



Legislation Text

File #: 18-0769 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Renée A. Jadusingh, Esq., Executive Director
DATE: April 27, 2021

AMENDMENT TO CRA ACCOUNTING POLICIES AND PROCEDURES MANUAL

Recommended Action:

Approve the proposed amendments to “Accounting Policies and Procedures Manual” for the Delray Beach Community Redevelopment Agency.

Background:

Revisions to the CRA Accounting Policies and Procedures Manual were last approved by the CRA Board on June 23, 2020 (“Policy”). This Policy provides Staff with guidance on the CRA’s accounting systems and processes.

As part of the financial audit for fiscal year 2019-2020, our auditors, Caler, Donten, Levine, Cohen, Porter, & Veil, PA, it will be recommended that Section 3.9 Debt Service clarify that debt is paid through the “general fund” not a “debt service fund”.

Staff recommends approving the revised policy as shown below.

Excerpt from CRA Accounting Policies and Procedures Manual

3.9 Debt Service

~~Debt service funds are used to account for the annual payment of principal, interest, and other expenditures on general long term debt.~~

All new debt instruments, irrespective of the amount, must be approved by the CRA Board.

~~Debt must be accounted for in the Debt Service fund. In accordance with government accounting standards, it is accounted for using the modified accrual basis of accounting. Principal, interest payments are recorded as expenditures of the current period and as per the respective debt payment schedule.~~

The CRA maintain a separate bank account for any unspent debt proceeds.

For payments that are electronically deducted from the CRA's bank account, the CRA Finance Staff records the payment in QuickBooks.

The amount deducted is compared to the debt service payment schedule for each respective debt instrument to ensure payment is in accordance with the respective debt agreement.

Debt payments made via check or wire transfer are made in accordance with the CRA's normal cash disbursement process outlined above.

In order to assist Staff with implementing the recommendations, the Policy was updated accordingly. Staff recommends that the CRA Board approve the amended CRA Accounting Policies and Procedures Manual.

Attachment(s): Exhibit A - CRA Accounting Policies and Procedures Manual (redline version)