

CITY OF CAMBRIDGE

In City Council

March 20, 1972

ORDERED:

That the sum of \$169,420.68 (One Hundred Sixty Nine Thousand Four Hundred Twenty Dollars and Sixty Eight cents) be and hereby is appropriated to the Capital Improvements Account, same to be provided by available funds from the "Reimbursement Received for Appropriations to the Capital Improvements Account".

In City Council March 20, 1972

Adopted by yeas and nays Vote

Yeas 9 Nays 0 Absent 0

Paul E. Healy
City Clerk

ORDER - Appropriating \$169,420.68 to Capital Improvements Account - to be provided by available funds from the Reimbursement Received for Appropriations to the Capital Improvements Account

City of Cambridge

MASSACHUSETTS

In City Council March 20, 19 72

	YEA	NAY	ABSENT
Mr. Clinton	✓		
Mr. Danehy	✓		
Mr. Duehay	✓		
Mrs. Graham	✓		
Mr. Moncreiff	✓		
Mr. Owens	✓		
Mr. Sullivan	✓		
Mr. Vellucci	✓		
Mayor Ackermann	✓		
	9	0	0



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

March 20, 1972

To the Honorable, the City Council:

I submit for your consideration an appropriation order calling for an appropriation of \$169,420.68 to the Capital Improvements Account. These funds, which were recently received by the City Treasurer, are reimbursements received from the Department of Housing and Urban Development for expenditures previously made by the City of Cambridge as part of the 1970 Urban Beautification Program. This reimbursement represents part of the Federal share of the Urban Beautification Program.

In the last two years of the Capital Improvements Program, we have attempted to follow a policy of using reimbursements from State or Federal grants for those programs for which the reimbursements are made. For instance, reimbursements for the traffic signal program would be applied to future traffic signal work.

Several of the State and Federal grant programs in which the City participates require that the City expend funds before it may apply for a reimbursement. In budgeting for the Capital Improvements Account, the City's practice has been to appropriate the City's share (net cost) of the total program cost (gross cost). For several years, we had difficulty in operating programs, because there was not enough money on hand to cover the gross program cost. That problem was resolved by supplementary appropriations to the Capital Improvements Account, and we now anticipate there are enough reimbursements coming in from work done over the last several years to resolve this "cash flow" problem. In other words, we can now use reimbursements from other years to make up the difference between the City's net cost and the gross project cost. As long as we continue to direct reimbursements back into the Capital Improvements Account, we should be able to operate several programs by appropriating each year only the City's share of the program.

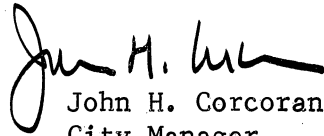
This policy of directing reimbursements back into the Capital Improvements Account was described in the Capital Improvements Program as a

To the Honorable, the City Council:

March 20, 1972

"Revolving Fund". While the term revolving fund expresses the principle well, it is an inappropriate term from an accounting standpoint. After consultation with the State Bureau of Accounts, we have devised the following procedure. Checks for reimbursement are received by the City Treasurer and are deposited in General Fund where they can be identified as "Reimbursement Received for Appropriations to the Capital Improvements Account". Then the amount of the reimbursement may be appropriated to the Capital Improvements Account. As each reimbursement check is received, a new appropriation order will be required to direct the money back into the Capital Improvements Account in the appropriate program.

Very truly yours,


John H. Corcoran
City Manager

JHC/b

COMMUNICATION

from the City Manager trans-
mitting ~~expend~~

an order appropriating \$169,420.68 to
the Capital Improvements Account, same
to be provided by available funds from
the "Reimbursement Received for Appro-
priations to the Capital Improvements
Account"

March 20, 1972