



POLICY TITLE: Expense Authorization
POLICY NUMBER: 2125

2125.1 All purchases made for the District by staff shall be authorized by the General District Manager ~~[FINANCE DIRECTOR or other responsible managing employee]~~, and shall be in conformance with the approved District budget.

2125.2 Any commitment of District funds for a purchase or expense greater than \$20,000.00 ~~[or other appropriate amount]~~ shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

2125.3 A "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$200.00 [or other appropriate amount].

- a) Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the District Treasurer ~~[FINANCE DIRECTOR, or other responsible managing employee]~~ Clerk II, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00 ~~[or other appropriate amount]~~.
- b) No personal checks shall be cashed in the petty cash fund.
- c) The petty cash fund shall be included in the District's annual independent accounting audit.

2125.4 Whenever employees or Directors of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash fund or by warrant request if needed. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the General District Manager ~~[DISTRICT TREASURER, FINANCE DIRECTOR or other responsible managing employee]~~ before remuneration. The District may establish a reimbursement request form and, if it does, no reimbursement will be made without submission of a request on that form.

2125.5 Requests for reimbursement to the District must have a good faith basis. Submission of a request for a reimbursement without such a basis shall subject the requestor to appropriate sanctions, up to and including termination of employment and referral to an appropriate law enforcement agency for prosecution.



POLICY TITLE: Investment of District Funds
POLICY NUMBER: 2130

2130.1 Premise:

- a) The State Legislature has declared the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code (GC) § 53600.6 and § 53630.1); and,
- b) Government Code Sections 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,
- c) The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (GC § 53646(a)). The statement shall also be annually presented to any oversight agency of the local agency.
- d) For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

2130.2 Scope:

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual audited financial statements of the District and include:

- a) Demand Accounts
- b) Investments
- c) General Fund
- d) Local Agency Investment Fund [others]
- e) Operation and Maintenance Fund
- f) Enterprise Funds [others]

2130.3 Prudence:

The Board and persons authorized to make investment decisions subject to these policies are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.



Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from policy or expectations are reported in the next issued quarterly treasury report and appropriate actions are taken to control adverse developments. When a deviation poses a significant risk to the District's financial position, the fiscal officer shall notify the Board immediately.

2130.4 Objectives:

As specified in GC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- a) Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the whole portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b) Liquidity: The secondary objective shall be to meet the liquidity needs of the District.
- c) Yield: The third objective shall be to achieve a return on the funds under the District's control.



POLICY TITLE: Purchasing
POLICY NUMBER: 2135

2135.1 To purchase small items — such as office supplies, auto parts, and other miscellaneous items costing less than ~~\$500-1,000~~ — vendors will be asked to submit pricing information by telephone or written quotation. District accounts are then awarded to those firms that provide the best prices, discounts, service, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.

2135.2 To purchase items costing more than ~~\$500-1,000~~ and up to ~~\$205,000~~ [or other appropriate amount], quotations will be solicited from vendors and received by telephone or written quotation. Quotations will be solicited, preferably from at least two or more sources, before selecting a supplier and processing a purchase order. The General Manager and [position title] must approve purchase orders.

2135.3 For items over ~~\$2205,000~~ [or other appropriate amount] or orders of large quantities, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation. District staff will then present written quotes to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices, with and having an acceptable delivery date.

2135.4 Vehicles will be purchased through the State's Vehicle Contract for Fleet Vehicles Procurement Program, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 2135.2.

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2135.5 This policy covers the purchase of goods, not services and not public works construction services. Those matters are addressed in other policies of the District: [identify the policies.]



POLICY TITLE: Receiving/Depositing Remittances
POLICY NUMBER: 2140

2140.1 It is the policy of the District that the General District Manager shall cause appropriate staff to timely receive and deposit remittances and to ensure accountability. The General District Manager shall designate a person or position to act as the designated staff person under this policy.

2140.2 Procedures for incoming Checks:

- a) [Position title] opens mail, receiving all checks and stamping "for deposit only".
- ~~b)~~ Using approved account codes, [Position title] logs each check on a weekly spreadsheet.
- b) If the application of any check to a particular fund or account of the District is unclear, [Position title] logs as "Miscellaneous".
- ~~c)~~ [Position title] stamps any accompanying paperwork "Paid" and gives it to the designated staff person.
- c) If there is no accompanying paperwork, [Position title] will match check to open invoice(s) and proceed with above.
- d) Once a week, the spreadsheet is given to the designated staff person.
- e) ~~Daily, Ce~~ checks are given to the designated staff person each day.
- ~~f)~~ The designated staff person records each check in the accounting program.
- f) Any checks logged as "Miscellaneous" go to the [position title] for appropriate coding.
- g) [position title] prepares the bank deposit.
- h) [position title] verifies correct coding and dollar amounts coding and accounting for any check classified as payment for an administrative service will be verified by the General District Manager.
- i) The designated staff person deposits with bank.
- j) The designated staff person records the deposit in the General Ledger.