

**CITY OF REDDING, CALIFORNIA  
COUNCIL POLICY**

<b>SUBJECT</b>	<b>RESOLUTION NUMBER</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
PENALTIES, AND LATE CHARGES	<b>2006-16</b>	<b>424</b>	<b>02/07/06</b>	<b>1</b>

**BACKGROUND**

The City receives penalties and late charges from a variety of sources and must allocate those funds consistent with sound financial management practices.

**PURPOSE**

It is City Council's desire that all penalties and late charges that are not legally restricted to another fund be allocated to the General Fund, unless allocated by the City Council or in their absence of direction, by the City Manager, to another fund or source. This will provide staff with clear direction and ensure that available revenues are used to fund the highest priority programs and operations.

**POLICY**

It is the policy of the City Council of the City of Redding that penalties and late charges shall be allocated to the General Fund where legally permissible. The following two exceptions shall apply:

1. If the City Council directs the penalties or late charges be allocated to another fund or source, then they shall not be allocated to the General Fund.
2. If the City Council has not given direction as to what fund or source the penalties or late fees be allocated, then the City Manager may direct that the penalties or late charges be allocated to another fund or source consistent with sound financial management practices.