

Scotia



Community Services District

FINANCIAL MANAGEMENT POLICY
OF THE
SCOTIA COMMUNITY SERVICES DISTRICT

ADOPTED
November 10, 2016

UPDATED
March 21, 2019

FINANCIAL MANAGEMENT POLICY

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1. **GENERAL PURPOSE**

The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Scotia Community Services District (“SCSD” or “District”), and managing the District’s funds.

It is also intended to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with the SCSD Board's authorization and recorded properly.

The intent of the District is to control purchases before the District is obligated to pay for goods or services. This Financial Management Policy (FMP or Policy) is designed to accomplish this goal while providing a clearly documented record of the entire process.

Purpose of Reserve Policy

Adequate reserve funds are critical to the successful and stable, short and long-term operation of the District.

Adequate reserves for District operations, maintenance and capital improvements ensure that customers experience both stable rates for service and the security that the District can respond to emergencies, especially regarding water and wastewater quality issues. Adequate reserves ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations, together with future debt or capital obligations, as well as any unfunded mandates, including costly regulatory requirements.

The District manages its working capital in a manner that allows the District to fund costs consistent with its five-year rate study financial plan, and that avoids significant rate fluctuations due to changes in cash flow requirements. The ability of the District to maintain reserve funds is a critical factor in providing reliable service, mitigating rate increases, and ensuring overall financial strength.

Adequate reserves directly affect the District’s bond rating and ultimately the ability to access debt markets at favorable interest rates, thereby ensuring the ability to finance and construct the infrastructure necessary to renew existing systems to meet future needs.

Annually during the budget adoption process, the District Board approves the appropriate levels and uses for reserve funds based upon the needs of the District.

The District’s reserve fund policy shall be periodically reviewed and adjusted to meet the needs of the District.

2. **FINANCIAL RESPONSIBILITIES**

It is the responsibility of the SCSD Board of Directors (Board) to formulate financial policies and review operations and activities on a periodic basis.

The Board delegates this oversight responsibility to the General Manager.

The General Manager acts as the primary fiscal agent, implementing all financial policies and procedures. The General Manager, with recommendations of the Board is responsible for the coordination of the following: Annual budget presentation, management of the funds and other fund investments, selection of the outside auditors, and approving revenue and expenditure objectives in accordance with the Board approved long-term plans.

The General Manager has the day-to-day operations responsibility for managing District funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.

The General Manager is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input and Payroll processing, Cash Receipts input, Journal Entries for General Ledger, required tax reporting, as well as bank reconciliations. The General Manager may delegate or contract for these services.

3. CONFLICT OF INTEREST

Members of the Board are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Director at the District's expense. If a Director has a financial interest in a District transaction, the Director must fully disclose the interest and abstain from voting. Loans to Directors are prohibited.

4. BUDGETING PROCESS

The District's General Manager shall be responsible for presenting to the Board an annual operating budget draft sixty (60) days prior to the end of the fiscal year.

The Board shall review and approve the final draft recommended fiscal year budget revenues, expenditures and cash flow.

5. COMPENSATION AND PAYROLL

Payroll is executed bi-weekly. Paychecks or direct deposits will be provided to each employee by the General Manager or designee.

Monthly payroll expenses shall be verified by the General Manager or designee against payroll reports and direct deposit reports and reconciled with checking account reports.

The compensation of the General Manager or designee shall be determined by the Board. Compensation is based on a board-approved process that considers comparable data and General Manager performance. The salaries of all other employees shall be determined by the District's General Manager. Compensation ranges for all staff positions shall be approved by the District's General Manager. No employee of the District may be compensated outside of the approved range, without the approval of the General Manager and Board.

6. BANK ACCOUNTS AND INVESTMENT ACCOUNTS

The General Manager, or designee shall maintain and oversee bank and investment accounts, and ensure the District's day-to-day financial operations. Several accounts may be maintained

by the District which may include but are not limited to:

1. Checking Account
2. Local Agency Investment Fund (LAIF) Account
3. Certificates of Deposit
4. Brokerage Account
5. Loan Accounts
6. Savings Accounts

These accounts may be changed as the District's financial conditions and requirements change.

