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MEMORANDUM

TO: Department Heads
FROM: David Massaron, Chief Financial Officer *DM*
DATE: November 12, 2020
SUBJECT: City of Detroit CFO COVID-19 Restrictions Directive

In the course of the COVID-19 emergency response, some departments have strayed from the City of Detroit policies and procedures for requisitions, procurements, and positions. As you know, the City of Detroit has lost significant revenue due to the COVID-19 pandemic, and we must be vigilant in following protocols that safeguard the City's finances. Specifically:

- **All procurements must have valid requisitions.** Prior to pursuing a procurement or contract, Departments must have the Office of Departmental Financial Services (ODFS) or the Office of Development and Grants (in the case where grant funds are to be directly used) submit a requisition. This protects us from spending without identified resources and beyond our means.
- **All Grant Procurements and Contracts must be reviewed by ODG.** The Office of Development and Grants (ODG) is responsible for ensuring that we use grant dollars within federal, state or other funder rules. They cannot do their job if procurements or contracts are completed without their review. They will submit requisitions on behalf of Departments for grant work, and they will review contracts prior to them going to City Council to ensure that we don't have disallowed costs that must be absorbed by the General Fund. For COVID related expenses that may be covered by a citywide grant like FEMA, these costs should be submitted to ODFS, who coordinates with ODG for review.
- **All positions and hiring must be approved by the CFO.** This year we rolled out the new position control system. This allows us to ensure that we do not hire beyond our ability to pay, forcing us to make workforce reductions. Even in the face of an emergency, you must get CFO permission to post a position, make an offer to a candidate, make a workforce change (such as returning an employee from furlough). These controls are critical to ensuring that we meet our spending reduction targets and end the fiscal year on budget.

Each of these can be found in OCFO policies published on the City's website: <https://detroitmi.gov/departments/office-chief-financial-officer/administrative-issuance-system>

In addition, I am amending CFO Directive 2020-101-006: COVID-19 Restrictions (issued in April) to integrate the policies above and remove the expiration date. This amended Directive, and policies and procedures defined within, will be in effect until rescinded by the CFO. This directive reinforces that the Departments should only be hiring, entering into contracts or making purchases that are urgently needed to deliver critical services to Detroiters. Henceforth, I or my designee will be approving requisitions over \$200,000, and I will continue reviewing all food and travel requests.

Because deviation from these policies could return the City to FRC oversight, the OCFO will deny any request that does not follow these procedures.

Thank you.