SFMTA Operating Budget Variance Review Procedures
June 2016

Overview

The City Charter requires that SFMTA submit a two-fiscal year budget in even-numbered years, and it may submit budget amendments for the second fiscal year in odd-numbered years if the second year requires amending. The budget is approved by the SFMTA Board of Directors and is submitted to the Mayor and Board of Supervisors by May 1. The Mayor and the Board of Supervisors do not have line item authority over the SFMTA Budget. The Board of Supervisors may allow the SFMTA's entire budget to take effect without any action on its part or may reject the budget in its entirety by seventh-eleventh vote.

Purpose

Once the two year Operating Budget is adopted, SFMTA's monitors spending monthly, and often more frequently, to ensure that SFMTA remains within its approved budget as the fiscal year progresses.

Review Procedures

As of Fiscal Year 2016, the SFMTA has the following twelve (12) divisions for the purpose of reporting and reviewing budget and actual expenditures. And, SFMTA has designated budget liaisons for each of the divisions.

Board of Directors	Human Resources
Capital Programs & Construction	Safety
Communications	Sustainable Streets
Executive Director	Transit Services
Finance & Information Technology	Taxi & Accessible Services
Government Affairs	Agency-Wide

Below are the review procedures:

- Each month the CFO forwards to the Executive Team a variance report summarizing the annual budget, actuals year to date through the prior month and year end projections. Any identified areas of concern are highlighted as well as any corrective actions required.
- The Finance division issues a monthly report titled "FY Monthly Financials-XXX (Month) XXXX (fiscal year), by the third week after month end. This report shows year-to-date comparative information: original budget, revised budget, actuals-to-date, encumbrances to-date, actuals to-date, % spending to-date, remaining budget balance, % remaining budget balance; year-end projection, year-end projected surplus or deficit, and prior year actuals. This same details are presented on the report's four tabs as follows:
  Tab1-Department Summary by division

Disclaimer

This document provides general information about the San Francisco Municipal Transportation Agency (SFMTA) and its outstanding bonds, notes or other obligations. The information is provided for quick reference only. It is not a summary or a compilation of all information relevant to any particular financial transactions, bonds, notes or other obligations. It does not purport to include every item that may be relevant, nor does it purport to present full and fair disclosure with respect to any financial transactions, bonds, notes or other obligations related to the SFMTA within the meaning of applicable securities laws and regulations.

The information presented in this document speaks only as of the date it was posted or, if such information is dated, as of its dated date. The SFMTA does not undertake continuously to update materials posted in this document. Developments may occur after the dated date or posted date of such information that could render it inaccurate or unreliable.

Certain information has come from other sources that are not developed by the SFMTA, and the SFMTA presents that information for convenience only. The SFMTA does not guarantee the accuracy of any such information and undertakes no responsibility to verify any of that information. Links to other websites similarly are provided for convenience; the SFMTA takes no responsibility for the accuracy of such information.

THIS IS NOT AN OFFER TO SELL BONDS. Information in this document is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Viewers acknowledge that: (1) the SFMTA is not now by this document and the information shown herein offering any bonds, notes or other obligations, nor soliciting an offer to buy any such securities; (2) this document and the information herein shall not be construed as any description of the SFMTA, any departments thereof or the programs of the SFMTA in conjunction with any offering of bonds, notes or other obligations; (3) the information in this document is subject to change without notice, and no one shall assume from the availability of this document and the information herein that the affairs of the SFMTA and/or the programs of the SFMTA have not changed since the date of this information; (4) no representation is made as to the propriety or legality of any secondary market trading of the bonds, notes or other obligations of the SFMTA by anyone in any jurisdiction, (5) the information in this document speaks as of its date, and the SFMTA does not hereby obligate itself in any manner to periodically or otherwise update this information or to maintain the availability of this information.

All information in this document has been obtained by the SFMTA from sources believed to be reliable but no representation or warranty is made by the SFMTA as to its accuracy or completeness. Neither the SFMTA, nor any of its agencies or departments nor any of its officers or employees, shall be held liable for any use of the information described and/or contained in this document. In no event shall the SFMTA or its agencies or departments, officers or employees be liable for any direct, indirect, incidental, special, exemplary or consequential damages however caused and on any theory of liability, whether in contract, strict liability or tort (including negligence or otherwise) arising in any way out of the use of this document, even if advised of the possibility of such damage. This disclaimer of liability applies to any and all damages and injuries, including, but not limited to those caused by any failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, theft or destruction or unauthorized access to, alteration of, or use of any record, whether for breach of contract, tortious behavior, negligence or under any other cause of action. This disclaimer applies to both isolated and aggregate uses of the information in this document.

Any addresses or links to other websites which may be contained in this document are given only for the convenience of the viewer. The SFMTA has not participated in the preparation, collection, compilation or selection of information on any such other website and assumes no responsibility or liability for the contents of such websites. Due to the dynamic nature of the internet, resources that are free and publicly available one day may require a fee or restricted access the next, and the location of items may change as menus, homepages and files are reorganized. If you obtain any information from this document from any source other than this document, please be aware that electronic data can be altered subsequent to original distribution. Data can also quickly become out of date. It is recommended that careful attention be paid to any data associated with a file, and that the originator of the data or information be contacted with any questions regarding appropriate use.

Choice of Law Construction of the disclaimers above and resolution of disputes regarding such disclaimers are governed by the laws of the State of California. The laws of the State of California shall apply to all uses of this document and the information contained in this document.

Viewer Acknowledgement and Agreement. The viewer acknowledges and agrees that the information provided in this document is provided by the SFMTA for convenience. By viewing this document and the information contained herein, the viewer acknowledges and agrees that any use of the document and information contained herein shall conform to all applicable laws and regulations and that the viewer shall not violate the rights of any third parties and agrees to all of the terms, conditions and provisions set forth above under "**Notice to Readers,**" "**THIS IS NOT AN OFFER TO SELL BONDS**" and "**Choice of Law**."

Tab2-Specific division summary by index code
Tab3-Specific division details (expense by character/object/index code)
Tab4-Specific division raw data details

- The reports are issued to both the division directors and identified budget liaisons.

- A meeting is scheduled and held with the director and budget liaisons on a quarterly basis, within a month after the quarter end reports are issued. During these meeting, actuals expense line items are reviewed, year-end projections and any funding issues are discussed, including spending trends, unexpected high dollar contracts or expense items, or need for any fund movements.

- The SFTMA Board of Directors has a Policy and Governance (PAG) Committee whose primary functions are to assist the Board in the task of overall governance, including considering and recommending policies and procedures concerning the Board's operations and standards and to monitor the implementation of the Strategic Plan. A monthly report on budget, actuals and year-end projections is presented monthly to the PAG Committee.

- The City Controller's Office, with the Mayor's Budget Office, sets-up a 6-month and a 9-month review of SFMTAs budget, actuals and year-end revenue and expenditure projections. Similarly with SFMTA internal meetings, actuals expense line items are reviewed, year-end projections and any funding issues are discussed, including spending trends, and year-end projections.
  The City Controller's issues City-wide consolidated reports outlining the City's overall 6 and 9 month budget versus actual performance which include SFMTA.

- Routinely, and regularly in addition to the above schedules and reviews, SFMTA Finance provides support and assistance to all of the divisions on managing their budgets and taking any corrective actions as necessary to ensure the approved budget is not exceeded.