

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: CHIEF EXECUTIVE OFFICE

BOARD AGENDA # B-8

Urgent \_\_\_\_\_ Routine \_\_\_\_\_

AGENDA DATE August 7, 2001

CEO Concurs with Recommendation YES      NO       
(Information Attached)

4/5 Vote Required YES \_\_\_\_\_ NO      ✓

SUBJECT:

APPROVAL TO ACCEPT REPORT ON EVALUATION OF THE COUNTY  
PURCHASING CARD PROGRAM AND POLICIES

STAFF  
RECOMMEN-  
DATIONS:

1. DIRECT ALL DEPARTMENTS TO INCLUDE AS PART OF THEIR INTERNAL POLICIES A REQUIREMENT THAT THE ABSENCE OF A RECEIPT REQUIRES REIMBURSEMENT TO THE COUNTY UNLESS OTHERWISE APPROVED BY THE DEPARTMENT HEAD ONLY.
2. DIRECT THE CEO/PURCHASING AGENT TO IMPROVE ACCESS AND COMMUNICATION WITH DEPARTMENTS ON CURRENT MASTER AND OTHER TYPE CONTRACTS FOR GOODS AND SERVICES AND DIRECT DEPARTMENT HEADS TO INCLUDE IN THEIR INTERNAL POLICIES A REQUIREMENT TO CHECK WITH PURCHASING FIRST. (Continued - Page 2)

FISCAL  
IMPACT:

The program saved approximately \$2,000,000 per year in transaction costs and an additional \$2,000,000 in discounts.

No. 2001-593

BOARD ACTION AS FOLLOWS:

On motion of Supervisor Blom \_\_\_\_\_, Seconded by Supervisor Caruso \_\_\_\_\_  
and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Simon, Caruso, and Chair Paul \_\_\_\_\_

Noes: Supervisors: None \_\_\_\_\_

Excused or Absent: Supervisors: None \_\_\_\_\_

Abstaining: Supervisor: None \_\_\_\_\_

- 1) \_\_\_\_\_ Approved as recommended
- 2) \_\_\_\_\_ Denied
- 3)   X   Approved as amended

Motion: AMENDED RECOMMENDATION #2: DIRECT THE CEO/PURCHASING AGENT TO IMPROVE ACCESS AND COMMUNICATION WITH DEPARTMENTS ON CURRENT MASTER- AND OTHER TYPES OF CONTRACTS FOR GOODS AND SERVICES AND MANDATE DEPARTMENT HEADS TO INCLUDE IN THEIR INTERNAL POLICIES A REQUIREMENT TO CHECK WITH PURCHASING FIRST AND TO USE PURCHASING CONTRACTS WHEN THEY EXIST EXCEPT IN CASES OF EMERGENCY.

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

By: Deputy

File No.

STAFF  
RECOMMEN-  
DATIONS  
CONTINUED:

3. DIRECT THE CEO AND AUDITOR/CONTROLLER TO PROVIDE AN ANNUAL REPORT OF THE PURCHASING CARD PROGRAM INCLUDING DEPARTMENT SPECIFIC FINDINGS AND RECOMMENDATIONS.

DISCUSSION:

Why

As you know recent Grand Jury Reports (Clerk-Recorder, Annual Audit and Management Information Services) pointed out some problems by specific departments. The primary problems were missing receipts, restaurant tips over the 15% limit, proper accounting for fixed assets between \$1,000 and \$5,000 and not checking with the Purchasing Division of the Chief Executive Office to see if existing purchasing agreements and arrangements could be used that are more cost effective. As a result of these findings the Board asked for a report and evaluation of the entire program. The purpose of the review was to determine if the audit finding in some departments were applicable organization-wide to insure that Department Heads who are charged with the responsibility for the Purchase Card Program have in place proper controls, accounting procedures and are consistently applying the program's rules and requirements.

What

Our general findings are as follows:

1. A very few senior executives have abused the program personally and have allowed department staff to use credit cards beyond the boundaries of the program and the exercise of good judgement, these executives are no longer employed by the County. In addition, we are aware of five other situations where credit card misuse resulted in termination from County service and the funds paid back to the County.
2. Some Departments have not done the best job in keeping the policies on receipts strictly enforced. Attachment I shows the findings of recent audits. In a close examination of this issue it was noted that the total value of the 119 missing receipts was \$25,954 against a total volume of 37,786 transactions with a value of \$6,256,282. As far as we can determine each of the missing receipts was for an authorized purchase. However, as a result of these finding,

I am recommending that current policy be modified to require all receipts be turned in within ten days after receipt of the monthly department master bill. If there is no receipt to verify the charge in the master bill then the employee will be requested to reimburse the County.

3. Some departments have been using the advantage of credit card purchases to buy goods as needed without first checking with our Purchasing Department. While in and of itself this is not a violation of the rules, it is clearly a poor practice. Purchasing works diligently in maintaining competitive arrangements with thousands of vendors. We are, as a result of this evaluation, insisting that Departments check with Purchasing to see if what they need can be obtained at a lower cost and just as quickly.

One of the primary reasons the Board started this program was to improve the efficiency of our purchasing activities, save costs and earn more discounts. Out of a total of more than \$26,600,000 in purchases a year including travel, fixed assets and small tools and instruments the credit card program averages \$6.5-\$7.0 million per year or about 24%. The processing costs saved as a result of using credit cards is more than \$2,000,000 in savings. Through Purchasing the use of a Corporate Express account provides discounts on books, computers and other supplies and office equipment of more then 30% as an example of discount savings.

On Attachment II you will find a breakdown of credit card transactions by major category in calendar year 2000.

Each year the Auditor/Controller performs a specific audit of credit card transactions in each department as well as cash transactions in the various departments. As a result of these audits each department is provided a specific set of recommendations to improve department practices.

#### How

On June 26, 2001 I sent a letter to all Department heads (Attachment III) that reflected the general findings of the Grand Jury and the Auditor. I asked each department to review their internal policies and provide a written report. A copy of the responses is available from the Clerk of the Board. In addition, I have attached the Auditor's letter to the Chief Executive Officer transmitting the findings. Finally, I have included copies of the

APPROVAL TO ACCEPT REPORT ON EVALUATION OF THE COUNTY PURCHASING CARD PROGRAM AND POLICIES

Page 4

current Purchasing Card Policy, "Best Practice" Guidelines and the Travel Policy.

As the Grand Jury noted in their report, "Although they don't appear to be adhered to by all employees, the current procedural manuals of established County policies and procedures appear to be well organized and systematic, but policy gaps exist to track items under 1000."

The recommendations included in this report should resolve that issue, strongly improve receipt record keeping and encourage better use of purchasing master contracts.

POLICY  
ISSUES:

Does the current program with modified suggestions, contribute to efficient government services and provide proper accountability to the Board of Supervisors and the public?

STAFFING  
IMPACT:

None.

## CREDIT CARD AUDIT SUMMARY

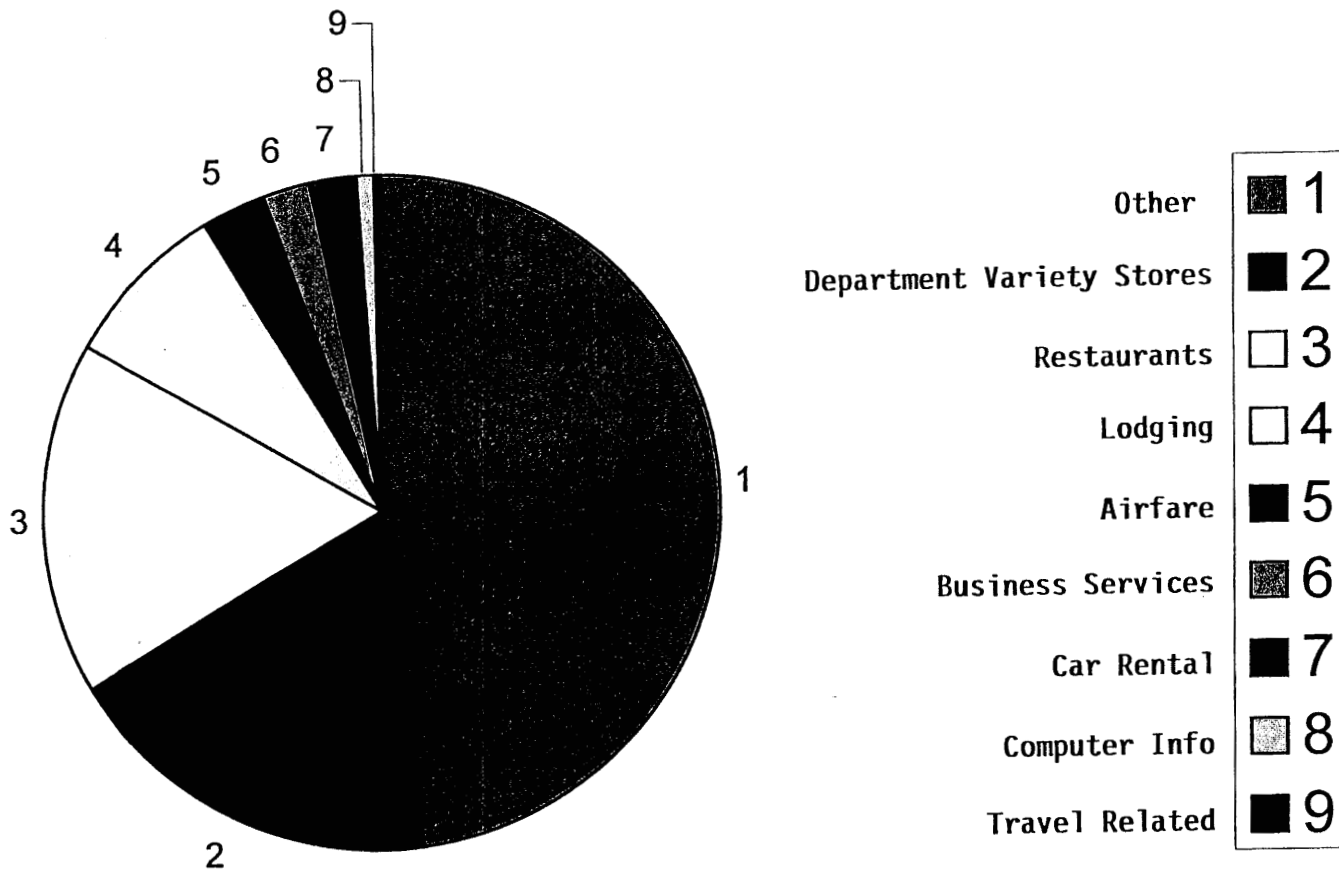
<u>DEPARTMENT</u>	<u>DEPARTMENT HEAD</u>	<u>AUDIT PERIOD</u>	<u>AUDIT DATE</u>	<u>REPORT ISSUED</u>	<u>TRANSACTIONS TESTED</u>	<u>RECEIPTS MISSING ON AUDIT DATE</u>	<u>RECEIPTS/LOST RECEIPT FORMS PROVIDED PRIOR TO FINAL REPORT</u>	<u>REMAINING MISSING RECEIPTS</u>
AG COMMISSIONER	DON CRIPE	1/24/01-2/23/01	4/3/2001	4/26/2001	66	0	0	0
ANIMAL SERVICES DIRECTOR	MICHAEL RODRIGUEZ	2/24/01-3/23/01	5/2/2001	No Findings	49	0	0	0
AREA AGENCY/VET SVCS	MARGIE PALOMINO	1/24/01-2/23/01	3/27/2001	4/26/2001	47	0	0	0
ASSESSOR	MIKE DEFERRARI	3/24/01-4/23/01	5/21/2001	No Findings	34	0	0	0
BOARD OF SUPERVISORS	CHRISTINE TALLMAN	11/24/00-12/23/00	1/31/2001	3/6/2001	15	0	0	0
CHIEF EXECUTIVE OFFICER	REAGAN M. WILSON	2/24/01-3/23/01	5/3/2001	6/15/2001	127	10	9	1
CLERK-RECORDER	KAREN MATHEWS	2/24/01-3/23/01	5/3/2001	No Findings	28	0	0	0
COOPERATIVE EXTENSION	PHIL OSTERLI	1/24/01-2/23/01	4/3/2001	No Findings	10	0	0	0
COUNTY COUNSEL	MICHAEL H. KRAUSNICK	2/24/01-3/23/01	5/3/2001	No Findings	10	0	0	0
CSA	JEFF JUE	1/24/01-2/23/01	4/2/2001	4/26/2001	434	11	0	11
DISTRICT ATTORNEY	JIM BRAZELTON	3/24/01-4/23/01	5/21/2001	6/15/2001	193	9	0	9
EMERGENCY DISPATCH	JEANNE HARDIN	1/24/01-2/23/01	3/22/2001	4/26/2001	69	0	0	0
EMPLOYMENT & TRAINING	TERRY PLETT	1/24/01-2/23/01	4/3/2001	4/26/2001	147	0	0	0
ENV. RESOURCES/PARKS	KEVIN WILLIAMS	1/24/01-2/23/01	4/3/2001	4/26/2001	351	14	9	5
H S A	BEV FINLEY	2/24/01-3/23/01	5/2/2001	6/15/2001	122	0	0	0
LIBRARY	DENISE PETERSON	10/24/00-11/23/00	12/22/2000	3/6/2001	112	59	0	59
BEHAVIORAL & RECOVERY SERVICES	LARRY B. POASTER	2/24/01-3/23/01	5/2/2001	6/15/2001	457	42	42	0
MIS	JIM RAY	9/24/00-10/23/00	12/22/2000	3/6/2001	23	7	6	1
PLANNING	RON E. FREITAS	1/24/01-2/23/01	3/20/2001	No Findings	14	0	0	0
PROBATION/JUVENILE HALL	LINDA L. DUFFY	2/24/01-3/23/01	5/2/2001	6/15/2001	229	15	15	0
PUBLIC DEFENDER	TIM BAZAR	2/24/01-3/23/01	5/3/2001	No Findings	17	0	0	0
PUBLIC WORKS	GEORGE W. STILLMAN	10/24/00-11/23/00	1/8/2001	3/6/2001	90	2	0	2
SHERIFF	LES WEIDMAN	1/24/01-2/23/01	4/20/2001	4/26/2001	231	33	3	30
TREASURER-TAX COLLECTOR	TOM WATSON	10/24/00-11/23/00	1/8/2001	3/6/2001	47	1	0	1
FAMILY SUPPORT	DAVE INGERSOLL	1/24/01-2/23/01	4/2/2001	4/26/2001	<u>165</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTALS					3087	203	84	119
PERCENTAGE TO TOTAL						6.58%	2.72%	<u>3.85%</u>

