



MEMORANDUM

DATE: July 3, 2013

TO: Judie Zimomra, City Manager

FROM: Sylvia Edwards, Finance Director

RE: Pooled Interest Allocation Method for Resolution 13-058

BACKGROUND

The City uses pooled cash and pooled investment accounts for the City's governmental and enterprise funds. The use of pooled cash and pooled investment accounts are cost effective and efficient. After a monthly accounting period is closed, staff runs the City's accounting software's interest allocation program (Munis). The program allocates interest across the funds based upon the average daily balance of a fund's associated cash account in relation to the total cash balance.

The Financial Assistance Program (FA Program) Donations are recorded in the Recreation Special Revenue Fund (Recreation Fund). The donations and expenditures are separately accounted for and the balance is designated as Financial Assistance Donations Restricted Fund Balance in the Recreation Fund's audited financial statements. Currently interest that is allocated to the Recreation Fund is not further allocated to the FA Program.

RECOMMENDATION

Resolution 13-058 authorizes Finance to further allocate the Recreation Fund's interest to the FA Program. The interest would be calculated manually by the Finance Department. The FA Program's interest allocation would be based upon its monthly average cash balance in relation to the Recreation Fund's total monthly average pooled cash balance. This calculation method is presented in the attached worksheet.

ATTACHMENT:

Financial Assistance Program Monthly Interest Allocation

CITY OF SANIBEL

RESOLUTION 13-058

A RESOLUTION AUTHORIZING THE FINANCE DIRECTOR TO SEPARATELY ACCOUNT FOR THE CITY'S RECREATION FINANCIAL ASSISTANCE DONATIONS RESTRICTED FUND BALANCE AND TO ALLOCATE A PRO-RATA SHARE OF THE ANNUAL INTEREST EARNINGS ON THE CITY'S POOLED CASH AND POOLED INVESTMENTS FUND TO SUCH RECREATION FINANCIAL ASSISTANCE DONATIONS RESTRICTED FUND BALANCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, funds accumulated through fund raising earmarked for the City of Sanibel Financial Assistance Program, that provides assistance to children of Island residents and Island workers, have been placed into a Financial Assistance Fund Balance (a component of the City of Sanibel's Recreation Funds) for application to the after school program, summer day camp, fun days, and holiday camp held at the City of Sanibel Recreation Center; and

WHEREAS, it has been requested that the Recreation Financial Assistance Donations Restricted Fund Balance be separately accounted for and that a proportionate amount of interest earnings for the City's pooled cash and pooled investments fund be credited to the Recreation Financial Assistance Donations Restricted Fund Balance in order to properly account for the earnings of such fund; and

WHEREAS, the City Council finds it to be in the best interests of the City to separately account for the Recreation Financial Assistance Donations Restricted Fund Balance and allocate such interest earnings;

NOW THEREFORE, BE IT RESOLVED, by the City Council, City of Sanibel, Florida:

SECTION 1. The City of Sanibel Finance Director is hereby authorized and directed to separately account for the Recreation Financial Assistance Donations Restricted Fund Balance in the City's financial records and further to allocate to such Recreation Financial Assistance Donations Restricted Fund Balance a pro-rata share of the annual interest earnings accrued by the City's pooled cash and pooled investments fund.

SECTION 2. Effective date.

This resolution shall take effect immediately upon adoption provided, however, the interest allocation directed by this Resolution shall be effective retroactively to October 1, 2012, the beginning of the City's 2012-13 fiscal year.

DULY PASSED AND ENACTED by the Council of the City of Sanibel,
Florida, this 16th day of July, 2013.

AUTHENTICATION:

Kevin Ruane, Mayor

Pamela Smith, City Clerk

AS APPROVED TO FORM: *Kenneth B. Cuyler* *6/27/13*
Kenneth B. Cuyler, City Attorney Date

Council Members Vote:

Ruane _____
Congress _____
Denham _____
Harrity _____
Jennings _____

Date filed with City Clerk: _____

City of Sanibel
Financial Assistance Monthly Interest Allocation
FY2013 (10/1/2012-9/30/2013)

Month	Fund 170 Cash Balance			Financial Assistance Balance				Percent of Total Cash Bal.	ESTIMATED Interest Allocated to Fund 170	ESTIMATED Financial Assistance Allocation
	Beg of Mo.	End of Mo.	Average Mo. Bal.	Beg of Mo.	End of Mo.	Balance After Alloc	Average Mo. Bal.			
October	\$ 1,558,376.70	\$ 1,535,720.60	\$ 1,547,048.65	\$ 102,132.45	\$ 127,284.95	\$ 127,541.11	\$ 114,708.70	7.41%	\$ 3,454.72	\$ 256.16
November	1,535,720.60	1,481,298.46	1,508,509.53	127,541.11	140,914.15	\$ 141,216.11	134,227.63	8.90%	3,393.51	301.96
December	1,481,298.46	1,295,810.65	1,388,554.56	141,216.11	156,250.45	\$ 156,585.04	148,733.28	10.71%	3,123.66	334.59
January	1,295,810.65	1,207,349.01	1,251,579.83	156,585.04	157,146.45	\$ 157,499.33	156,865.75	12.53%	2,815.52	352.88
February	1,207,349.01	1,176,650.38	1,191,999.70	157,499.33	159,395.95	\$ 159,752.39	158,447.64	13.29%	2,681.49	356.44
March	1,176,650.38	1,116,786.43	1,146,718.41	159,752.39	160,067.20	\$ 160,426.93	159,909.80	13.94%	2,579.63	359.73
April	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-
Estimated YTD Total through 3/31/2013									<u>\$18,048.53</u>	<u>\$1,961.76</u>