



NEIGHBORHOOD COUNCIL FUNDING PROGRAM LETTER OF ACKNOWLEDGMENT

PROGRAM SUMMARY

This letter will serve as evidence of an ongoing acknowledgment between the City of Los Angeles (City) acting through its Department of Neighborhood Empowerment and the Neighborhood Council (NC) named below, for the provision of City funding for expenses and activities related to Neighborhood Council operations. Each NC, after certification and after the election of a Governing Body, is eligible to receive City funds. Currently, Neighborhood Councils may use this funding for operating expenses, primarily through the use of a Charge Card and herein also referred to as ("the Card"). The Card has been developed specifically for use by Neighborhood Councils. Details for use of the funds are provided below.

Neighborhood Councils, after becoming certified, must conduct a process to install a Governing Body pursuant to its Bylaws, including a Treasurer, to represent the interests of the NC. The NC Treasurer and at least one other NC representative must attend a training and orientation session that will explain the Neighborhood Council Funding Program. This training is developed and coordinated by the Department of Neighborhood Empowerment. At the conclusion of the training, the Treasurer of the Neighborhood Council, as well as the second representative from the same NC, will be asked to sign this Letter of Acknowledgment. In addition, the NC Treasurer will be asked to provide certain confidential information to the Funding Program Administrator, which is required in order to access the City funding. The information will be used to open the Neighborhood Council's individual funding account. Approximately one week after the data is entered into the financial system, the Treasurer will personally receive a plastic card, with the name of the Neighborhood Council embossed on the card. This card is called a Charge Card and it is expected that using the card will handle most routine Neighborhood Council needs. However, for those situations where the card will not work or is not an acceptable method of payment, the City Controller has developed an expedited check approval process specifically for the Neighborhood Councils. In most cases, a printed check ("Demand Warrant") will be prepared and issued by the City Controller within 24 hours of approval of the check request by the Department of Neighborhood Empowerment.

Neighborhood Councils will be eligible to receive City funding in yearly installments. The yearly installments will be provided to the Neighborhood Council by two methods: (1) a "Charge Card," and (2) standard paper checks issued by the City Controller. In addition, a petty cash system, allowing cash withdrawals using the Charge Card, and to be more fully described during the training session, will be available to assist Neighborhood Councils in situations where immediate, but relatively small, amounts of cash are needed to take care of unanticipated NC business items. *The Program now allows up to \$500.00 in cash per every 30 calendar days to be withdrawn from an ATM by the Neighborhood Council representative(s) authorized to use the Card with a confidential PIN.*

CHARGE CARD

Spending cap of \$5,625.00 per quarter (equal to fifty percent of the yearly installment) is placed on the Neighborhood Council Charge Card. Each NC Treasurer will receive one Charge Card, embossed with their name, and name of the Neighborhood Council. Use of the Card will require a Personal Identification Number (PIN) for petty cash access that the NC Treasurer will be responsible for maintaining securely. There is a \$1,000 limit for each purchase on the card. Sharing the PIN with any other authorized Neighborhood Council members, preferably members of the Governing Body, with a designated NC financial committee representative, or with any other individual is the responsibility of the Neighborhood Council Treasurer.

Use of the Charge Card is expected to provide many convenient benefits to Neighborhood Councils, including the viewing of expenses incurred, balances remaining, wide merchant acceptability including companies that hold City contracts that may result in cost savings to the Neighborhood Council, and other information useful for planning NC business and improvement activities. The Department of Neighborhood Empowerment will monitor the use of funds as prescribed in the Plan for a Citywide System of Neighborhood Councils.

PAPER CHECK FUNDING

As stated above, it is expected that the purchase of most items required for NC operations will be conducted by use of the Charge Card. However, there may be situations or cases where use of the card is impractical, or where the Card is not accepted. Should such a situation occur, a paper check ("Demand Warrant") would be issued by the City Controller. Neighborhood Councils requiring a check to pay for an acceptable purchase should send to the Department of Neighborhood

Empowerment, a completed check request form ("Request for Neighborhood Council Paper Check – Demand Warrant") by any of the methods listed above (see "Requesting Funds"). Upon receipt of the check request, the Department of Neighborhood Empowerment will process the request and the City Controller will arrange for the check to be issued. It is expected that most checks will be made payable directly to a vendor. As an additional option, the check may be prepared and held by the City Controller for personal pickup by the Department of Neighborhood Empowerment staff ("will call") and the Department staff will arrange for proper delivery of the check, according to the need of the NC. It is anticipated that the City Controller will normally be able to issue a check within 24 hours of receipt of the check request from the Department. The amount of the check will be deducted from the total amount of funding requested on the most recent Funding Request Form submitted to the Department by the Neighborhood Council.