## CREDIT CARD TRANSACTIONS – CALENDAR YEAR 2000

\$7,449,763 in Credit Card purchases totaling 43,659 transactions during calendar year 2000 in Stanislaus County were made as follows:

<b>Description</b>	<b># Transactions</b>	<b>Amount of Transactions</b>
1. Other – Includes Bookstores, Business Services, Computers, Computer Peripheral Equipment, Direct Marketing, Home Supplies, Quickcopy, Schools and Educational Services, Stationary, Office Supplies, etc.	21,000	\$ 4,515,054
2. Department Variety Stores, Electronic Stores, Personal Services, Entertainment, etc.	7,963	\$ 1,415,531
3. Restaurants	7,470	\$ 265,180
4. Lodging	3,432	\$ 792,935
5. Airfare	1,370	\$ 264,117
6. Business Services - Automated Fuel Dispensers, Parking Lots & Garage, Service Stations.	1,014	\$ 28,369
7. Car Rental	868	\$ 119,154
8. Computer Network/Info & Telephone Services	373	\$ 35,610
9. Travel Related - Agencies, Bus lines, Taxes, Commuter Passenger Service Transportation.	169	\$ 13,813
<b>Grand Total Transactions:</b>	<b>43,659</b>	
<i>Grand Total Amount:</i>		<b>\$ 7,449,763</b>

# Credit Card Transactions - Calendar Year 2000





**CHIEF EXECUTIVE OFFICE**

**Reagan M. Wilson**  
Chief Executive Officer

1010 10TH Street, Suite 6800, Modesto, CA 95354  
PO Box 3404, Modesto, CA 95353-3404

**Patricia Hill Thomas**  
Assistant Executive Officer

Phone: 209.525.6333 Fax: 209.544.6226

June 26, 2001

TO: Department Heads  
FROM: Reagan M. Wilson  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Reagan', is written over the printed name of Reagan M. Wilson. A long horizontal line extends from the end of the signature to the right.

SUBJECT: CREDIT CARD PROGRAM

As you know, three recent Grand Jury Reports (Clerk-Recorder, Annual Audit, Management Information Services) have pointed out some problems in our current program. After thoroughly reviewing the reports as well as recent audits by the Auditor-Controller, several useful observations can be made:

1. A very few senior executives have abused the program personally and have allowed department staff to use credit cards beyond the boundaries of good judgement and the Board policy.
2. Some departments have not done the best job on turning in receipts as required.
3. Some departments have used the credit card program on an "expediency basis" and avoided our Purchasing Programs and Policies.
4. The program continues to be very cost effect in obtaining discounts, saving processing costs primarily in travel related expenses and goods costing less than \$100, and in purchase of professional books, journals, software and some types of technology.
5. During audits, missing records are found/turned-in in all but a very few cases.
6. For fixed asset type items, there are varying practices regarding inventorying and accounting of the purchased items under \$1,000.
7. Many departments are not checking with Purchasing to see what may already be arranged through contracts that is more cost effective (greater discounts)



and just as expedient as individual credit card use. The Corporate Express Purchasing Card is an example.

8. An annual review by the department head and senior management of departmental use and individual use is not a countywide practice.
9. In the annual audit report the Grand Jury did find that, "Although they don't appear to be adhered to by all County employees, the current procedural manuals of established County policies and procedures appear to be well organized and systematic, but policy gaps exist to track items under \$1,000."
10. As good as the policy may be written, it is only as effective as it is followed and like all of our work, must be subject to "continuous improvement" practices at the departmental and countywide level.
11. The Board needs to be provided an annual report on credit card use, generally and by department that ensures for them public accountability, compliance with the policy, demonstrates "continuous improvement" and shows continued cost effectiveness.

On July 10, I will be taking a report to the Board that provides "information and analysis," business results and proposed modifications to our current credit card policies for their consideration.

I want to emphasize that with a couple of exceptions our collective use of this privilege has been exemplary, and you are to be acknowledged for this. Unfortunately, poor judgement and out right deliberate violation by a very few have jeopardized the continuation of this program. Media coverage has taken these few and painted all of us with the same brush. As a public agency, we always are held to a higher standard. In our efforts to be the best, we must take this type of problem seriously and use the information from the Grand Jury and the audit reports done by the Auditor-Controller to make appropriate improvements.

I would appreciate your cooperation by reviewing your internal policies and practices to ensure they are consistent with the credit card policy and all other Purchasing policies and rules. Upon completion of this review, by no later than July 13, 2001, I would like a written report. For those of you who received a letter asking you to draft responses to comments in the Grand Jury Reports, please incorporate the overall review into those specific comments.

Thank you for your attention and timely response.

RMW:da  
CC: Board of Supervisors

**AUDITOR-CONTROLLER**

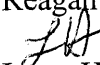
**Larry D. Haugh**  
Auditor - Controller

1010 10TH Street, Suite 5100, Modesto, CA 95354  
PO Box 770, Modesto, CA 95353-0770  
Phone: 209.525.6398 Fax: 209.525.6487

CHIEF EXECUTIVE OFFICE

2001 JUL 24 AM 11:05

July 23, 2001

TO: Reagan M. Wilson, Chief Executive Officer  
FROM:  Larry Haugh, Auditor-Controller  
SUBJECT: **CREDIT CARD PROGRAM**

We have completed a review of our internal Purchasing Card policies and practices, as well as, the department's compliance with the County's Purchasing Card Policies. This review included:

- Verification that reconciliation of the monthly credit card statement was completed in a timely manner.
- Employees submitted receipts for all Purchasing Card transactions or a missing receipt form was completed and signed.
- All charges were reviewed and business purpose identified for each transaction monthly.
- Credit limits were reviewed for appropriateness and limits adjusted.
- Ensure that we include the Purchasing Department for existing contracts when shopping for goods and services to ensure the lowest competitive price.
- Specific electronic items purchased for under \$1,000 have been tagged.

The Purchasing Card Program has allowed departments to secure goods and services in a timely and cost effective manner. The Purchasing Card Program was last reviewed in February 2000. Given the most recent events, I believe the Policies need to be revisited. I suggest that a TQM committee with representatives from the Chief Executive Office, Chief Executive Office - Purchasing Division, Auditor-Controller's Office, and representatives from several of the larger departments undertake this task.

It is my desire to see that the necessary policy changes are made to ensure the continued existence of this cost-effective tool. Please let me know if my office can be of further assistance.

**CREDIT CARD AUDIT SCHEDULE**

<u>DEPARTMENT</u>	<u>DEPARTMENT HEAD</u>	<u>AUDIT PERIOD</u>	<u>AUDIT DATE</u>	<u>REPORT STATUS</u>
1 AG COMMISSIONER	DON CRIPE	1/24/01-2/23/01	4/3/01	Issued 4/26/01
2 ANIMAL SERVICES DIRECTOR	MICHAEL RODRIGUEZ	2/24/01-3/23/01	5/2/01	No Findings
3 AREA AGENCY/VET SVCS	MARGIE PALOMINO	1/24/01-2/23/01	3/27/01	Issued 4/26/01
4 ASSESSOR	MIKE DEFERRARI	3/24/01-4/23/01	5/21/01	No Findings
5 AUDITOR-CONTROLLER	BYRON BYSTROM			
6 BOARD OF SUPERVISORS	CHRISTINE TALLMAN	11/24/00-12/23/00	1/31/01	Issued 3/6/01
7 CHIEF EXECUTIVE OFFICER	REAGAN M. WILSON	2/24/01-3/23/01	5/3/01	Draft issued
8 CLERK-RECORDER	KAREN MATHEWS	2/24/01-3/23/01	5/3/01	No Findings
9 COOPERATIVE EXTENSION	PHIL OSTERLI	1/24/01-2/23/01	4/3/01	No Findings
10 COUNTY COUNSEL	MICHAEL H. KRAUSNICK	2/24/01-3/23/01	5/3/01	No Findings
11 COURTS	DON LUNDY	No longer a County Department		
12 CSA	JEFF JUE	1/24/01-2/23/01	4/2/01	Issued 4/26/01
13 DISTRICT ATTORNEY	JIM BRAZELTON	3/24/01-4/23/01	5/21/01	Draft issued 5/30/01
14 EMERGENCY DISPATCH	JEANNE HARDIN	1/24/01-2/23/01	3/22/01	Issued 4/26/01
15 EMPLOYMENT & TRAINING	TERRY PLETT	1/24/01-2/23/01	4/3/01	Issued 4/26/01
16 ENV. RESOURCES/PARKS	KEVIN WILLIAMS	1/24/01-2/23/01	4/3/01	Issued 4/26/01