7. INVESTMENTS REPORTS AND INVESTMENTS POLICY

Investments shall be reported with the monthly financial statements at cost or market value. The General Manager shall review and determine the general investment strategy for all funds.

8. CHECKING ACCOUNT

All checks, cash, money orders, and credit card deposits, are reviewed by the General Manager and deposited in the appropriate accounts. Fund raising events, and miscellaneous contributions, shall be deposited into the accounts. Monies shall be transferred from the checking account into the investment account when necessary, by the General Manager. Checks are written weekly to meet obligations, or ongoing operational expenditures.

Checks shall be issued only after the invoices have been approved and signed by the designated staff person, reviewed, and signed by the General Manager.

Checks shall be issued as needed to meet deadlines and take advantage of discounts. Check writing shall be batched and done weekly where possible.

9. RESERVE FUND

The District shall maintain a reserve fund, set by the Board.

Capital Reserve Fund

The Capital Reserve is intended for general use on Capital projects. The funds come from contributions from other agencies or from funds that were budgeted on capital projects in prior years but unspent. This fund is spent directly on capital expenditures over the current or future year's normal capital budget and is not held in reserve for some other purpose.

Included in this fund are the connection fees collected from developers to pay for the new facilities necessary to deliver water and wastewater service to newly developed property. These fees include, but are not limited to, offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, wastewater facilities and other necessary facilities. The fees are collected at rates established by the Board based upon specific financial rate studies. The rates charged are based on a project's

equivalent dwelling unit (EDU) or equivalent basis. These funds are restricted to the design and construction of capital facilities.

This Capital Reserve Fund is drawn down annually as planned capital expenditures amounts are made. At the end of each fiscal year any unspent budgeted capital amount will be reallocated to this fund and will be used in the following year's capital budget.

Debt Service Reserve Fund

Debt Service Reserve Funds required to be maintained at a level sufficient to fund maximum annual debt service payments. These funds are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Reserve funds will be used to make the last two semi-annual debt service payments. Annual interest earnings on reserve funds shall be applied to each year's debt service payments. Any reserve funds related to state revolving fund loans shall be treated identically to reserve funds as these loans are contractually defined as parity debt to the District's senior lien bonds.

Board Restricted Funds

Rate Stabilization Fund

This fund is governed by legal covenants for the District's revenue bonds. The purpose of the fund is to assist in smoothing rates to pay SCSD debt service and to assure that minimum debt service coverage ratios required by the District's covenants would be met in the future. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as operating revenues in years of use for the purposes of computing the District's debt service coverage ratio.

This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund will provide a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's ratings being downgraded.

O&M Operating Reserve Fund (Contingency Fund)

The O&M Operating Reserve (Contingency Fund) will vary over time with a goal of maintaining three-months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

Capital Replacement Reserve Fund

This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities.

Unrestricted Reserves

Unrestricted reserves also termed "General Reserves" represent a remainder balance of cash

that is not yet designated for some use by the Board.

10. SIGNATURE POLICY

The General Manager and one designated signatory (two signatures) shall, unless otherwise decided by the Board, sign all checks, drafts, or orders for payment of money, issued in the District's name for all amounts less than \$25,000. Amounts greater than \$25,000 require Board approval. In the absence of either individual, the signature of the Board President must be obtained.

The District checking account shall require signatures by any two of the following persons:

- General Manager and designee
- Board Members designated as signatories

The Board of Directors shall nominate a signatory, in addition to the Board President, from amongst themselves. The designation documentation shall be done by either Resolution of the Board of Directors, or by letter written to the bank by the Manager stating whom was designated by the Board of Directors.

11. REVENUE AND INCOME PROCEDURES

The General Manager in conjunction with the Board, develops and proposes revenue goals and objectives and submits them for Board discussion and approval.

