

Reply to Common Council File No. 010075
From DOA-Budget and Management Division

May 14, 2001

Ref: 01017

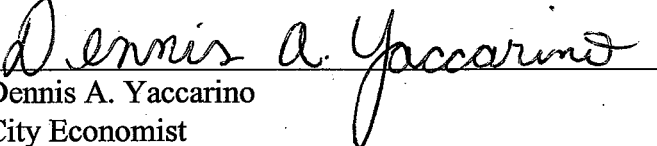
Common Council file 010075 contains a communication from the Comptroller's Office transmitting a report entitled, The City of Milwaukee Department Review of Reimbursable Transactions.

The review of the city's reimbursable process revealed several opportunities to improve the effectiveness and efficiency of the process. First, the city could reduce the number of transactions from the reimbursable fund. Second, invoice the project while in progress rather than at the time it's complete. Finally, the city should consider using standardized costs to generate invoices.

Reducing the number of reimbursable transactions has been explored over the last few years. Several have been already eliminated. It appears that additional services provided as reimbursable could be treated as normal general fund expenditures. One constraint, however, is the State limit on expending that is part of the expenditure restraint program. We will continue to work with departments to reduce the number of reimbursable transactions.

There is some concerns regarding in progress charging and standardized costing. Mainly the concerns center around the difficulty obtaining reasonable information from the city's financial management system. Currently, the ability to access data regarding reimbursable activity is difficult and often the data is outdated. Layering additional billings and standardized costing on top of an already cumbersome billing system with difficult to access data may only create additional workload rather than any benefits. We would, however, like to explore these possibilities to determine the full potential of these possible improvements.

RECOMMENDATION: PLACE COMMON COUNCIL FILE 010075 THAT CONTAINS A COMMUNICATION FROM THE COMPTROLLER'S OFFICE TRANSMITTING A REPORT ENTITLED, THE CITY OF MILWAUKEE DEPARTMENT REVIEW OF REIMBURSABLE TRANSACTIONS.


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