17 H S A	BEV FINLEY	2/24/01-3/23/01	5/2/01 Draft issued 5/15/01
18 LIBRARY	DENISE PETERSON	10/24/00-11/23/00	12/22/00 Issued 3/6/01
19 BEHAVIORAL & RECOVERY SERVICES	LARRY B. POASTER	2/24/01-3/23/01	5/2/01 Draft issued 5/4/01
20 MIS	JIM RAY	9/24/00-10/23/00	12/22/00 Issued 3/6/01
21 PLANNING	RON E. FREITAS	1/24/01-2/23/01	3/20/01 No Findings
22 PROBATION/JUVENILE HALL	LINDA L. DUFFY	2/24/01-3/23/01	5/2/01 Draft issued 5/7/01
23 PUBLIC DEFENDER	TIM BAZAR	2/24/01-3/23/01	5/3/01 No Findings
24 PUBLIC WORKS	GEORGE W. STILLMAN	10/24/00-11/23/00	1/8/01 Issued 3/6/01
25 STAN COG	GARY C. DICKSON	Not a County Department	
26 SHERIFF	LES WEIDMAN	1/24/01-2/23/01	4/20/01 Issued 4/26/01
27 TREASURER-TAX COLLECTOR	TOM WATSON	10/24/00-11/23/00	1/8/01 Issued 3/6/01
28 RISK MANAGEMENT	DAVID DOLENAR	2/24/01-3/23/01	5/2/01 Draft issued
29 PURCHASING	DALE BUTLER	3/24/01-4/23/01	6/1/01 No Findings
30 FAMILY SUPPORT	DAVE INGERSOLL	1/24/01-2/23/01	4/2/01 Issued 4/26/01

## STANISLAUS COUNTY PURCHASING CARD POLICY

COUNTY DEPARTMENT HEADS ARE ACCOUNTABLE TO THE BOARD OF SUPERVISORS AND THE PUBLIC FOR THE FUNDS AND ASSETS ENTRUSTED TO THEM. EACH COUNTY DEPARTMENT HEAD IS RESPONSIBLE FOR ADMINISTERING THE *BASIC* COUNTY PURCHASING CARD POLICY IN ACCORDANCE WITH POLICY GUIDELINES.

*Stanislaus County implemented the Bank of America Purchasing Card system on October 11, 1996. As of January 2000, approximately 1,000 MasterCard have been issued to County employees. Because the County has maintained MasterCard activity above a specified level, there has never been an annual card fee.*

Purchasing card charges are subject to the limitation that there are sufficient funds in the department's budget to cover all charges, and that the expense conforms to the County Travel Policy and County Ordinance. Allowable charges shall not exceed the credit limit established *by the department head or his/her designee* for that specific charge card. County purchasing cards are not to be used for personal purposes. Should a purchasing card inadvertently be used for an unallowable purpose, the employee shall immediately reimburse the County. County purchasing cards may not be used to receive cash advances. An employee may not lend their assigned County purchasing card to any other individual. *Delegation of making seminar/travel reservations with another employee's purchasing card number is the only exception to this rule.* However, one employee may charge County business items on their card for another employee in the same department. An employee must complete a "Purchasing Card Authorization" form prior to being issued a county purchasing card *(copy of form attached)* indicating a default fund/org/account to charge. *Purchasing cards must be returned to the respective department upon termination of employment.*

### I: Travel Expenses

To the extent possible, all authorized employee travel expenses should be charged to a County purchasing card. All such expenses must comply with the County Travel Policy.

## II: Purchases Under ~~\$1,000~~ \$5,000

County purchasing cards may be used to purchase ~~individual~~ *business* items costing less than ~~\$1,000~~ \$5,000 including taxes, shipping, etc. Departments must assure themselves that they are making the most economical purchase that meets their needs as well as the requirements of other interrelated departments. They should do this by following these guidelines:

1. Encourage employees to obtain competitive quotes.
2. Check with Purchasing for any existing contracts.
3. Identify yourself as a representative of Stanislaus County to receive government discounts for Stanislaus County.
4. Be aware of OSHA requirements on purchases of certain products (e.g., appliances, ladders, etc.)
5. Obtain appropriate Material Safety Data Sheets (MSDS), unless already on file, for liquids, powders, etc. Forward copies of MSDS to Risk Management.
6. All communication equipment (pagers and radios) must be reviewed by Emergency Dispatch prior to purchase.
7. Computers, printers, and other peripheral equipment, cellular phones and telephone equipment, and software must be reviewed with the MIS Department before purchasing.
8. Be aware of conflict of interest issues and the Code of Ethics as they pertain to purchasing of goods and services. Avoid doing business with relatives or with businesses in which you have a financial interest or from which you could incur personal profit or benefit.
9. When soliciting pricing for travel, always compare government rates to prevailing commercial rates.

## County Assets

County assets are categorized as follows:

*Assets costing \$5,000 or more. Assets in this category are called fixed assets. The cost of a fixed asset is expensed (depreciated) over the assigned life of the asset. All assets in this category must be tagged and inventoried.*

*Assets costing from \$1,000 to \$4,999.99. Assets in this category are not fixed assets and their cost is expensed in the fiscal year they are purchased. All assets in this category must also be tagged and inventoried.*

*Although not required by County policy, departments that wish to tag and inventory items costing less than \$1,000 may do so. Some departments may have grants, etc., that require tracking at levels lower than \$1,000. County policy requires all assets costing \$1,000 or more to be tagged and inventoried.*

### III: Monthly Statement Processing

Every employee who makes a charge with a County purchasing card shall receive a receipt/charge slip from the merchant to document and justify that charge. *Charge slip documentation is always required. ~~In some cases, no receipt is required; please refer to County Travel Policy guidelines.~~* The receipt/charge slip shall be turned in to the department staff responsible for processing the monthly statement for the department. That department individual shall reconcile all charge slips to the monthly statement, audit each receipt for compliance with County policy, and request any required reimbursements for inappropriate charges. *The outside auditors require clerks to log all receipts in a timely manner after the purchase to facilitate reconciling when statements are received.* Each department must retain all documentation supporting their departmental purchasing card activity for five years. *Each month the department head shall certify in writing that all purchasing card charges are valid appropriate County expenses. A monthly report of all charges for your department will be made available to facilitate this review and sign-off. A blue claim shall be prepared monthly by the department with the proper index and subobject distribution and forwarded to the Auditor-Controller's Accounts Payable Division with sufficient lead time to make payment by the due date. The claims processing clerk should be backfilled by another*

*individual during times of vacation or sick leave. Proper accounting principles require separation of duties to maintain the integrity of the accounting process. An individual who has been issued a purchasing card must not reconcile their own account.*

#### *IV: Expiration Date on Purchasing Cards*

*The purchasing cards each have an expiration date. The cards will expire on the last day of the month indicated on the card. The Bank will automatically send a replacement card to the department at the end of that month. The new card is not valid until the first of the following month.*

#### *V: Cancellation of Accounts*

*Departments are directly responsible for canceling purchasing cards when an employee leaves service or a card is lost or stolen. The following procedures are required when an employee leaves:*

- ◆ Retrieve the card from the employee.*
- ◆ Call the Bank customer service at (800)449-2273 and ask them to close the account. Do not send the card to the Bank.*
- ◆ Cut the card horizontally through the magnetic strip and send to the Auditor's Office with the completed purchasing card maintenance form.*
- ◆ Account Payable will verify cancellation and destroy.*

*If the card is lost or stolen, call (800)449-2273 and close the account immediately. Also send the Purchasing Card Maintenance form to Accounts Payable so a new card can be issued.*

#### *V: Use Tax Procedures*

*Sales tax is due the State of California when a vendor is outside the state - it is called "Use Tax." When ordering over the phone with a purchasing card, use tax is owed unless tax is collected by the vendor. If the operator or packing slip does not include sales tax, the purchase must be listed on the "Out of State Purchases" form and submitted to the Auditor's Office monthly, (you need only submit if there are charges, and if you have only one or two items listed, you can submit*



quarterly).

*List only the total purchase price less shipping (handling should be included in purchase price, if separate from shipping). Do not figure the tax due - only the full purchase price of the item + shipping. Taxable items include goods only - not services.*

#### **VI: Costco Membership**

*County departments, with department head approval, may apply for a business membership with Costco Wholesale. Purchases made at Costco outlets would be restricted to business use only--no personal purchases allowed. Departments would be responsible for submitting claims to pay off their Costco card balances in a timely manner to avoid interest charges.*

#### **VII: Unallowable Purchases**

*Neither the County purchasing card, nor Costco membership is to be used for personal purchases. Likewise, they are not to be used to purchase "snacks," such as donuts, etc. for office staff.*

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STANISLAUS COUNTY  
PURCHASING CARD AUTHORIZATION & APPLICATION FORM

\_\_\_\_\_  
Fund            Org            Account  
(to be automatically charged)

Type Department Mailing Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Type Department Name

Zip Code: \_\_\_\_\_

Contact Name & Phone Number  
\_\_\_\_\_

I hereby authorize \_\_\_\_\_ to use a County Purchasing  
(Type Name of Employee)  
Card for official County business.

Indicate Purchasing Card credit limit here:                          \$ \_\_\_\_\_

\_\_\_\_\_  
Type Name of Authorized County Official

\_\_\_\_\_  
Signature of Authorized County Official

\_\_\_\_\_  
Date

I accept responsibility for the Purchasing Card that will be issued to me and have read and understand the Stanislaus County Purchasing Card Policy and Travel Policy, and agree to use the purchasing card in accordance with the terms and conditions of those policies. I understand that I am personally liable for any unauthorized purchasing card charges that I may incur. If it is determined by my department head that I have used this purchasing card for unauthorized purposes, then the County may offset all such unauthorized charges through payroll deduction. Upon termination of County service, I must return my purchasing card to the County.

\_\_\_\_\_  
Type Name of Employee

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

## **CREDIT CARD DEPARTMENTAL BEST PRACTICES**

Focus Group Meeting

October 3, 2000

Suggestions for enhancing procedures at the department level:

1. Maintain locked up the cards of infrequent travelers and issue them out upon their need prior to each trip.
2. Use of a procurement card should be pre-approved in writing by an authorized individual except in the case of each department's designated buyer.
3. Designated Buyers should be pre-approved to procure with their cards up to pre-authorized dollar limits.
4. Detailed receipts must be submitted to the department's credit card clerk. This might preclude using express checkout at hotels or ordering items over the telephone if the vendor cannot mail or fax a detailed receipt.
5. If ten days has elapsed from the date an employee has been requested by the department's credit card clerk to submit a charge receipt and still no receipt has been provided then the department should initiate a payroll deduction for the amount of the charge.
6. A standardized missing receipt form should be available for the employee to certify the charge was a valid county expenditure when a receipt has been lost. With department approval this would exempt the employee from a payroll deduction for not submitting a receipt.
7. The Travel Policy should be clarified as to what is allowable as an in-county meal as well as per diem meal allowances.