12. RECORDING RECEIPTS

Checks and Payments

The following procedures for payment received through the mail or given to a staff person shall be in place: Mail should be opened by Board Administrator, General Manager, or designee. All checks shall be endorsed with the District's official stamp, or signed by the General Manager. All checks and money orders received through the mail shall be recorded by date, name of company or individual, designation, and amount. Cash is not accepted.

After recording checks, an individual deposit ticket shall be prepared and input into record. That record shall include date of deposit, name of sender, amount, and designation. A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All checks and money orders shall be deposited the same business week if possible, and no later than the next business week into the District's Bank Account.

Gifts and Donations

Gifts received, such as donations, shall be properly recorded, and the procedure outlined in the Personnel Policies Section 7.3 shall be followed. Transactions should be periodically rechecked by the General Manager.

Goods and Shipments

Goods received shall be initialed and dated on the receiving record (packing list). If only a

partial shipment is received, the items received shall be clearly indicated and a photocopy given to the District Administrator. Upon receipt of all items, the person receiving the goods shall again initial and date the receiving record (packing list) indicating which goods were received in the final shipment then given to the District Administrator.

13. EXPENDITURES PROCEDURES

All expenditures shall be approved by the General Manager. All expenditures shall be coded by account number using the District's Chart of Accounts and Class Division.

The District maintains standard accounting records containing all aspects of the District's financial operations electronically.

Invoices shall be approved by the General Manager. Following the review and approval, checks shall be prepared, signed by the General Manager and other signatory, and sent off for payment by the Administrator. Upon payment of a bill, a copy of the check or duplicate of stub shall be stapled onto the bill and payment date and check number shall be printed on the invoice. The paid invoices shall be filed alphabetically according to company/individual name and shall be kept on a fiscal year basis on file. Record shall be kept for 3 years, or otherwise in accordance with the Record Retention Schedule.

Expenditure Classification

The control mechanism and method of documentation for purchases are determined by the type of expenditure. The District recognizes the following expenditure classifications:

a. **Purchase Order**

Some purchases of goods may require a purchase order.

b. **Contract**

All formal contracts for services or goods and informal contracts for services.

c. **Recurring**

All utilities, payroll taxes & benefits, employee health insurance, monthly rental/escrow payments and cash transfers between accounts.

d. **Debt Payments**

All interest and principal payments on bond issues, lease-purchase payments (including those related to issuance of certificates of participation by other entities), transfers to fiscal or paying agents and any other long-term indebtedness.

e. **Travel**

All reimbursements for travel, mileage reimbursement for use of personal automobiles and local meal expenses.

f. **Petty Cash**

All reimbursements of purchases from the petty cash fund and increases in petty cash or change funds.

g. **Customer Refunds**

All utility billing deposit refunds and overpayment refunds to customers.

h. **Other**

All other purchases which cannot be classified in one of the above categories.

Control Procedures

Purchasing shall be controlled according to their classification as indicated above by the following procedures:

a. **Purchase Order**

The purchase of supplies, materials and capital assets may require a purchase order.

b. **Contract**

Control procedures for non-budgeted contract purchases shall be further classified as: Contract Construction, Professional Services, or Other Services. Contract purchases between \$5,000 and \$25,000 require a formal contract, approved and signed by the General Manager. Any purchase above \$25,000 requires a formal contract approved by the Board, and signed by the General Manager, and, if the contract purchase is a contract for construction, shall require formal bidding procedures. Sole source contracts shall require board determination and approval.

c. **Recurring**

These purchases shall be controlled by the budget. The Board shall adopt an annual budget which shall include, but is not limited to, line items for electricity/natural gas, telephone, telemetry, employer payroll taxes, retirement contributions, each type of employee benefit, insurance, each type of on-going rental, equipment and software maintenance and support contracts.

The General Manager shall monitor the relationship of year-to-date purchases in these line items to the adopted budget. Purchases which exceed the budgeted amount but are not more than ten percent (10%) or \$5,000 greater, shall be approved by the General Manager.

Transfers of cash between accounts for recurring purchases exceeding \$5,000 shall be approved by the Board.

