

Procedures to Issue, Transfer, and Close Out Revenue Bond Funds

a. Prior to Revenue Bond Issuance

Step	Action
1	Prior to a bond issuance, SFMTA staff will compile the following: 1) the Preliminary Official Statement 2) SFMTA Board Resolution 3) City Board of Supervisors Ordinance
2	Prior to a bond issuance, SFMTA staff will provide the City Treasurer with: 1) The amount and date for the expected wire transfer from the Trustee 2) a draw schedule for the expected spend down of proceeds
3	Prior to a bond issuance, a request will be submitted to set-up sub-funds and general ledger subsidiaries

b. Revenue Bond Issuance and Related Fiscal Activities

Step	Action
1	SFMTA Revenue Bond Fund Manager provides copies of the following documents from the bond issuance to the General Ledger and Analysis Manager: 1) Copy of Official Statement (OS) 2) Copy of Trust Indenture 3) Detailed schedule or list of costs paid or expected to be paid for the cost of issuance 4) The Bond Pricing report prepared by the Financial Advisor 5) Debt amortization schedule and periodic updates to it
2	SFMTA Revenue Bond Fund Manager provides details (i.e., amount and date) for the expected wire transfer to the General Ledger and Analysis Manager and the Accountant IV with the Cash Receipts Group
3	Accounting and the General Ledger and Analysis Group prepare journal entries to record the cash receipt from proceeds. The cash receipts journal entry is reviewed and approved in FAMIS by the General Ledger Cash Receipts Group and the Controller's Office.
4	General Ledger and Analysis Group review debt service payment schedules. Prepare amortization schedule for costs of issuance, bond discount or premium, and refunding gain or loss. Then prepare journal entries in FAMIS. These journal entries are reviewed and approved in FAMIS by the General Ledger and Analysis Manger and the Controller's Office
5	Accounting Operation process debt service payments: These journal entries are reviewed and approved in FAMIS by SFMTA Controller and the Controller's Office.
6	General Ledger and Analysis Group monitor actual debt repayment for accuracy and timeliness.
7	General Ledger and Analysis Group prepare reconciliation of trustee statements to FAMIS and prepare journal entries for activities in trustee funds. These journal entries are reviewed and approved in FAMIS by SFMTA Controller and the Controller's Office.

c. Revenue Bond Fund Transfers to Projects

Prior to starting a new Revenue Bond transfer and after determination by the Revenue Bond Fund Manager of funding eligibility, the following documents are required:

1. Project Scope, Schedule, Budget
2. Approved Project Funding Request
3. Revenue Bond Fund Tracking Sheet
4. Asset Useful Life Calculation Sheet

Step	Action	Deliverable
1	Review the project's funding request and Scope, Schedule, Budget to determine project need and eligibility. Evaluate revenue bond as a viable funding source. Approve the funding request if it is determined that the project will be funded with revenue bonds.	Approved funding request
2	Update the average asset useful life sheet based on project scope.	Updated asset life tracking sheet
3	Develop a reprogramming letter detailing the reallocation of revenue bond funds. Include the updated Revenue Bond Fund Tracking Sheet along with letter (<i>only if reprogramming funds</i>).	Letter for MTAB and BOC
4	Submit the reprogramming letter and tracking sheet to the SFMTA Board and BOC (<i>only if reprogramming funds</i>).	
5	Update the Revenue Bond tracking sheet with approved project information.	Updated fund tracking sheet
6	Inform staff of fund reallocation and send final reprogramming letter. Final reprogramming letter to be included in quarterly and annual reports to BOC.	
7	Submit the SFMTA Budget Revision Request/Index Code (BR/IC) Request and include the approved funding request and updated Revenue Bond Fund tracking sheet to Accounting.	Submitted BR/IC
8	Process BR/IC to setup project and budget in FAMIS. Prepare journal entries for capital project budget, including transfer of revenue.	
9	Inform SFMTA staff that funds are booked in project ready for use	Opened index code ready to charge

d. Timely Close Out of Revenue Bond Funds

Timely closeout is essential to effectively manage revenue bond funds. To achieve this goal, the SFMTA has established these closeout guidelines for revenue bonds.

Step	Action	Schedule
1	Capital Finance monitors expenditures, project schedules and cash flows on a monthly basis for bond funded projects through use of the Capital Project Controls System, project progress reports, and keeping in regular communication with project managers in accordance with Section 2.11 of the Revenue Bond Policies and Procedures.	Reviewed within 14 days of month end.
2	In certain instances, Capital Finance may determine that bond funds will not be spent within three years of the date of bond issuance, due to cost savings, scope reduction, or project schedule changes.	Reviewed within 14 days of month end.
3	In other cases, Capital Finance may determine that a project will or has completed with a balance of bond funds remaining.	Reviewed within 14 days of month end.
4	Within 5 business days of making the determination that a project will not spend its bond funds within 3 years of issuance OR that a project has or will be completed with a surplus of bond funds, Capital Finance will identify another bond eligible project to move the funds to in accordance with SFMTA's Capital Plan and Program Policies.	Identified within 21 days of month end.
5	Within 21 business days, Capital Finance initiates the reprogramming of those funds to another project via a memo to the SFMTA Board of Directors following Section 2.11 of these Revenue Bond Policies and Procedures.	Initiated within 21 days after identifying another bond eligible project.
6	To reduce the number and frequency of reallocation memos to the SFMTA Board of Directors, reprogramming actions, particularly closing out small balances, will be bundled together to the extent possible. Consideration will also be made with regard to the urgency of the reprogramming action.	Quarterly.
7	Capital Finance will work with the projects' managers and submit budget revisions into SFMTA's electronic approval system to move the funds between projects after sending the reallocation memo to the SFMTA Board of Directors.	Within 21 days after identifying another bond eligible project.
8	Once the approval workflow is complete (typically 1-5 business days), Capital Project and Grants Accounting records the budget revision and places end dates on index codes and project details in FAMIS (accounting system) as needed and helps coordinate the closeout of open work orders and authorizations.	

e. Accounting for project close outs

Once the approval workflow is complete (typically 1-5 business days), Accounting staff complete the process in the accounting system (FAMIS)

Step	Action	Schedule
1	Capital Project and Grants Accountants record the budget revision in the accounting system (FAMIS) by preparing entries to align actual expenditures with budgeted expenditures within each index code and moves unused funds to other authorized projects.	Within 2 weeks after budget revision is received.
2	Capital Project and Grants Accountants help coordinate the closeout of open work orders and authorizations by working with the Project Manager and other City Departments to ensure unused funds are returned.	Within 30 days after budget revision is received.
3	Capital Project and Grants Accountants place end dates on index codes and project details in FAMIS to prevent any new charges to the project or work authorizations.	Within 30 days after budget revision is received.
4	Capital Project and Grants Accountants ensure that the Fixed Asset Accountant is aware that the project is complete, or substantially complete, and has been placed into service. Capital Project and Grants Accountants work with the project manager to complete the Certificate of Completion.	Within 45 days after budget revision is received.
5	Once the Fixed Asset Accountant receives the Certificate of Completion and confirms the Fixed Asset Accounting and Control System (FAACS) indicators are set correctly, the project is transferred from FAACS to FAMIS. The asset is capitalized once it is moved from a construction-in-progress account to the applicable fixed asset general ledger account and the project close out process is complete.	Completed in accordance with CCSF processing schedule.