

DATE: June 26, 1986

TO: Jack McGrory, Labor Relations Assistant to
the City Manager

FROM: City Attorney

SUBJECT: Fund Transfers

By memorandum dated June 13, 1986, you requested that this office advise you as to the legality of three requests for fund transfers which you had received from Risk Management Department. The first request concerned transferring \$30,000 in surplus funds from Fund 60022 (Kaiser Health Plan) to Fund 60020 (Greater San Diego Health Plan). The second question concerned transferring all monies remaining in the Kaiser Health Plan in excess of \$30,000 to the General Fund. Your last question concerned the legality of transferring unexpended Flexible Benefits money for fiscal year 1985 from Fund 60044 (Dental/Vision Reimbursement), Fund 60048 (Professional Dues and Seminar Reimbursement), and Fund 60047 (Dependent Care-Reimbursement) to the Risk Management Administration for fiscal year 1987 to fund the City Health Wellness Program.

The monies in these funds come out of the General Fund and are allocated in designated amounts for each department. Unspent monies in these funds must be transferred at the end of the fiscal year to the General Fund in accordance with the provisions of section 72 of the Charter of The City of San Diego. Although these funds are sometimes referred to "trust funds" they do not represent employee contributions held in trust by the City such as the 401(k), Unused Sick Leave, Deferred Compensation or Unused Compensatory Time funds. The monies in these accounts are allocated from the General Fund on a year-to-year basis and as clearly indicated in the annual salary ordinance do not represent a continuing vested benefit to the employees. We therefor

believe that the transfer of these funds to the General Fund at the end of the current fiscal year for redesignation in the next fiscal year, in the manner you desire, is authorized by Charter section 72.

JOHN W. WITT, City Attorney

By

John M. Kaheny

Deputy City Attorney

JMK:smm:111:(x043.2)

ML-86-73