Monthly budget statements shall be presented to the Board detailing monthly purchases. Unusual or large variances will be explained to the Board.

All other recurring payments shall be approved by the General Manager.

d. **Debt Payments**

These purchases shall be controlled by the amortization schedules created by the debt instruments. All such payments shall be approved by the General Manager. Any demand for payments not contemplated in the debt instruments shall be approved by the Board.

e. **Travel**

These purchases shall be controlled as delineated in Section 16, and consistent with Personnel Policies Section 7.15 Travel Policy.

f. **Petty Cash**

A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by check. These purchases shall be approved by the General Manager. The General Manager shall maintain control of, and responsibility for, payments disbursed from the Petty Cash fund.

Total Petty Cash Fund shall be limited to \$250.00 per quarter. The amounts of the petty cash or change funds shall be changed only by Board action. No single expenditure from the petty cash fund shall exceed \$50.00, without express permission from the General Manager. Reimbursements shall be for the specific amount of payments made, and receipts must be kept as record.

Any overage or shortage in petty cash shall be taken into account in the reimbursement amount to ensure that the balance of the fund does not exceed or fall below the amount as authorized by the Board. The General Manager shall monitor any overages/shortages on a continuing basis.

g. Customer Refunds

- (i). Utility Account Deposits - These shall be controlled by the utility billing system. Security deposits will be refunded to the customer after 1 year of on time payments or when the account is closed, whichever comes first. Normally, closing bills will be prepared, which may show a balance due to the customer. Such refunds shall be approved by the General Manager.
- (ii). Inspection Deposit Refunds - These shall be approved by a General Manager.
- (iii). Other Deposits - Occasionally other deposits will be refunded (i.e. Related to parks rentals, etc.). These shall be approved by the General Manager.

h. Credit Card Use

Credit card purchases shall be classified in the expenditure category which best suits the type of goods or services procured. The Board shall approve application for any credit cards.

All credit cards shall be controlled by the General Manager who shall have responsibility for them. All purchases on these cards shall be subject to the same controls which would apply if the District had a normal open account at specific stores (i.e. purchase order/blanket purchase order).

The fuel card is intended primarily for retail fuel purchases. It may be used from time to time for out-of-town personal automobile use while on District business, with prior approval from the General Manager. The General Manager shall control the card and have responsibility for it. When used for out of town travel, all of the normal travel controls shall be observed.

Credit cards may be issued to any District employee as determined by the General Manager. The card will be in the District's name. The primary purpose of the credit card is as a payment method for staff travel, however, the card can be used to pay for any purchase when it is the most efficient method. Purchases made with a credit card must comply with all approval requirements set forth in this expenditure policy. Before receiving a credit card, employees must sign a "credit cardholder use agreement" (at the end of this policy) setting forth their obligations under this program.

All receipts must be submitted to the District Administrator for reconciliation. Failure to submit receipts may result in revocation of credit card by General Manager.

i. Phone Orders

Orders for goods or services placed by telephone, fax or other electronic media shall be subject to the normal purchase order or travel controls. Purchase orders or travel authorizations shall be prepared in advance of placing the order.

j. Transfers Between Accounts

Transfers between accounts, shall be authorized by the General Manager, are not to exceed \$5,000.00, and shall be approved in advance where possible. Approval shall be by the Board or General Manager in accordance with the limits. If it is not possible to obtain approval in advance, approval shall be upon receipt of goods or services.

14. PURCHASING

Any expenditure in excess of an amount determined by the Board for the purchase of a single item should have bids from three (3) suppliers if possible. These bids are reviewed by the General Manager and the bid award must be specifically approved in advance by the District's General Manager.

Purchase of less than the approved amount may be made at the discretion of the District's General Manager without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources.

Any purchase made by a Board member on behalf of the District will require prior approval by the General Manager.

Purchase Order Procedures

When a vendor requires a purchase order to complete an order, the following steps shall be followed.

1. Requisition and Preparation

The General Manager will provide authorized users access to the purchasing software. The software system may require a vendor name, date, account number to be charged, quantity, description, and unit price. The software system may assign a consecutive number to the purchase order and print a working copy. The computer system shall print an original for signature.