## STANISLAUS COUNTY TRAVEL POLICY

COUNTY DEPARTMENT HEADS ARE ACCOUNTABLE TO THE BOARD OF SUPERVISORS AND THE PUBLIC FOR THE FUNDS AND ASSETS ENTRUSTED TO THEM. EACH COUNTY DEPARTMENT HEAD IS RESPONSIBLE FOR ADMINISTERING THE BASIC COUNTY TRAVEL POLICY IN ACCORDANCE WITH POLICY GUIDELINES.

### TRAVEL APPROVAL

- ◆ Travel outside the County must be approved by the department head or by the department head's designee(s). Such approval is required for all travel within the state and also for all out-of-state travel. Travel to other countries requires advance written approval from the Chief Executive Officer.
- ◆ All travel must be for business related purposes. Included in this category are conventions, conferences, training, seminars, meetings, etc. Travel to meet the legal obligations of the County, which includes transportation of prisoners, placement of juveniles, etc. is also included in this category.

### Non-salaried boards or commissions

- ◆ Non-salaried members of boards or commissions established by state law or county ordinance may be allowed expenses incurred for meals, lodging, mileage or public transportation while attending called meetings or on authorized trips. Trips and expenses must be approved in advance by the Chief Executive Officer, unless the board or commission has been given a specific exemption by law to this policy and funds are budgeted.

### Special committees

- ◆ Special committees created and appointed by the Board of Supervisors may be reimbursed for actual expenses when permitted by law and specifically authorized in advance by the Board of Supervisors. Grand Jury members are to

## EXPENDITURES FOR TRAVEL

### Purchasing Cards

(Please review the County Purchasing Card Policy prior to usage.)

- ◆ Purchasing cards will be issued to departments to be used for all job-related expenses related to travel. Department heads are responsible for ensuring that employees in their department utilize the purchasing cards in accordance with existing policy (copy attached).
- ◆ Each department is responsible for auditing their purchasing card expenditures and ensuring that existing policy guidelines are followed. Records must be kept for five years. Subsequent internal audits will be conducted at random to verify that the travel policy guidelines have been followed. Departments are required to follow the departmental purchasing card audit and processing procedures established by the Auditor-Controller.
- ◆ The departmental County purchasing card should be used for all travel expenses, including hotel, seminar, airline and car rental reservations. Purchasing cards can be distributed to staff at the discretion of the department head, provided the proper "Purchasing Card Authorization" form is completed by each person using the card. The original of this form must be sent to the Auditor's Office Accounts Payable Division. When utilizing a County purchasing card, all travel policy regulations apply and must be enforced by departments.
- ◆ Purchasing cards are not to be used to purchase fuel, etc., for private vehicles. Purchasing cards may be used to fuel rental vehicles when an employee is on official County business.
- ◆ Purchasing cards should not be used in the County to purchase fuel for pool vehicles. County fueling stations should be utilized in order to reduce county costs.

## Private air travel

- ◆ Reimbursement for travel by private aircraft or chartered aircraft shall be limited to commercial airfare. The Chief Executive Officer may approve exceptions to the foregoing when it is necessary or desirable to meet the business obligations of the County.

## County motor pool

- ◆ An employee must be authorized to drive a County owned/leased and/or a privately owned/leased motor vehicle in performance of his/her assigned functions as required under the Driver Authorization and Driver Performance Policy. The County of Stanislaus maintains an automobile pool for authorized county employee travel. In addition, the County has a contract for rental vehicle services with Enterprise Rent-A-Car. Depending on the destination, it may be more cost effective to use a rental vehicle rather than a motor pool vehicle. Departments are responsible for ensuring that they select the most cost-effective alternative. Rate comparison information relating to County Motor Pool and Enterprise Rent-A-car may be obtained from the Purchasing Division of the Chief Executive Office. As practical, use of private vehicles is encouraged over the use of pool vehicles. Requests for use of an automobile from the County Motor Pool by an authorized driver shall be made to the County Motor Pool at least one working day in advance of the planned trip, whenever possible. The county policy prohibits personal use of the county vehicle except for travel to and from the trip location.
- ◆ Family members, friends, etc. are not authorized to ride in a County pool or rental vehicle.
- ◆ The employee checking out the vehicle must submit proof that he or she possesses a valid California driver's license.
- ◆ Department heads and County employees who receive a car allowance and are allowed to claim mileage reimbursement are prohibited from checking out a county vehicle or rental vehicle and using it for county business. Exceptions would include a vehicle rental after traveling out-of-county by air, or the use of a special vehicle, such as a van or truck, for transporting passengers or materials.

- ◆ With department head approval, meals provided as part of a training seminar or association meeting that exceed meal limits are allowable and are not considered an exception.
- ◆ (See new language added under "Other" section.)

employee is not also entitled to a meal allowance. A complimentary continental breakfast is not considered a meal and a limit for breakfast is allowable.

- ◆ Per the Attorney General, the County may not lawfully expend funds to reimburse county officers and employees for their expenses in buying meals for legislators or their aides at meetings to discuss legislation of interest to the County.
- ◆ MEAL RATES ARE LIMITS, NOT ALLOWANCES. YOU ARE TO CLAIM THE ACTUAL AMOUNT SPENT UP TO THE LIMIT. THERE IS NO PER DIEM ALLOWANCE FOR MEALS.
- ◆ The limit on meals includes an allowance for a maximum 15% tip.

Limits for meals are as follows (including tax and maximum 15% tip):

Breakfast	\$12.00
Lunch	15.00
Dinner	25.00

- ◆ If paying for a meal with a County purchasing card, the employee must submit the charge slip to his/her department. Receipts are not required for meals if the employee has not used a purchasing card and is requesting reimbursement. Use of a County purchasing card for meals is not considered reimbursement, so taxation is not an issue.
- ◆ Reimbursements for meals that don't require sleep or rest (non-overnight travel) are taxable to the employee. Meals are non-taxable to the employee if an overnight stay is involved. Group meals, such as lunch provided during training classes, meals provided as part of an organized conference, and meals provided employees on county premises for the convenience of the employer are not taxable to the employee.



## GENERAL TRAVEL POLICIES

### Training

Under the Fair Labor Standards Act (FLSA) and the Department of Labor's regulations (Section 785.27), attendance at training sessions is not counted as time worked if:

- ◆ Attendance at the training session is outside of the employee's regular working hours; and
- ◆ Attendance at the session is truly voluntary; and
- ◆ The training session is not directly related to the employee's job; and
- ◆ The employee does not perform any productive work during the training session.

In addition, attendance at classes required for certification, which is required under FLSA (Section 553.226), by law or a "higher level of government," need not be counted as hours worked. Further, the rules concerning the non-compensable nature of such training are not altered if part or all of the costs of training is borne by the employer. \*

If the foregoing applies, the department head may authorize release time if the training occurs during normal work hours; however, overtime compensation for hours beyond the normal working hours should not be approved.

- ◆ If attendance at training is not voluntary and is required by the department head, or the training is directly related to the employee's job and will make the employee perform the job more effectively, the time in attendance at training shall be considered as time worked. Meal periods, if training is not occurring, shall not be considered as work time. This does not preclude a department from flexing the employee's work hours during the established workweek in order to avoid overtime compensation, if the training exceeded the normal workday.

### Prisoner transportation costs

- ◆ While transporting extradited prisoners, the officer who is thus a state agent if applicable, shall pay for meals and other expenses incurred. The officer shall bill the County for actual costs. Meal costs for employee and prisoner cannot exceed the current travel policy limits.

### Children under care

- ◆ Community Services Agency and Probation Department staff, with approval of their department head, may be reimbursed at the approved county rate for meals purchased for children under their care.

### Contract employee travel expense reimbursement

- ◆ Contract employee travel expense reimbursement agreements are often included as part of their contract. If there is no such agreement in their contract, then the contract employee would be subject to the same travel and expense reimbursement guidelines as regular employees.
- ◆ Contracts involving employees providing services on an interdepartmental basis will be subject to regular employee travel and expense reimbursement guidelines.

### OTHER

- ◆ The County Travel Policy guidelines establish the basic foundation of rules and requirements that departments must follow. In order to meet certain federal and/or state subvention requirements, some departments may need to develop additional internal policies relating to documentation, etc. Departments are at liberty to enhance these basic guidelines to best meet their own unique needs.
- ◆ The Chief Executive Officer must approve any exceptions to the County Travel Policy.

# ONE-WAY MILEAGE CALCULATIONS FROM COUNTY CENTER ONE

Revised January 2000

PLEASE NOTE: County policy is to pay the shortest distance to any destination. Should you find a large difference in the following mileage chart, please contact the Accounts Payable Division at 525-6405. This chart will be updated on an ongoing basis. If you are going to do extensive driving while in any area, please check with us for policy.

