



## DEPARTMENT OF PERSONNEL AND ADMINISTRATION

*FY 2010-11 Balancing Proposal  
February 15, 2011*

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Executive Director

### *Transfer from the Supplier Database Cash Fund to the General Fund*

#### **Proposal Summary:**

Established in 24-102-202.5 (2) (a), C.R.S., the Supplier Database Cash Fund retains all registration fees charged by the Department of Personnel and Administration of vendors wishing to be included in a centralized database for potential State contracts. All fees that are collected remain in the fund and are at the disposal of the General Assembly for making appropriations related to such purpose; all interest accrued on the fund's assets are transferred to the General Fund.

The Department of Personnel and Administration is requesting that an excess of \$75,483 be transferred from the Supplier Database Cash Fund (COFRS Fund 281) in FY 2010-11 to the General Fund. The Department has calculated that this is the amount that would be available after retaining fund balance equal to 16.5% of projected expenditures in FY 2010-11, or the statutory limit, per SB 98-194.

<b>A. Beginning Fund Balance for FY 2010-11</b>	<b>\$185,758</b>
Number of Vendors Projected for FY 2010-11	8,200
Fee Charged Per Vendor	\$40.00
<b>B. Projected Revenue for FY 2010-11</b>	<b>\$328,000</b>
<b>C. Total Fund Balance (= A + B)</b>	<b>\$513,758</b>
D. Expenditures	(\$376,202)
<b>E. Remaining Fund Balance (= C + D)</b>	<b>\$137,556</b>
F. Target Fund Balance (16.5% of expenditures)	(\$62,073)
<b>G. Excess Fund Balance to Transfer (= E + F)</b>	<b>\$75,483</b>

#### **Impact of Recommended Reduction:**

A transfer of excess cash fund balance to the General Fund is not anticipated to have any negative implications to existing programs.

#### **Assumptions:**

This assumes that the projected revenues will reach \$328,000 based on 8,200 projected vendors registering during FY 2010-11 at a set registration fee of \$40, and assumes a projected reserve of 16.5% in the fund (equal to \$62,073) at year's end. The projected increase in FY 2010-11 revenues that are anticipated to result in excess fund balance is attributable to an increase in the number of vendors seeking work due to ARRA grants in FY 2009-10. However, vendor participation has already begun to decrease, and is expected to continue to decrease as the majority of ARRA grants have already been awarded and have or will be concluding in the near future.

#### **Current Statutory Authority or Needed Statutory Change:**

This proposal would require statutory changes to 24-102-202.5, C.R.S. to transfer the projected excess fund balance to the General Fund at the end of FY 2010-11.