2. Approval

The General Manager may approve and sign purchase orders expected to be \$25,000 or less without Board approval. Purchase orders expected to exceed \$25,000 must be approved in advance by the Board and signed by the General Manager.

In addition, the General Manager, may designate additional employees to approve and sign for purchase orders not expected to exceed \$500. Such designation shall be in writing to the General Manager.

3. Issuance to Vendors

The purchase order number shall be provided to the vendor and a copy sent to the vendor as needed. The signed copy shall be given to the District Administrator to match

with the receiving copy and invoice.

4. Receipt of Goods

See Section 12: Recording Receipts.

5. Approval for Payment

The District Administrator shall match the invoice, the purchase order copy, and the receiving record of the purchase order prior to submitting the purchase order for approval. If the invoice exceeds the amount indicated on the purchase order by more than 10%, the District Administrator shall so indicate on the purchase order and the person approving the purchase order shall initial such notation indicating approval to pay the higher amount.

Purchase Order Documentation System

a. General

The classification of the expenditure shall be clearly indicated on the purchase order form. The purchase order shall list all invoices or statements to be paid with one check. No payments shall be made without a properly approved purchase order form.

b. Preparation of Purchase Order

Purchase orders shall be numbered consecutively as prepared. The purchase order number shall be entered in the computer software system when the account payable is entered.

All required supporting documents shall be attached to the purchase order form prior to approval.

c. Supporting Documents Required

Required supporting documents are determined by the classification of expenditure as follows:

(i). Purchase Orders:

- Vendor invoice or statement
- Copy of purchase order
- Receiving document of purchase order initialed and dated by person receiving goods

(ii). Contracts:

- Vendor invoice or statement initialed and dated by person affirming that work was done

(iii). Recurring Purchases:

- Vendor invoice or statement initialed and dated by person affirming that service was received
- No documentation required for cash transfers between accounts - purchase order must be signed by the General Manager

- (iv). Debt Payments:
 - No documents required - purchase order must be signed by the General Manager
- (v). Travel Purchases:
 - Travel and Automobile Use Approval Form (Appendix A)
 - Travel and Automobile Use Expense Accounting Form (not required for advance payments) (Appendix B)
 - Receipts for airfare, lodging, meals, other purchases for which a receipt is normally given. Unless the Board or this policy establishes other permitted reimbursement rates for travel, meals, lodging and other actual and necessary expenses, the District will reimburse expenses at the U.S, General Services Administration (GSA) rate for travel, meals, lodging, and other actual and necessary expenses.
- (vi). Petty Cash Purchases:
 - Receipts and paid-out tags
- (vii). Customer Refunds:

Utility Account Deposits

The “Utility Account Deposit” may substitute as the purchase order. The list is to be initialed and dated by the District Clerk. The General Manager shall approve the utility account deposits list on a regular basis.

d. Purchase Order Approval

Purchase orders must be approved and signed by the designated staff person prior to preparation of a check by the District Clerk.

e. Filing of Documentation

Purchase orders and attached documentation shall be filed alphabetically by vendor promptly after issuance of a check.

Contracts, special deposit documents, and debt agreements shall be filed separately as appropriate.

15. LOCAL TRAVEL AND EXPENSE REIMBURSEMENTS

Employees must abide by the sections contained within this policy, and Personnel Policies Section 7.15 Travel Policy. Travel and expense reports/receipts for mileage, meals, hotel, supplies, etc., will be maintained by each employee and then submitted to the General Manager for approval and payment.

Mileage to and from the employee’s residence to the place of work will not be paid by the District. Reimbursements will be based on the mileage rate established by IRS and approved through the budgeting process.

All expenditure receipts must be attached to the expense voucher as a condition for payment.

Travel Expenditure Procedures

a. Approval

All out of town travel and local meal purchases by staff shall be approved in advance. Local use of personal automobiles shall also be approved in advance.