CODE #	DESTINATION	MILES	CODE #	DESTINATION	MILES	CODE #	DESTINATION	MILES	CODE #	DESTINATION	MILES
1	Alameda	85	66	Delano	175	131	Lake Arrowhead	385	196	Pacific Grove	153
2	Albany	90	67	Del Puerto Cyn	30	132	Lake Shasta	250	197	Pacifica	104
3	Alhambra	310	68	Delhi	20	133	Lake Tahoe-No.	180	198	Palm Springs	425
4	Alturas	380	69	Denair	18	134	Lake Tahoe-So.	170	199	Palmdale	310
5	Anaheim	350	70	Dixon	90	135	Lakeport	196	200	Palo Alto	95
6	Angels Camp	55	71	Downey	320	136	Lakespur	118	201	Panorama City	310
7	Aptos	130	72	Dublin	55	137	Livermore	50	202	Paradise	180
8	Arcadia	325	73	El Centro	540	138	Livingston	26	203	Pasadena	320
9	Arcata	385	74	El Cerito	100	139	Lodi	45	204	Paso Robles	240
10	Asilomar	145	75	El Monte	215	140	Lompoc	330	205	Patterson	22
11	Atascadero	255	76	El Segundo	315	141	Long Beach	350	206	Pebble Beach	153
12	Atherton	100	77	El Toro	370	142	Los Altos	120	207	Petaluma	135
13	Atwater	35	78	Emeryville	90	143	Los Angeles	320	208	Pico Rivera	325
14	Auburn	105	79	Empire	7	144	Los Banos	45	209	Piedmont	90
15	Bakersfield	205	80	Encino	315	145	Los Gatos	105	210	Pinole	95
16	Ballico	25	81	Escalon	11	146	Madera	72	211	Pismo Beach	285
17	Barstow	335	82	Escondido	415	147	Malibu	355	212	Placerville	110
18	Bass Lake	133	83	Eureka	365	148	Mammoth Lakes	196	213	Pleasant Hill	80
19	Bellflower	330	84	Fairfax	120	149	Manhattan Beach	320	214	Pleasanton	60
20	Belmont	90	85	Fairfield	85	150	Manteca	18	215	Pomona	350
21	Ben Lomond	125	86	Felton	120	151	Marin City	105	216	Porterville	165
22	Benicia	95	87	Fillmore	300	152	Marina	120	217	Port Hueneme	340
23	Berkeley	90	88	Fort Bragg	260	153	Marina Del Rey	335	218	Prob-Juvenile Hall	4.5
24	Beverly Hills	300	89	Fort Ord	145	154	Mariposa	75	219	Rancho Mirage	440
25	Bishop	238	90	Fr. Raines Park	30	155	Martinez	90	220	Red Bluff	220
26	Blythe	550	91	Fremont	80	156	Marysville	135	221	Redding	255
27	Bodega Bay	165	92	Fresno	95	157	Menlo Park	98	222	Redlands	380
28	Boulder Creek	125	93	Fullerton	335	158	Merced	42	223	Redondo Beach	320
29	Brisbane	95	94	Gain-From I	5.4	159	Millbrae	95	224	Redwood City	95
30	Buellton	340	95	Gain-From III	2.4	160	Mill Valley	120	225	Reseda	290
31	Buena Park	335	96	Garden Grove	345	161	Milpitas	85	226	Richmond	100
32	Burbank	310	97	Gardena	325	162	Mission San Jose	70	227	Rio Vista	65
33	Burlingame	92	98	Gilroy	95	163	Modesto Reservoir	18	228	Ripon	12
34	Calistoga	140	99	Glendale	310	164	Mojave	265	229	Riverbank	15
35	Campbell	105	100	Grass Valley	125	165	Mokelumne Hill	65	230	Riverside	375
36	Canoga Park	280	101	Greenbrae	110	166	Monrovia	330	231	Rohnert Park	165
37	Capitola	127	102	Gustine	32	167	Monte Sereno	115	232	Roseville	115
38	Carmel	153	103	Half Moon Bay	105	168	Montebello	325	233	Rutherford	125
39	Carmel Valley	165	104	Hanford	140	169	Monterey	150	234	Sacto-South	71
40	Carmichael	95	105	Hayward	70	170	Moorpark	255	235	*Capitol	75
41	Carson	340	106	Healdsburg	170	171	Morgan Hill	95	236	*East	85
42	Castro Valley	65	107	Highland Park	310	172	Morgan Shop	3	237	*North	90
43	Castroville	135	108	Hillsborough	95	173	Morro Bay	275	238	*Airport	90
44	Cathedral City	430	109	Hilmar	19	174	Moss Landing	115	239	Salida	7
45	Ceres	5	110	Hollister	90	175	Mountain View	95	240	Salinas	140
46	Chico	185	111	Hollywood	315	176	Murphys	65	241	San Andreas	65
47	Chowchilla	55	112	Honor Farm	15	177	Napa	110	242	San Anselmo	115
48	Clear Lake	195	113	Hughson	10	178	Napa State Hosp	105	243	San Bernardino	375
49	Columbia	65	114	Huntington Beach	350	179	Needles	485	244	San Bruno	95
50	Compton	325	115	Huntington Park	320	180	Newark	83	245	San Carlos	97
51	Concord	80	116	Ignacio	105	181	Newport Beach	355	246	San Clemente	380
52	Corona	360	117	Indian Wells	450	182	Newman	28	247	San Diego	440
53	Corte Madera	115	118	Indio	450	183	Northridge	280	248	San Fernando	290
54	Costa Mesa	355	119	Inglewood	320	184	Norwalk	335	249	San Francisco-So.	95
55	Co. Center II	1	120	Irvine	380	185	Novato	125	250	*City Hall	90
56	Co. Center III	2.5	121	Jackson	60	186	Oakdale	20	251	*Airport	95
57	Co. Center IV	3	122	Jamestown	50	187	Oakland	85	252	San Jose	100
58	Co. Center V	4.5	123	Keyes	8	188	*Airport	80	253	San Juan Bautista	100
59	Covina	340	124	King City	185	189	Oceanside	400	254	Sn Juan Capistrano	380
60	Crescent City	440	125	Knights Ferry	30	190	Ojai	325	255	San Leandro	75
61	Crows Landing	21	126	La Canada	305	191	Ontario	345	256	San Lorenzo	85
62	Cupertino	100	127	La Grange	33	192	Orange	345	257	San Luis Obispo	275
63	Daly City	96	128	La Jolla	420	193	Orinda	90	258	San Martin	120
64	Danville	65	129	Lafayette	80	194	Orville	160	259	San Mateo	90
65	Davis	87	130	Laguna Beach	365	195	Oxnard	325	260	San Marino	315



CHIEF EXECUTIVE OFFICE

2001 JUL -9 A 11:13

**OFFICE OF COUNTY COUNSEL  
STANISLAUS COUNTY**

*Michael H. Krausnick*  
**COUNTY COUNSEL**

*E. Vernon Seeley*  
**ASSISTANT COUNTY COUNSEL**

**DEPUTIES**

*Wm. Dean Wright*  
*Linda S. Macy*  
*John P. Doering*  
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*Vicki F. de Castro*  
*Carrie M. Stephens*

1010 10th Street, Suite 6400 Modesto, CA 95354  
PO Box 74, Modesto, CA 95353-0074  
Phone: 209.525.6376 Fax: 209.525.4473

July 11, 2001

**MEMO TO:** Reagan M. Wilson  
Chief Executive Officer

**FROM:** Michael H. Krausnick  
County Counsel

**SUBJECT: COUNTY COUNSEL'S OFFICE CREDIT CARD POLICY**

I have reviewed our policies and procedures on credit card use with my secretary, Sharon Cummings, and I have the following to report per your request of June 26, 2001:

1. County Counsel credit cards are locked up and provided to staff when needed.
2. Credit Cards are kept in a folder with a check out page for each employee so my secretary knows who has their credit cards and/or who has not returned their card.
3. For travel, credit cards are handed out to staff with a folder containing the information said employee needs for his/her conference along with meal allowances and tipping information. It is the policy of our office that each employee give any and all credit card receipts to Sharon immediately upon their return to the office so that she can put them in order promptly.

Sharon then reviews all receipts, asks for any overage, if any, to be paid immediately by check or cash, she keeps said receipts all together with copies of conference information, etc. and then waits for the actual MasterCard statement to come. The overages, if any are deposited to the County as soon as I receive them. There are very few overages in this office as each of our employees has been asked to pay in cash or use their personal credit card for overages.

When the actual MasterCard statement arrives, Sharon attaches all the original receipts and any notes or explanations she has received. The Department Head signs each and every statement we receive after he has reviewed the same.

MEMO TO: Reagan M. Wilson  
Chief Executive Officer

July 11, 2001

Page Two

4. The County Counsel's office orders most of our everyday supplies through Corporate Express (County Authorized) with an account set up with a credit card with Jennifer Brostrom's name and it works extremely well and we are very satisfied with them.
5. Sharon Cummings has a separate Office Supplies Credit Card in her name used for equipment, etc. She always goes through purchasing before she orders equipment. She recently asked Keith Watts the best and proper way to order some printers. He gave her the name of a government supplier who uses Purchase Orders and/or Credit Cards. Purchasing gave her the ok to use her credit card to buy three small printers to for our attorneys a couple of weeks ago.
6. Once a month we receive a Detailed Transaction Report showing all activity on all cards. Sharon reviews this Report each month and then forwards it to the Department Head for his review and signature. It is then keep in a binder.
7. Sharon Cummings also keeps a three-ring binder with a divided section for each attorney, one for office supplies and one for miscellaneous. Behind each section she dates each entry and puts all pertinent information and all original receipts. These binders containing all travel and credit card information are available for viewing at any time.

MHK/sc

V:\CO\_ADMIN\WP\CMMNGSS\MASTERCDC\Credit Card Report to RW.wpd



JAMES C. BRAZELTON  
District Attorney

CAROL SHIPLEY  
Assistant District Attorney

OFFICE OF THE  
**DISTRICT ATTORNEY**  
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CHIEF EXECUTIVE OFFICER

2007 JUL 30 A 10 11



MEMORANDUM

Date: July 23, 2001

To: Reagan M. Wilson, Chief Executive Officer

From: Jim Brazelton, District Attorney

Re: Credit Card Program

Regarding transactions/purchases using a County credit card, procedures in the District Attorney's Office are as follows:

Travel:

Travel must pre-authorized by the supervisor prior to the trip. An approved Trip Authorization must be obtained, which is approved by the traveler's supervisor and the Administrative Services Manager. The Trip Authorization must contain estimated expenditures and their costs. Once travel is completed, the Trip Authorization and all supporting receipts must be turned in to the Accounting Technician. All travel costs must be supported by receipts, in particular charges against the county Purchasing Card. Any overages in the costs of meals, etc. or unallowable costs must be reimbursed to the county by the traveler at the time of reconciliation. DA staff are encouraged to use the Purchasing card for all travel costs whenever possible, in order to have clear and complete of documentation of all travel costs.

The Accounting Technician reconciles the receipts to the Trip Authorization and the purchasing card statement. Any missing receipts **MUST** be supported by a detailed memo that explains what the charge was for, why the receipt is unavailable, and must be approved by the District Attorney or Assistant district Attorney. DA staff understand that an individual may be subject to disciplinary action should they continually lose purchasing card receipts, in particular the loss of the use of the purchasing card. Additionally, the Accounting Technician audits all travel purchasing card transactions to insure that they fall within county and departmental guidelines. Travelers are encouraged to use economy in making travel arrangements, although it is understood that safety and convenience are important factors.

Other purchases:

Staff are allowed to use their purchasing cards for routine non-travel purchases provided that they obtain proper authorization for such purchases in the form of a pre-approved Procurement form. This form is approved by the employee's supervisor and the Administrative Services Manager. After purchase, the receipts and the procurement form are submitted to the Accounting Technician who reconciles the receipts to the purchasing card statements. Missing receipts must be documented by a detailed memo that explains what the charge was for, why the receipt is unavailable, and must be approved by the District Attorney or the Assistant District Attorney. DA staff understand that an individual may be subject to disciplinary action should they continually lose purchasing card receipts, in particular the loss of the use of the purchasing card.

It is understood that there will be "paperless" transaction against the purchasing cards, in particular ongoing monthly or annual charges (ie, ISP charges, subscriptions, etc). These charges are documented on the original procurement form.

Reconciliation:

Purchasing card statements are reconciled monthly. The Accounting Technician reconciles all purchasing card statements except 1) her own and 2) those for the Child Abduction Unit. The Account Clerk assigned to the Child Abduction unit reconciles the Accounting Technician's statement, plus all Child Abduction Unit statements except her own, which is reconciled by the Accounting Technician. At the time of reconciliation, the staff insure that all receipts are matched to the statements, and that any questionable or unauthorized transactions are reviewed, reversed, reimbursed or other appropriate action is taken. Missing receipts are requested from the purchaser; if they are not received in a timely fashion the purchaser's supervisor is informed so that appropriate disciplinary action can be taken. The Accounting Technician documents all such requests for receipts.



OFFICE OF  
**DISTRICT ATTORNEY**  
**FAMILY SUPPORT DIVISION**

251 E. Hackett Road  
Modesto, CA 95358

JAMES C. BRAZELTON  
District Attorney

Telephone: (209) 558-3000

Fax: (209) 556-4402

Reply to: P.O. BOX 4189

Modesto, CA 95352-4189

July 24, 2001

TO: Reagan Wilson

FROM: David Ingersoll

SUBJECT: Credit Card Program Audit

Pursuant to your request, a review of the internal policies and practices of the Family Support Division has been conducted to ensure consistency with the credit card policy and all other Purchasing policies and rules. The results of this internal audit indicate compliance. The Auditor Controller audit for audit period January 24, 2001 to February 23, 2001 reflects compliance. The end of fiscal year audit submitted by the Grand Jury indicated Credit Card Program compliance. The Division was commended by the Grand Jury.

