

Financial Policies

EXHIBIT A

SANTA CRUZ LAFCO RESOLUTION NO. 2004-10

ADOPTED JUNE 2, 2004

1. OVERVIEW

It is the policy of Santa Cruz LAFCO to follow ethical, responsible, and reasonable procedures related to purchasing, claims, auditing, money management, and other financial matters.

2. USE OF COUNTY FINANCIAL OFFICES, POLICIES AND PROCEDURES

It is the policy of Santa Cruz LAFCO to utilize the offices, policies, and procedures of the County of Santa Cruz in the conduct of LAFCO's financial matters.

- 2.1 LAFCO shall follow "Title 1—Financing and Accounting Policies and Procedures" of the County of Santa Cruz Policies and Procedures Manual except as specified in LAFCO's policies. LAFCO is an independent agency; therefore, neither the Board of Supervisors nor the County Administrative Officer has any authority over LAFCO's financial matters. The County Policies and Procedures shall be translated to LAFCO's Policies and Procedures by the following substitutions:

<u>County of Santa Cruz</u>	<u>Santa Cruz LAFCO</u>
Board of Supervisors	LAFCO Commission
County Administrative Officer	Executive Officer
Department Head	Executive Officer
Purchasing Agent	Executive Officer

- 2.2 LAFCO shall use the Santa Cruz County Auditor-Controller for the following functions:

- Claims and warrants
- Petty cash
- Payroll and deductions
- Collection of county, city, and independent district contributions to the LAFCO budget as required by Government Code Section 56381
- Maintenance of the LAFCO trust fund
- Audit.

- 2.3 For procuring goods and services, LAFCO shall follow the most recent edition of the County of Santa Cruz, Purchasing Policy Manual.
- 2.4 LAFCO staff may choose to either use the purchasing services of the Santa Cruz County General Services Department, or may make direct purchases. In the case of direct purchases, the staff will follow to the extent possible the County of Santa Cruz, Purchasing Policy Manual, with the Executive Officer functioning as the Purchasing Agent.

3. AUTHORIZATIONS

It shall be the responsibility of the Executive Officer to authorize expenditures of funds within the framework and limitations of the budget adopted by the Commission.

- 3.1 Payroll—When payroll is due to be filed with the Auditor-Controller and the Executive Officer is absent from the office, the Secretary-Clerk shall attempt to contact the Executive Officer. The Secretary-Clerk may sign the payroll if either:

- The Executive Officer authorizes the payroll amounts verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization; or

- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the payroll to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

- 3.2 Claims—When an urgent claim is due and the Executive Officer is absent from the office, the Secretary-Clerk shall attempt to contact the Executive Officer. The Secretary-Clerk may sign the urgent claim if either:

- The Executive Officer authorizes the urgent claim amount verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization, or

- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the urgent claim to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

As used in this section, “urgent claim” means a valid claim for which LAFCO would incur a late payment penalty of \$25 or more if the claim were not submitted to the Auditor-Controller on that work day.

- 3.3 Upon returning to the office or becoming available electronically, the Executive Officer shall review any payroll or urgent claim that was authorized by the Secretary-Clerk, separately sign the payroll or claim, and take any necessary actions to correct any errors or oversights.

4. EXPENSES AND TRAVEL

Commissioners, alternates, employees, and staff shall be entitled to reimbursement for all actual and necessary expenses incurred in the transaction of Commission business, including participation on the CALAFCO board and CALAFCO committees, in accordance with the following provisions:

- 4.1 The commissioners and alternates shall receive \$50.00 per meeting in order to help defray the costs of attending the meetings.
- 4.2 Commissioners, alternates, employees, and staff shall be reimbursed in conformance with current County policy for out-of-county travel, meals, and related expenses incurred while on Commission business.
- 4.3 Commissioners, alternates, employees, and staff shall be reimbursed for authorized use of their private automobiles in conformance with current County policy.
- 4.4 Travel reimbursements for lodging at rates higher than County policy shall be permitted when commissioners, alternates, employees, and staff stay at the host facility for the CALAFCO meeting.
- 4.5 As used in this section, “staff” means the LAFCO Counsel or the LAFCO Counsel’s back-up attorney when either is traveling on LAFCO business.
- 4.6 No travel expenses shall be reimbursable unless authorized by the Executive Officer.
- 4.7 For day meetings of the commission that are expected to last more than four hours, or for any night meetings, the commission authorizes expenses not to exceed \$5 per attending commissioner and alternate for light refreshments (coffee, bottled water, soft drinks, cookies, etc.)

5. BUDGET

LAFCO shall prepare an annual budget in conformance with Government Code Section 56381.

- 5.1 Government Code Section 56381 provides that LAFCO adopt a proposed budget no later than May 1 of each year. In order to get an early start on the budget and allow for careful consideration of the budget options, the Executive Officer will deliver a proposed budget no later than March 10th of each year.