Travel, local meals (ie. meals provided by the General Manager's discretion to employees during emergencies) or vehicle use to be incurred by District staff shall be approved by the General Manager.

For the General Manager and Board members, approval shall be by any other Board member.

b. Reimbursement and Accounting

Reimbursement for out of town travel and for local meals shall be made for the actual cost. Meal reimbursement shall be capped at \$45 per day, with \$10 breakfast, \$15 lunch, \$20 dinner. Reimbursement for all personal automobile use shall be made using the Internal Revenue Service approved business mileage rate.

The staff member must account to the District within ten (10) days of the end of the activity for all expenses.

16. FINANCIAL STATEMENTS

The General Manager shall prepare and present biannual Financial Statements in a format approved by the Board. The statements shall be presented to the Board for review, and shall include: net assets and revenues, expenses, gains and losses, Restricted Funds, Cash Management Fund, Property and Equipment Fund, etc.

17. BANK RECONCILIATIONS

Bank reconciliations shall be completed monthly by the General Manager or designee and cross-referenced with the cash and receipts logs and the monthly Financial Statements. The Financial Statements shall be compiled and reviewed by the General Manager and approved by the Board.

All Bank Statements, Credit Card Statements, and Endowment Fund Reports will be reconciled every month by the General Manager, and records will be kept in the District office.

18. AUDIT

According to CA Government Code §61118(a), the Board shall provide for regular audits of the district's accounts and records pursuant to CA Government Code §26909.

The audit shall be completed by a certified public accountant or public accountant. Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the California State Controller's Office and shall conform to generally accepted auditing

standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination. The General Manager shall have direct responsibility in overseeing the implementation of the Annual Financial Audit.

The General Manager shall recommend to the Board for approval, the selection of a firm to perform the annual audit. In addition, the staff shall assist when necessary in the audit preparation, and report the final results to the Board. A representative of the audit firm shall be required to make a presentation to the Board.

The General Manager or the Auditor shall prepare any required tax or audit forms and they shall be reviewed by the Board President before submission to the County and State.

Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements

According to CA Government Code the Board shall also provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5.

19. NOTES, LOANS, ETC.

All notes, loans and other indebtedness to be contracted in the name of the District, except open accounts and all other routine banking transactions, shall require the signature of the General Manager, unless otherwise specified by the Board or established in the present financial management policies and procedures. All indebtedness must be approved by the Board.

20. DEEDS, CONVEYANCES, ETC.

The General Manager and the Board President, with consultation from legal counsel, shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the District.

21. LEASES AND OTHER CONTRACTUAL AGREEMENTS

Leases and other contractual agreements are negotiated by the designated District negotiators, with consultation from legal counsel, and executed with the approval of the Board. This applies to buildings to be leased from and/or to the District.

The General Manager is authorized to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of ensuring the District's general operations. The Board may review such agreements and make recommendations if necessary.

22. INSURANCES

Reasonable and adequate coverage will be maintained to protect the District's interests as

well as the Board and the District's employees. The following insurance policies shall be kept on a yearly basis: Property, Boiler and Machinery, General Liability, Uninsured and Underinsured Motorists, Pollution Liability Coverage, Personal Liability – Board Members/Directors, Employee and Public Officials Dishonesty, Cyber Coverage, Vehicle Coverage, Specific Terms and Endorsements (i.e. Dam Operations Liability Endorsement), Workers Compensation Insurance, and Employees Health Insurance.

Insurance Policies shall be carefully reviewed by the General Manager and Legal Counsel.

23. PROPERTY AND EQUIPMENT

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets. A Depreciation schedule shall be prepared and maintained by the District's General Manager, or designee (i.e. Auditor), taking into consideration the annual equipment inventory. The District will follow surplus requirements regarding excess property under Government Code §50568 et. seq. and §54220 et. seq., and the District's Surplus Property Ordinance.

24. EQUIPMENT INSTALLATION

Purchase, installation and maintenance of electronic and radio equipment, office equipment, computer equipment, etc. shall be approved by the General Manager. Staff members shall be responsible for receiving and supervising the installation of equipment scheduled for their facility or working area, and for maintaining and protecting the equipment installed in their offices.