The latest version of the Stanislaus County Purchasing Division Policies and Procedures manual, dated November 1992, was written prior to County Internet availability and Credit Card Program. The Stanislaus County Purchasing Card Policy of October 1996 and Revision of February 29, 2000, has been utilized as the buying guide and is considered to have superseded many portions of the Purchasing November 1992 Policies and Procedures Manual. Close coordination is maintained with Purchasing for items over \$5,000. The Division frequently uses Purchasing Cards. Occasionally, the Cards are used because the Cards are more expeditious. However, the Cards are not used to avoid the County's Purchasing Programs and Policies.

If you have any questions or comments, please call me at 558-3050.





July 30, 2001

**DEPARTMENT OF ANIMAL SERVICES**

"Promoting Responsible Pet Ownership"


2846 Finch Road, Modesto, CA 95354  
Phone: 209.558.PETS Fax: 209.558.8294  
www.animalservices.8m.com

CHIEF EXECUTIVE OFFICER

2001 200 - 1 2 14

## MEMORANDUM

**TO:** Reagan Wilson, Chief Executive Officer

**FROM:** Michael A. Rodriguez, Director of Animal Services 

**SUBJECT:** Credit Card Report

We have reviewed our internal credit card policy and found the policy needed to be amended in some areas. Our internal policy meets all guidelines and accountability of the County Credit Policy.

- We have issued seven credit cards to our management team. We review each credit card at the monthly management meetings.
- We also require Department Head approval for all purchases. This can be easily accomplished because we are a small Department.

We will continue to monitor all transactions to ensure they are consistent with County Credit Policy.

**Stanislaus County  
Sheriff's Department  
Credit Card Policy**

In addition to County Credit Card Policy the Sheriff's Department has instituted the following:

Approval of each employee's credit card statement is indicated when the division manager signs the attached Journal Voucher that transfers the charges to the appropriate expenditure accounts. A copy of this signed Journal should be sent to the Business Manager each month.

The purchase of computers on credit card is not allowed. *(Exception to this requires prior written approval of a department executive staff member.)*

Individual purchase of any one item in excess of \$1,000 is not allowed. *(Exception to this requires prior written approval of a department executive staff member.)*

Statements will be reconciled no later than 3 weeks after receipt of the statement

Department credit card clerks will immediately send requests for missing receipts to cardholders and obtain from them either the receipt or a statement of missing receipt signed by their manager.

Training staff will attach the course roster to meal receipts for in county training.

Employees will be required to pay any personal charges or overages within the time frame of that statements monthly reconciliation.



CHIEF EXECUTIVE OFFICE

2001 JUL 24 A 10:55



City of Modesto

**STANISLAUS REGIONAL 9-1-1**

JEANNE HARDIN, Director  
3705 Oakdale Road  
Modesto, CA 95357

Telephone (209) 552-3900

Fax (209) 552-3950

July 23, 2001

MEMO TO: Reagan Wilson, Chief Executive Officer  
FROM: Jeanne Hardin, Director *JH*  
SUBJECT: Credit Card Program

Our recent managers meeting included discussions concerning the credit card program, as a result of your recent memo addressing problems in our current program. All managers were encouraged to continue maintaining good judgement in their use of the county credit card. Even though guidelines have been discussed with all employees over the recent years on the proper usage of the county credit card, we have not instituted a written policy and procedure to be incorporated in our Policy and Procedure Manual that is given to each employee when hired.

To insure there is no misuse of credit cards within our department, we are implementing a policy to include the following guidelines for all employees to strictly adhere to.

1. Any employee utilizing their county credit card for purchases, i.e. travel related expenses, books, journals, software, etc., will need to turn in their receipt (s) of purchase within 10 days. Those who fail to do so, will be advised to write a personal check for the amount to the county. Failure to do so will result in the amount taken from payroll deduction.
2. Prior to making a purchase for items under \$1,000.00, employees must first contact the Purchasing Department to see what may already be arranged through contracts, which may prove to be more cost effective for greater discounted prices.
3. An annual review of departmental credit card usage as well as individual use, will be conducted by the department head and senior office manager insure compliance.
4. Anyone abusing this policy will be asked to turn in their credit card and lose their privilege to make any purchases without department head approval.



# STANISLAUS COUNTY PROBATION DEPARTMENT

2215 Blue Gum Avenue • Modesto, CA 95358-1097

Phone (209) 525-5400 • Fax (209) 525-4588




**Linda L. Duffy**  
Chief Probation Officer

MEMORANDUM

July 20, 2001

TO: Dorothy Adams  
CEO, Executive Assistant

FROM: Sam Cook   
Administrative Services Manager

SUBJECT: Departmental Credit Card Policies

First, I apologize that this response is late. I just received your memo today. Our Executive Secretary did check our fax records and could not identify receipt of any faxes from the CEO on June 26, so I hope you have the correct numbers for the Department. Our "general" fax number is 525-4588. The "direct" fax number for the Chief is 525-5486.

Secondly, I am very glad to have this opportunity to address some of the recent issues that have surfaced in regard to the Credit Card Program. I will address your concerns specifically, but I would like to say up front, that implementation of the credit card policy was, in my view, one of the most forward-thinking, productivity enhancing, cost-saving procedural changes the County has made in the last 10 years. I was very proud to advertise to other Probation Business Managers, the leadership of the CEO in implementing the policies of reinventing government and empowering staff as evidenced by the Credit Card Program.

Prior to the implementation of this program, the Probation Department was struggling under the weight of an onerous purchasing process. The old electronic system was inefficient and difficult to use, the rules were over-restrictive, and the timeliness was unacceptable. In many cases, it was more expensive in time to process a purchase order than the item cost. When I arrived in Stanislaus County 10 years ago, one of my first purchases was a \$60 bookcase that took over 6 months to arrive. I could have bought the same bookcase at Office Depot for \$29, but Purchasing had a contract with a company in Merced. The original order was backlogged and eventually replaced with another more expensive bookcase. We've come a long way!

When the new Credit Card Program was implemented, the economy had begun to turn-around and new grants were being received to support important programs. Our ability to purchase small items (Less than \$1,000) enabled us to implement these new programs in a cost effective, timely manner. A more restrictive credit card policy is not necessary and would only serve to increase inefficiencies in the County. We do need to aggressively enforce current policies.

To address your "observations" directly:

1. We have a good (but with some room for improvement) audit process in place. We need to use it properly and discipline those employees who abuse the system. Once an employee is fired for misuse of the credit card, others will learn quickly. We have already lost one employee at Probation, which was unfortunate, but that certainly serves as a good example to others.

2. This is the point I wanted most to address. I believe we (Probation) have an effective Department policy. I'm very proud of the staff here in the implementation of that policy, yet the recent audit we had identified findings related to missing receipts. The problem was that the audit reviewed a statement that was only three weeks old. We had identified and requested missing receipts but hadn't yet received them. Two days after the audit, we had all but one or two of the missing receipts. The audit implied that there were problems where I do not believe there are any. I have attached my rebuttal, but the point I want to make is that we do get ALL the receipts or documentation to support missing receipts.

3. We absolutely DO use the credit card to expedite purchasing. However, we carefully follow Purchasing guidelines, getting bids, checking with Purchasing Agents or researching catalogs for even the smallest items, such as pens and pencils. But once a "good" price is found, it is far more efficient to call the vendor or to place an internet order than to submit a requisition/PO to Purchasing. The advantage of having the credit card is to expedite the purchase while saving numerous man-hours in the process. All purchases over \$5,000 and most between \$1,000-\$5,000 go through Purchasing, which I believe is appropriate. But I do not believe it is appropriate or necessary to lower those limits. Department Heads have been given a budget. They should be empowered to use it. In Probation, budgets are tight and it is clearly in our best interest to carefully research prices. If the Auditors do find abuse or failure to follow purchasing policy, then the cards should be withdrawn from that Department or person, or additional limits imposed.

4. and 5. No comment.

6. The reason that inventory practices vary for items under \$1,000 is that there is no requirement for Departments to maintain an inventory for items under \$1,000. Since these records are optional, it is no surprise that they vary.

7. Purchasing Agents are often very difficult to contact, although we (Probation) do make the effort in most cases for larger purchases. Voice mail is the norm and answers are not always timely. I often use Groupwise as well, but in many cases, the answers are delayed. It is usually more efficient to do your own research. Even on requisitions going through the system, we do our own research on prices and forward that information to Purchasing to expedite the purchase. Even when contacted, Agents will often not have prices readily available, and the research often takes an inordinate amount of time.

8. I don't understand this comment. Current policy now is that the Department Head or designee must review and sign each monthly statement. Probation has been doing this for some time. This should be a condition to continued use of the credit card.

9. I am not sure I understand the problem. At least in Probation, EVERY credit card purchase, under or over \$1,000 must be accompanied by a memo documenting who made the purchase, when, and for what purpose. I hope this comment is not suggesting that we now keep an inventory of items under \$1,000. This was never required before credit cards. We do track certain items less than \$1,000, ie. computers, as we see appropriate, but it would probably not be cost effective to track smaller items.

10. and 11. I agree.

Thank you for the opportunity to comment on the Credit Card System. I strongly encourage the continuation of the program, supported by a deliberate and consistent audit effort. I would ask the auditors to look carefully at their findings so that reports will address only real abuses or systematic problems.



## STANISLAUS COUNTY PROBATION DEPARTMENT

2215 Blue Gum Avenue • Modesto, CA 95358-1097

Phone (209) 525-5400 • Fax (209) 525-4588



**Linda L. Duffy**  
Chief Probation Officer

### MEMORANDUM

July 20, 2001

**TO:** Stephen Smith, Chief Deputy Auditor-Controller

**FROM:** George Gillispie, Chief Deputy Probation Officer

**SUBJECT:** Probation Credit Card Audit

When your draft report came to the Department for review in May, Sam Cook, the Administrative Services Manager submitted a Groupwise response (5/9/01 - attached) with suggested changes which should have resolved most of these findings. None of his suggested changes were incorporated into the audit report.

We do not disagree with any of the findings. However, it was the timing of the audit itself that created the findings, not the Department procedures. The period audited was Feb 24-March 23. Normally we do not receive statements until late in the month and then it takes about a month to collect the receipts. We do get most receipts very promptly but some always take a little longer. We do get them all. If the audit were done for the Jan/Feb period, you would have found no missing receipts. Most of the "late" receipts are justified, as explained below. The second finding states that there was no evidence that the county had been reimbursed for travel expenses exceeding the allowable limits. Prior to the audit, all overages except those from two employees had been collected, but not yet deposited. Again, this finding is related to the timing of the audit and not the viability of the procedures in place.

The findings stem from the fact that you felt statements should be reconciled prior to three weeks after the end of the last statement period. That was your **first recommendation**. First, there is no County policy that sets a time limit to complete reconciliations. Second, this "unwritten" policy does not provide for a common situation that exists in the Probation Department. In some cases, which was the situation in this audit, employees are attending training spanning as long as four weeks. Depending on the date of their return, it is possible that several weeks after the end of the last statement period may have already elapsed before their return, making it impossible to meet your three week limit.

I strongly disagree with your **second recommendation** because it implies that County policy requiring documentation for all expenditures was not followed. This is incorrect as Sam pointed out to you in his Groupwise response to your initial draft. We have an absolute commitment to document every expenditure, and we are proud of our record in doing that. Our "failure" was that we didn't do it within three weeks. Your **third recommendation** makes no sense in the context of the May audit, as it requests missing receipts be forwarded within 10 days. We did forward receipts or documentation related to all missing receipts in early May, as you indicated in your findings. There are no outstanding missing receipts due that we are aware of.

