



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

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## Finance Office Department

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## MEMO

To: Mayor & City Council  
From: Pauline Sumption  
Date: September 22, 2011  
RE: Policy for subsidy disbursements

Due to recent events with the local economy, it is my recommendation that we set a subsidy disbursement policy so that the payments to the subsidies are done in such a way so as not to negatively impact the general fund cash balance.

My recommendation would be as follows in regards to annual subsidy amounts:

- Less than \$5,000 – annual payment in June
- \$5,000 to less than \$25,000 – quarterly payments in February, May, August & November
- Greater than \$25,000 – monthly payments

This policy would be in effect starting with the FY2012 budget, as many of the disbursements have already taken place for FY2011.

At this time, the only exception to this would be the subsidy payment to Allied Arts, as they are a flow-through organization for the arts and humanities organizations that ultimately benefit from the City's \$100,000 subsidy. I am working with Allied Arts in trying to find a solution that works for both entities. I hope to have more information on that by the time I present this to Legal & Finance on Wednesday, September 28<sup>th</sup>.



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