

**SAN FRANCISCO ESTUARY INSTITUTE**

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July 8, 2014

To: Steering Committee

From: Philip Trowbridge

Re: Adopting the State Fiscal Year for the RMP

REQUESTED ACTION

1. Adopt the State Fiscal Year for RMP budgets with details to be presented at the October Steering Committee meeting

EXPLANATION

SFEI is in the process of adopting to the State Fiscal Year (SFY) for accounting purposes. The RMP operates on a calendar year (CY) basis. There would be several advantages to switching the RMP to the SFY:

- Reduced audit costs and complexity.
- Ability to use audited numbers to verify RMP budgets and balances.
- Easier to work with state partners and others who follow the SFY.

SFEI recommends adopting the SFY for the RMP. However, the transition from the CY to SFY would require several major changes to the program and details still need to be worked out. The two biggest challenges that SFEI anticipates are: (1) a gap year budget (covering a 6 or 18-month period); and (2) changes to the annual calendar of events for the RMP.

Gap Year Budget

The earliest that the RMP could adopt the SFY would be FY16 (July 1, 2015 – June 30, 2016) or FY17 (July 1, 2016 – June 30, 2017). The RMP has an adopted budget for CY14 which ends on December 31, 2014. Therefore, a gap year budget would be needed for the period January 1, 2015 to June 30, 2015 (or June 30, 2016 for an 18-month period). RMP cash flow is not even across all months of the year so the gap year budget would need to be carefully managed. If a 6-month gap were chosen, the RMP workgroups, TRC, and SC would need to complete an expedited budget process for FY16.

Changes to the RMP Schedule

The schedule followed by the RMP over the calendar year is shown in Table 1. Changing to the SFY would affect this calendar in several ways.

- **Billing:** The time of the year that the RMP invoices participants would change from late fall to spring. If a 6-month gap year is chosen, this change would result in participants being invoiced twice in one year during the transition period: once in November for a half year under the old CY system and once in May for a full year under the new SFY system. In addition, if the data needed to determine fees are not available in the spring, the formulas for calculating fees may need to be changed.
- **Budgeting:** Budgets would need to be developed in the fall and winter and approved in April. If a 6-month gap year is chosen, this change would entail an expedited budget process for FY16 during the first few months of 2015.
- **Annual Meeting and Reporting:** The Steering Committee will need to decide whether to move the Annual Meeting and Pulse reporting to the spring to correspond to the end of the SFY. There may be scheduling reasons to not make this change such as conflicting conferences, availability of venues, and availability of new data.

Table 1: The Current Calendar Year Schedule for the Steering Committee (Source: Multi-Year Plan)

Annual Steering Committee Calendar	
• January	<ul style="list-style-type: none"> ○ Approval of Multi-Year Plan ○ Review of incomplete projects from the previous year
• April	<ul style="list-style-type: none"> ○ Multi-year Plan: Focus on selected element(s) ○ Plan for Annual Meeting ○ Additional guidance to workgroups
• August	<ul style="list-style-type: none"> ○ Multi-year Plan: mid-year check-in, workshop planning ○ Decision on special studies recommended by the TRC for next year ○ Plan for Annual Meeting ○ Report on SFEI financial audit ○ Brief discussion of fees for year after next
• October	<ul style="list-style-type: none"> ○ Confirm chair(s) ○ Planning Workshop ○ Decision on fees for the year after next ○ Approve Program Plan and detailed budget for next year ○ Approval of Pulse outline for next year ○ Decision on workshops to be held next year
Agendas and meeting summaries available at http://www.sfei.org/rmp/sc	