

RULE 7.1 – PROPRIETY OF EXPENDITURES

Adopted Date: 10/13/2005

Revised Date: 01/01/2014

PURPOSE

The City and County of Denver (city) is accountable to the citizens of Denver for the appropriate and prudent use of city funds. This fiscal accountability rule (FAR) applies to all city expenditures, and establishes requirements that shall be followed when expending city funds.

DEFINITIONS

Expenditure – For the purpose of this rule an expenditure is the decrease or use of the financial resources of a fund and refers only to those payments made via procurement card, check, or electronic fund transfer initiated by the Controller’s Office or payments made using petty cash or imprest accounts approved by the Controller.

Tests of Propriety – Criteria used to evaluate the appropriateness of an expenditure.

RULES

1. Every expenditure shall comply with the following Tests of Propriety. An expenditure is not in compliance if the response to any question is no.
 - A. Is the expenditure for official city business?
 - B. Is the expenditure in the best interest of the city?
 - C. Is the expenditure in compliance with all applicable policies, laws, regulations, and rules; and contracts, and grants including having the required approvals and authorizations?
 - D. Does the expenditure provide a valid benefit to the city without providing personal benefit to an employee or without creating the appearance of providing personal benefit to an employee?
 - E. Is the expenditure within approved budgets, taking into consideration all outstanding commitments and encumbrances?

- F. Is the expenditure necessary to accomplish city business? Meaning that without the expenditures, objectives would be difficult or more costly to achieve or the impact, level or quality of the achievement of these objectives would be reduced.
- G. Is the expenditure reasonable? Meaning that the quality and quantity of the goods or services is sufficient to meet, but not exceed, the identified need.

AUTHORITY AND ACCOUNTABILITY

The **Controller's Office** is responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.