The **fourth recommendation** is not a recommendation at all, it is a restatement of County policy.

Your **fifth recommendation** is appropriate. Due to a turn-over in staff, we had failed to maintain the Out-of-State Use Tax Log. Subsequent to the audit, we reviewed our files and updated the old log to current status and continue to maintain it on a daily basis.

In summary, an audit should have a clear purpose of ensuring that procedures are in place to preclude misuse of County property, as opposed to enforcing an unwritten policy that may not fairly measure the Agency's success in controlling the County's resources.



# STANISLAUS COUNTY PROBATION DEPARTMENT

2215 Blue Gum Avenue • Modesto, CA 95358-1097

Phone (209) 525-5400 • Fax (209) 525-4588



**Linda L. Duffy**  
Chief Probation Officer

## MEMORANDUM July 23, 2001

**TO:** Reagan M. Wilson  
Chief Executive Officer

**FROM:** Sam Cook  
Administrative Services Manager

**SUBJECT:** Departmental Credit Card Policies

First, I apologize that this response is late. I just received your memo today. Our Executive Secretary did check our fax records and could not identify receipt of any faxes from the CEO on June 26, so I hope you have the correct numbers for the Department. Our "general" fax number is 525-4588. The "direct" fax number for the Chief is 525-5486.

Secondly, I am very glad to have this opportunity to address some of the recent issues that have surfaced in regard to the Credit Card Program. I will address your concerns specifically, but I would like to say up front, that implementation of the credit card policy was, in my view, one of the most forward-thinking, productivity enhancing, cost-saving procedural changes the County has made in the last 10 years. I was very proud to advertise to other Probation Business Managers, the leadership of the CEO in implementing the policies of reinventing government and empowering staff as evidenced by the Credit Card Program.

Prior to the implementation of this program, the Probation Department was struggling under the weight of an onerous purchasing process. The old electronic system was inefficient and difficult to use, the rules were over-restrictive, and the timeliness was unacceptable. In many cases, it was more expensive in time to process a purchase order than the item cost. When I arrived in Stanislaus County 10 years ago, one of my first purchases was a \$60 bookcase that took over 6 months to arrive. I could have bought the same bookcase at Office Depot for \$29, but Purchasing had a contract with a company in Merced. The original order was backlogged and eventually replaced with another more expensive bookcase. We've come a long way!

When the new Credit Card Program was implemented, the economy had begun to turn-around and new grants were being received to support important programs. Our ability to purchase small items (Less than \$1,000) enabled us to implement these new programs in a cost effective, timely manner. A more restrictive credit card policy is not necessary and would only serve to increase inefficiencies in the County. We do need to aggressively enforce current policies.

To address your "observations" directly:

1. We have a good (but with some room for improvement) audit process in place. We need to use it properly and discipline those employees who abuse the system. Once an employee is fired for mis-use of the credit card, others will learn quickly. We have already lost one employee at Probation, which was unfortunate, but that certainly serves as a good example to others.
2. This is the point I wanted most to address. I believe we (Probation) have an effective



# STANISLAUS COUNTY

DEPARTMENT OF AGRICULTURE

AND WEIGHTS AND MEASURES

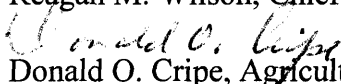
3800 Cornucopia Way Suite B  
Modesto, California 95358

(209)525-4730 Fax (209)525-4790

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DATE: July 13, 2001

TO: Reagan M. Wilson, Chief Executive Officer

FROM:  Donald O. Cripe, Agricultural Commissioner/Sealer of Weights & Measures

SUBJ: DEPARTMENTAL CREDIT CARD POLICY REVIEW

REF: CREDIT CARD PROGRAM MEMO DATED JUNE 26,2001

Attached is a document entitled *Agricultural Commissioner's Internal policies and Practices for Credit Card Use*. Also attached are copies of internal pre-authorization forms developed by our department for purchase and travel. These forms have been adapted to include the program codes used by our department.

These policies and practices are consistent with the Credit Card Policy and other purchasing policies and rules.

Please note:

1. These policies and practices have recently been put into writing in response to the June 2001 Credit Card Program memo.
2. A review of our past practice reveals that we have been consistent with these written policies, Credit Card Policy and purchasing policies and rules with the following exceptions:
  - a. We have allowed the members of our management team to carry their credit cards. This consisted of six management team employees, which now has been reduced to two senior managers who carry credit cards.
  - b. While MIS has been aware of our computer capabilities and upgrades, we have not consulted formally with them each time a purchase was made; however, our purchases are consistent with the general direction of the newly developed policy by our Chief Information Officer.

There is an additional situation which deserves comment:

In June of 1999, we received authorization to raise the credit card limit for Dennis Gudgel (Assistant Ag Commissioner) to \$120,000. This was for the purpose of updating antiquated computer



DEPARTMENTAL CREDIT CARD POLICY REVIEW  
Agricultural Commissioner/Sealer of Weights & Measures  
Page 2

equipment so that our daily report system could also be updated. We were concerned that vital data could be lost during the Y2K transition. This data is used to support our annual program expenditure reports to the California Department of Food & Agriculture. Without these reports, approximately one-half million dollars of revenue annually would be in jeopardy. Making these purchases in June with Fiscal year 1998/99 year-end funds allowed us to remove these requests from the Fiscal Year 1999/00 budget and to recover 70% of the cost through unclaimed agricultural use Gas Tax reimbursement in Fiscal Year 1999/00.

The short time frame (about 2 weeks) to complete these purchase so that the Gas Tax reimbursement would not be lost dictated that we use the credit card since the PO/Requisition process could not complete the purchase in the time frame required.

It was acknowledged by us that this was to be a temporary increase for a specific purpose and on July 27, 1999, formal request was made by us to reduce this limit (see copy attached). Several follow-up phone calls were made by us regarding this request and the Auditor reported making this request of Bank of America.

Even though this request was not acted on by the bank until recently, our records will show that we have not used this card at this limit since June of 1999.



STANISLAUS COUNTY  
DEPARTMENT OF AGRICULTURE  
SEALER OF WEIGHTS AND  
MEASURES

3800 Cornucopia Way, Suite B  
Modesto, CA 95358  
(209)525-4730  
\* Fax \*  
(209)525-4790

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**AGRICULTURAL COMMISSIONER'S INTERNAL POLICIES AND PRACTICES FOR CREDIT CARD USE**

All credit cards are kept locked in the safe with the exception of:

Donald O. Cripe:      Agricultural Commissioner/Sealer  
Dennis Gudgel:      Assistant Agricultural Commissioner/Sealer

**Credit Card Process:**

1. Employee must establish the need for requested items/travel with his/her supervisor.
2. Employee must fill out either a Pre-Purchase Authorization slip or a Purchasing Card Travel Authorization Slip (see attached samples).
3. Supervisor must review the authorization slip for adequate descriptions, estimated costs and provide appropriate program codes.
4. Supervisor must approve and sign the authorization slip.
5. Employee presents signed authorization slip to the Account Clerk III (if not available, to either an ACII or the Confidential Assistant IV).
6. Account Clerk will retrieve the credit card from the safe and have the employee sign the Credit Card Check-out Log. Account clerk will retain the authorization slip.
7. Employee will make purchase as authorized.
8. Employee will return the credit card along with receipts to the Account Clerk. If receipts have been lost or misplaced, the employee MUST complete the lost receipt portion of the authorization slip.
9. Account Clerk will return the credit card to the safe, check the card back in on the log and attach the receipts to the authorization slip.
10. Account Clerk III will audit transaction to ensure purchase is in compliance with the both the Stanislaus County's Travel Policy and Purchasing Card Policy.

## INTERNAL CREDIT CARD POLICY

Agricultural Commissioner

Page 2

11. Any amounts that are not in compliance or exceed limits will be reimbursed by the employee immediately.
12. AC III will enter the transaction, in detail, into the QuickBooks program and file the receipt in a holding file until the Auditor's Purchasing Card Detail Transaction Report and monthly Bank of America statements arrive.

### **Reconciliation Process:**

ACIII will print a QuickBooks report (see attached sample) and audit it against the Bank of America statements and Auditor's report for accuracy. The corresponding receipts are pulled from the holding file and placed in individual envelopes by employee name (this makes it easier to retrieve receipts if requested). They are filed in the AC III's lock file cabinet in monthly folders.

If amounts do not match or items are missing, the AC III will need to research and correct any errors.

Once balanced, a copy of the QuickBooks report and the Auditor's transaction report are given to the Department Head for review & approval. The QuickBooks report will allow the Department Head to review the transaction in detail (description of each item, purpose/destination of travel, etc.), while the Auditor's report shows only the amount of each purchase and who it was purchased from. The totals of both reports as well as the Bank of America statements must match.

Once approved, the AC III will prepare a journal to transfer the funds from the credit card account to the proper expense accounts. The journal is signed by the AC III and the Department Head and forwarded to the Auditor's office.

A copy of the signed Auditor's transaction report, the QuickBooks report, the transfer journal and the Bank of America statements are filed in the monthly folder along with the receipts.

### **To obtain a new credit card:**

The department must draft a memo including the employee's name, title and desired credit limit to the Auditor-Controller's office. A Credit Card Authorization & Application Form and Bank of America Purchasing Card Program Maintenance Form must also be completed and sent to the Auditor's office.

**To cancel a credit card:**

Upon termination or for reasons determined by management, a memo must be drafted listing the person's name, title and credit card number with the instructions to cancel the credit card. A Bank of America Purchasing Card Program Maintenance Form must also be completed and the credit card cut in half along the magnetic strip. These items need to be forward to the Auditor's office.

**To increase/decrease credit card limits:**

A memo must be drafted listing the employee's name, title, credit card number and the requested increase/decrease. A Bank of America Purchasing Card Program Maintenance Form must also be completed. Both forms must be forwarded to the Auditor-Controller's office.