25. DONATED MATERIALS AND SERVICES

Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt.

26. CONFIDENTIALITY AND RECORDS SECURITY

Financial records may be restricted where appropriate. Records will be scrubbed for sensitive information. Only the General Manager, or others so authorized, shall have access to financial records (vendor files, checks, journals, payroll, etc.).

27. DOCUMENT RETENTION

Financial documents are retained for a period of time in accordance with the District's Records Retention Schedule, and keeping with State law and the recommendations of the IRS.

Appendix A

**SCOTIA COMMUNITY SERVICES DISTRICT
TRAINING AND TRAVEL APPROVAL FORM**

Employee	Date Submitted
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TYPE OF ACTIVITY

<input type="checkbox"/> Out of Town Travel	<input type="checkbox"/> Local Meal
<input type="checkbox"/> Conference	<input type="checkbox"/> Local Automobile Use
<input type="checkbox"/> Training	<input type="checkbox"/> Local Automobile Use (Emergency)

DESCRIPTION OF ACTIVITY

Location	
Dates	
Sponsor/Instructors	
Specific nature of training:	
How will this training meet the needs of the District?	
Type of transportation to be used:	
Other training functions attended this year:	

ESTIMATED COST AND ADVANCE PAYMENT REQUEST

	Estimated Cost	Advance Approved
Personal Automobile Use – ___miles RT x mileage rate*		
Other Transportation – District Vehicle Fuel		
Lodging		
Meals – dinner 1 night		
Registration		
Other (describe)		
Totals		
Approved by:	Date:	

*Current Mileage Rate as set annually by the IRS

Appendix B

**SCOTIA COMMUNITY SERVICES DISTRICT
TRAINING AND TRAVEL EXPENSE FORM**

Employee	Date Submitted
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TYPE OF ACTIVITY

<input type="checkbox"/> Out of Town Travel	<input type="checkbox"/> Local Automobile Use
<input type="checkbox"/> Local Automobile Use (Emergency)	<input type="checkbox"/> Training
<input type="checkbox"/> Conference	<input type="checkbox"/> Local Meal

DESCRIPTION OF ACTIVITY

Location	
Activity	
Dates	

ACCOUNTING

Automobile Use:		Miles: ___miles RT x mileage rate* =		
Public Transportation:				
Lodging:				
Meals	Date	Breakfast	Lunch	Dinner
Other (explain):				
Total Expenses – (Charged to VISA <input type="checkbox"/>)				
Less Advance Received (in any)				
Due to (from) Employee				

Approved by:	Date:
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*Current Mileage Rate as set annually by the IRS

Appendix C

**SCOTIA COMMUNITY SERVICES DISTRICT
CREDIT CARDHOLDER USE AGREEMENT**

Employee: _____

The above named employee (Cardholder) of the Scotia Community Services District has been issued a District credit card. The Cardholder has been provided with a copy of the District’s Financial Management Policy and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only** – District credit cards are for official use only. Charging personal expenses on District cards is not allowed under any circumstances. Doing so, even if the intent is to reimburse the District later, will result in disciplinary action, up to and including termination.
2. **Timely, Accurate, and Supported Payments** – Credit card payments will be processed on a timely basis and adequate supporting documentation (such as vendor order forms, receipts, invoices, and credit card receipts) will be retained for all charges and attached to payment purchase orders.
3. **Disputed Charges** – The vendor and issuing bank will be notified immediately by the General Manager of any disputed charges.
4. **Lost or Stolen Cards** – The issuing bank and the General Manager will be notified immediately of a lost or stolen card. Failure to do so could make the cardholder responsible for any fraudulent use of the card.
5. **Surrender Upon Request or Separation** – The credit card will be surrendered immediately upon retirement, termination, or upon request of the General Manager. Use of the credit card for any purpose after its surrender is prohibited.
6. **Credit Card Limit** – The credit limit of this card is \$_____
7. **Other Restrictions:** _____

Cardholder Signature

Date