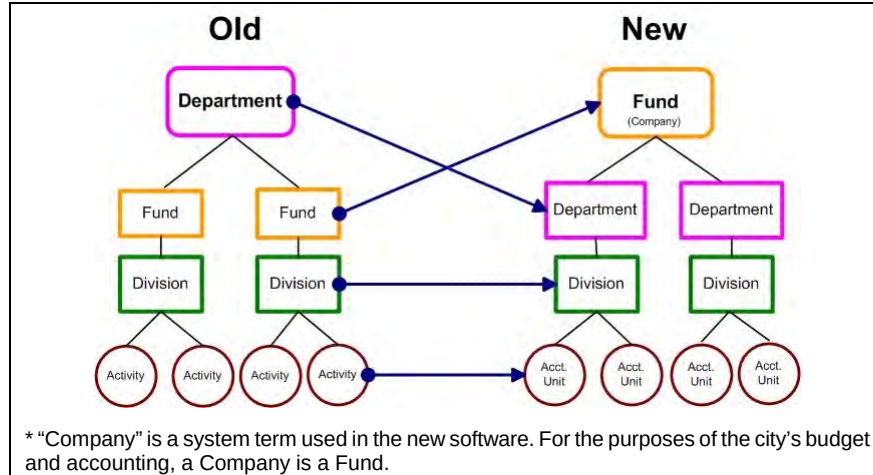


City of Saint Paul's New Chart of Accounts

Background: In 2010 the City of Saint Paul initiated the COMET (City Operations Modernization and Enterprise Transformation) Project that began the transition to an integrated enterprise resource planning system for managing city finances, payroll, procurement and human resources. The budget system and process was the first step of the implementation, which includes better technology for analysis and a more user-friendly interface. Along with the new technology, changes were made to the city's Chart of Accounts (CoA), which is the backbone and organizational structure of the city's finances and accounting. These changes will impact city operations at every level, and have led to important changes to how the city creates and reports its annual operating budget.

Chart of Accounts Changes

This chart illustrates the changes made to the city's chart of accounts in 2011.



In the past, departments occupied the highest level of the hierarchy; now, funds are at the top. This allows one fund to have many departments within it, instead of each department needing its own fund for a particular type of spending and financing. For example, in the old chart both the Parks Department and the Public Works Department had their own fund for their Right of Way (ROW) Maintenance activities. Now, these departments are both included in a single ROW fund. Activities and line items were also adjusted to improve organization and clarity.

The budget system is the first step in a citywide financial systems transformation that will include accounting, payroll, procurement and human resources. Ultimately, these new systems will better align the city's financial structure with best practices, and improve

the fiscal management capabilities of the City of Saint Paul.

Implications for the City's Budget

As a result of these chart changes, the city's budget, as well as how it is reported and presented, has been changed from past years.

Mapping Previous Years' Data – In both the summary sections and the detail reports in this document, information is generally displayed as if the city's new chart had been in place in 2009 and 2010. This allows for a more accurate comparison of data, and eliminates confusion about what changes are attributable to chart updates versus spending and financing changes.

Transfers – One of the goals of the new Chart was to bring related activities and functions together under one fund to eliminate the need for large and numerous transfers among city departments. As a result, many duplicative transfers have been removed in the 2011 budget under the new structure. On the summary pages of the book, these transfers have also been removed from the 2010 Adopted Budget numbers, to allow for a more accurate comparison from year to year. However, in the 2009 summary data and the system generated budget reports these redundant transfers have not been removed.

Department Specific Impacts

Other budget changes came about in 2011 as a result of the adjustments to the chart of accounts. For example, the Department of Safety and Inspections (DSI) was moved almost entirely into the general fund. Because of this, the City Attorney's Office changed the way they budget staff that support DSI by moving them from a special fund to the general fund, eliminating an unnecessary interdepartmental billing. This is just one example of the department specific impacts the new chart has had on the city's budget.