad	(415) 554-6639
Ashley Groffenberger	(415) 554-6511
Nereida Heller	(415) 554-5169
Kelly Kirkpatrick	(415) 554-6125
Carlo Manaois	(415) 554-5167
Chris Muyo	(415) 554-6216
Marie Valdez	(415) 554-5965

Controller's Budget Office	
Michelle Allersma	(415) 554-4792
Maggie Han	(415) 554-5247
Yuri Hardin	(415) 554-7535
Theresa Kao	(415) 554-5253
John Lee	(415) 554-7575
Jay Liao	(415) 554-5159
Carol Lu	(415) 554-7647
Michael Mitton	(415) 554-6626

Budget forms available at http://openbook.sfgov.org/webreports/details3.aspx?id=2394