MONITORING OF FUNDS

The NC acknowledges, understands and agrees that all requests for funding are subject to approval by the Department of Neighborhood Empowerment. Department staff will have specialized accounting personnel specifically assigned to assist with all aspects of the Neighborhood Council's financial operations and bookkeeping methods. The Department of Neighborhood Empowerment will also provide a financial record keeping document sample package, will provide assistance with fiscal training and will conduct audits to assist the NC. The Department of Neighborhood Empowerment will make all reasonable efforts to accommodate the needs of the Neighborhood Council, and ensure that you have the money you need when you need it. In general, if the funds are used only for Neighborhood Council activities and operations, and if they are treated as a City-sponsored resource that should be used with care, you should be successful. It is required that the Neighborhood Council Governing Body vote on all amounts and all uses of City funds before requesting any money. The City will need written proof of the NC decisions made regarding specific use and amount of funds requested, such as meeting minutes and voting results, which must accompany all funding requests.

ACCEPTABLE PURCHASES AND EXPENSES

Because the Neighborhood Council Funding Program involves the use of taxpayer money, it is very important that all funds be used properly. To help the NC's use their funding in ways that will demonstrate responsible financial performance to the City, a list has been developed of acceptable purchase of various items and services. The list has been developed with the assistance of the City Attorney's Office and the Neighborhood Councils, and will almost certainly change over time as the Funding Program becomes widely used. To assist the NC's when making authorized purchases using the Charge Card, certain categories of goods and services ("Merchant Category Code" or "MCC") have been electronically "blocked" and attempts to pay for such purchases with the Card will be declined. The list of "Acceptable Purchase Categories" is a separate document and will be provided during the training session and upon execution of this Letter of Acknowledgment.

NEIGHBORHOOD COUNCIL GENERAL OPERATIONS

The NC agrees that all requests for general operations funding should be accompanied by a description of the planned use of the funds. The description should be a best estimate of the items or services to be purchased, and the approximate dollar amount for each item or service. All subsequent requests for funding must be accompanied by original invoices or supporting documentation that clearly shows the funds previously provided were used for the purposes specified in the request. The Department of Neighborhood Empowerment is required to perform regular accounting procedures including financial reviews, audits and reconciliation. Evidence of proper use of funds including accessing money in the Charge Card and receiving checks issued by the City Controller, must include original receipts, paid invoices and other types of proof of payment that, when added together, equal the amount of funding provided to the NC.

**LETTER OF ACKNOWLEDGEMENT
DECLARATION**

The undersigned do hereby declare that as a result of an official action of the Governing Body of the Neighborhood Council named below: (1) they are authorized to request City funding to support NC general operations, (2) all items or services described or included in any related funding requests are exclusively intended to further the goals and objectives of the Neighborhood Council, and (3) that all reasonable precautions shall be exercised by the undersigned to fully safeguard, control and account for all use of the funds. Proper accountability of all City funds is critical to the success of the NC Funding Program.

THEREFORE, by the signature(s) below, and on behalf of the Neighborhood Council named below, **WE HEREBY AGREE** to the terms and conditions as set forth in this Letter of Acknowledgment and all related documents as provided by the City, agree to expend funds in accordance with any applicable City rules, policies or procedures, and specifically agree to expend monies received by the Department of Neighborhood Empowerment solely for public purposes relating to the goals and purposes of the Neighborhood Council named below, consistent with the scope and authority under the City Charter, the Plan for a Citywide System of Neighborhood Councils and any implementing ordinances. We have attended and participated in the City-provided training related to the Funding Program.

WE FURTHER ACKNOWLEDGE and **WE AGREE** to comply with any requirements regarding use of the Charge Card, including appropriate use and petty cash withdrawals. **WE AGREE** to use all reasonable methods to secure any Personal Identification Numbers (PIN) issued in order to use the Card. We will provide NC financial reports and supporting documentation to the Department of Neighborhood Empowerment as requested and agree that the Department of Neighborhood Empowerment and other City representatives may make on-site visits to inspect and review all NC financial records, upon providing reasonable advance notice to the NC Treasurer or designated representative.

A NEW LETTER OF ACKNOWLEDGMENT MUST BE FILED IF THERE IS ANY CHANGE OF PERSONS WHO ARE AUTHORIZED TO APPROVE EXPENSES OR TO REQUEST FUNDING.

NEIGHBORHOOD COUNCIL NAME: WINNETKA DATE: 9/23/10

Neighborhood Council Authorized Representative Names and Signatures (minimum of two):

John C. Popowich Jr. (ff)
(1) SIGNATURE OF TREASURER
OR SECOND CARDHOLDER

Natasha L. Somerville
(2) SIGNATURE OF SECOND SIGNATORY

JOHN C. POPOWICH JR
(1) PRINT NAME OF TREASURER
OR SECOND CARDHOLDER

Natasha L. Somerville
(2) PRINT NAME OF SECOND SIGNATORY

Questions? Contact the Department of Neighborhood Empowerment, NC Funding Program at 3-1-1 or at (213) 485-1360.