# Purchasing Card Travel Authorization

**Travel Dates:**                      **Start date:** \_\_\_\_\_ **End Date:** \_\_\_\_\_

**Cardholder's Name:** \_\_\_\_\_

**Destination:** \_\_\_\_\_

**Purpose of trip:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Estimated cost of travel:**     \$ \_\_\_\_\_

**Purchase Approved by:** \_\_\_\_\_  
(Supervisor/Manager's Signature)

**PLEASE CIRCLE APPROPRIATE PROGRAM CODE:**

- |                                      |                                |                         |
|--------------------------------------|--------------------------------|-------------------------|
| 00 - Indirect Costs                  | 05 - Pesticide Use Enforcement | 10 - Apiary Services    |
| 01 - Pest Detection                  | 06 - Seed Inspection           | 11 - Crop Statistics    |
| 02 - Pest Eradication                | 07 - Nursery Inspection        | 12B - Weights& Measures |
| 03 - Pest Management-Control         | 08 - F&V Quality Control       | 12C - Vapor Recovery    |
| 04 - Pest Exclusion-Plant Quarantine | 09 - Egg Quality Control       |                         |

**OFFICE USE**

Does this purchase exceed allowable limits?	YES	NO	Is original receipt attached?	YES	NO
If yes, has employee reimbursement been received?	YES	NO			
Is copy of reimbursement attached?	YES	NO	*** If no, please have employee sign below		

I acknowledge that the transaction listed above was purchased by me and the original receipt has been lost or is unattainable

\_\_\_\_\_

Employee signature
Print Name

Vendor	Posting Date	Transaction #	Program # Class	Acct	\$

Posted in QB?                      YES

# Mastercard Pre-Purchase Authorization Slip

Today's Date: \_\_\_\_\_

Cardholder's Name: \_\_\_\_\_

Describe items being purchased and what they will be used for:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Estimated price of purchase:     \$     \_\_\_\_\_

Purchase Approved by: \_\_\_\_\_  
(Supervisor/Manager's Signature)

**PLEASE CIRCLE APPROPRIATE PROGRAM CODE:**

- |                                      |                                |                         |
|--------------------------------------|--------------------------------|-------------------------|
| 00 - Indirect Costs                  | 05 - Pesticide Use Enforcement | 10 - Apiary Services    |
| 01 - Pest Detection                  | 06 - Seed Inspection           | 11 - Crop Statistics    |
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**OFFICE USE**

Does this purchase exceed allowable limits?	YES	NO	Is original receipt attached?	YES	NO
If yes, has employee reimbursement been received?	YES	NO			
Is copy of reimbursement attached?	YES	NO	*** If no, please have employee sign below		

I acknowledge that the transaction listed above was purchased by me and the original receipt has been lost or is unattainable

\_\_\_\_\_

Employee signature
Print Name

Vendor	Posting Date	Transaction #	Program # Class	Acct	\$

Posted in QB?                    YES



# STANISLAUS COUNTY

DEPARTMENT OF AGRICULTURE  
AND WEIGHTS AND MEASURES

3800 Cornucopia Way Suite B  
Modesto, California 95358  
(209)525-4730 Fax (209)525-4790

DATE: July 27, 1999  
TO: Byron Bystrom, Auditor/Controller  
FROM: Donald Cripe, Agricultural Commissioner  
Fidelis Gines, Account Clerk III  
SUBJECT: Master Card

Please decrease the credit limit of the existing Master Card and cancel the other card because the employee no longer works in our department. Thank you.

	<u>Name</u>	<u>Title</u>	<u>Decrease to</u>
Decrease:	Dennis Gudgel	Assistant Commissioner	\$ 2000.00
Card #	5405 8231 9329 6725		
Cancel:	Don Dressler	Ag/WM Inspector I	500.00
Card #	5405 8231 9344 1065		

The canceled Master card has been cut up and forwarded to Terri Rubicalva.

# PURCHASING CARD PROGRAM MAINTENANCE FORM

## Part I: Corporate Level Maintenance

Standard Information:

Please update the following:

Name of Company: STANISLAUS COUNTY	Contact Name: Terri Rubalcava
Corporate Acct. #5405 8231 9284 8799	Business Address: PO BOX 770
Phone Number: (209) 525-6535	City/State/Zip: MODESTO CA 95353
Intermediate Level Number from:	To:
Intermediate Level Name from:	To:

## Part II: Individual Cardholder Maintenance

### A. General Information

Name Change	Address Change
Cardholder Name as it should appear:	New Address:
Name Line 1: DENNIS GUDGEL	Address Line 1:
Name Line 2:	Address Line 2:
Cardholder Account #: 5405 8231 9329 6725	City/State/Zip:

### B. Parameters

Individual Level

Corporate Level

Limits	Merchant Category Codes									
Change Credit Limit to: \$ 2,000.00	Change to use only the following MCC groups : (enter names of standard and/or custom groups up to 9) <table border="1" style="width: 100%; height: 60px; border-collapse: collapse;"> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>									
Change Internal Audit Code to:										
Change Single Purchase Limit to:										
Change Daily Maximum Dollar Amount/day to:										
Change Max Trans./day to: _____ transactions/day										
Change Max Trans./month to: _____ transactions/mo.	<i>If any of these MCC groups are new, please attach form 500 or 800.</i>									

### C. Request for New Cards

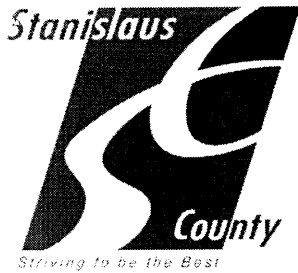
Card Replacement	SEND REPLACEMENT CARD TO:
<input type="checkbox"/> Lost <input type="checkbox"/> Stolen <input type="checkbox"/> Not Received <input type="checkbox"/> Embossing Error <input type="checkbox"/> Mutilated	Name:
<b>Cancellation/Reinstatement</b>	Address:
<input type="checkbox"/> Cancellation <input type="checkbox"/> Reinstatement	City/State/Zip:
	Phone Number:

Authorized By: Steve Smith/Terri Rubalcava,	Signature:	Date:
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DEPARTMENTAL AUTHORIZATION







**MIKE DEFERRARI**  
Stanislaus County Assessor

**Jack Rickenbacker**  
Chief of Valuation

**Doug Harms**  
Chief of Administration

*You Are Always Welcome In My Office!*

1010 Tenth Street, Suite  
2400  
P.O. Box 1068  
Modesto, CA 95353-1068

Phone: (209) 525-6461  
Fax: (209) 525-6586

## MEMO

**To:** Reagan Wilson, Chief Executive Officer  
**From:** Mike DeFerrari, Assessor *MD*  
**Date:** July 3, 2001  
**Re:** Credit Card Policies and Practices

This is in response to your request for our policies regarding our credit card use.

- 1) A credit card may be used for the following reasons:
  - a) Travel - Trip Authorization form is required
  - b) Training - Training must be approved by Supervisor and Chief Property Appraiser
  - c) Purchase of items costing less than \$1,000 - "Request for Item" (see attached) form must be completed and signed by Chief Property Appraiser for items less than \$500 and signed by Chief Property Appraiser and Assessor for items costing between \$500 and \$1,000
  - d) Employee recognition programs – approved by Department Head only
- 2) Credit Cards are kept in a locked file and are checked out when used.
- 3) Approval by either a Chief Property Appraiser or the Assessor is required prior to checking out a credit card.
- 4) Receipt or a "Missing Receipt Form" is required (see attached)
- 5) The Assessor's secretary reviews the credit card statements monthly verifying charges, receipts, and missing receipt forms. A Chief Property Appraiser and the Assessor reviews credit card accounts monthly including receipts, "request for item" forms, and missing receipt forms.
- 6) Items purchased for under \$1,000 (computer printers, computer monitors, electric staplers, etc.) are not formally inventoried – however we are formulating a list of such items that will include a description of the item, the date purchased, and the cost.
- 7) The Assessor's Office has used credit cards on an "expediency basis". An example of this is for a laptop computer purchased in September, 2000. We contacted MIS and received recommendations for a Compaq and Toshiba laptop. We wanted to use the laptop computer for our out of state audits and ordered one through Purchasing on August 25, 2000 to be delivered by October 3, 2000. When the computer hadn't arrived by September 27, 2000, we purchased one at a local store knowing that we could use the second laptop computer whenever it came in. The

laptop computer we had ordered through Purchasing arrived in mid-October, several days after our auditors returned from their audit trip.

- 8) While this is a one-time example, we do have instances where we regularly use our credit cards to order equipment on an "expediency basis". For instance, if one of our computer monitors fails we do not order a new one through Purchasing because it could take several weeks to be delivered. We do a brief search on the Internet to find the best monitor for the price, and either order it over the Internet or from a local computer store like Comp USA. We do the same when we need a \$200 printer, fax machine, etc. We cross check with Purchasing for prices, and in most cases we can buy this type of equipment at a better price because of discounts or sales offered through local stores.
- 9) We regularly purchase items costing over \$1,000 through Purchasing.

REQUEST FOR SPECIAL  
ITEMS NOT IN SUPPLY ROOM

Item requested: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Reason: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Need by date: \_\_\_\_\_

Requested by: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Prop.  
Appraiser: \_\_\_\_\_ Date: \_\_\_\_\_

Assessor: \_\_\_\_\_ Date: \_\_\_\_\_

STANISLAUS COUNTY  
MISSING RECEIPT FORM

MEMO TO: Purchasing Card Clerk  
 FROM:  
 SUBJECT: MISPLACED CREDIT CARD RECEIPT

I used my County credit card on authorized County business. The receipts for the following credit card purchases have been misplaced:

<u>Type of Purchase</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

These purchases are legitimate County expenses and payment of the credit card statement is justified.

\_\_\_\_\_  
 Cardholder Date Admin. Approval Date



OFFICE OF TREASURER / TAX COLLECTOR

Tom Watson  
Treasurer / Tax Collector

PO Box 859, Modesto, CA 95353-0859  
Phone: 209.525.6388 Fax: 209.525.7868

CHIEF EXECUTIVE OFFICE

2001 JUL -3 P 3:51

MEMO  
TO: Reagan Wilson, CEO  
FROM: Tom Watson, T/TC *Tom Watson*  
SUBJECT: Annual Review of Department Credit Card Charges  
DATE: July 3, 2001

I have reviewed the 2000-2001 year T/TC Office credit card charges to date. We have received 11 monthly statements which have been fully reviewed. We recently received the May 24, 2001 to June 23, 2001 report from the Auditor-Controller and are in the process of reviewing that also.

Of the 11 monthly reports which I reviewed, I found that we have original receipts or other documentation to support every transaction made. Any personal items have been reimbursed and purchases appear to be made within the policy parameters.

Below please find the breakdown of the expenses by month:

STATEMENT PERIOD		TOTAL TOTAL		MEMO:		OTHER OTHER	
from	to	# OF	\$	TRAVEL	TRAVEL	TRAVEL	TRAVEL
		TRANS.	EXPENDED	TRANS.	\$	TRANS.	\$
06/24/2000	07/23/2000	22	\$5,920.55	7	\$3,467.96	15	\$2,452.59
07/24/2000	08/23/2000	11	\$2,103.25	3	\$837.50	8	\$1,265.75
08/24/2000	09/23/2000	12	\$1,730.49	8	\$1,560.45	4	\$170.04
09/24/2000	10/23/2000	39	\$6,970.13	23	\$5,204.13	16	\$1,766.00
10/24/2000	11/23/2000	47	\$7,073.78	31	\$6,144.40	16	\$929.38
11/24/2000	12/23/2000	31	\$6,294.81	5	\$1,702.75	26	\$4,592.06
12/24/2000	01/23/2001	18	\$2,065.40	3	\$209.50	15	\$1,855.90
01/24/2001	02/23/2001	17	\$2,492.04	4	\$1,137.15	13	\$1,354.89
02/24/2001	03/23/2001	32	\$6,544.20	25	\$5,323.02	7	\$1,221.18
03/24/2001	04/23/2001	13	\$293.53	4	\$202.95	9	\$90.58
04/24/2001	05/23/2001	29	\$5,929.51	13	\$4,924.52	16	\$1,004.99
						0	\$0.00
TOTALS		271	\$47,417.69	126	\$30,714.33	145	\$16,703.36
AVERAGES:			\$174.97		\$243.76		\$115.20
			per transaction		per transaction		per transact.

The above figures include Retirement Board members who travel to State conferences, make due diligence visits on vendors and potential investment managers, and attend educational forums to keep abreast of current trends in retirement benefits and investments. The average expenditure per transaction for "other" items such as minor office supplies or catering for retirement seminars is less than \$120 (and in one month less than \$11 per transaction). We have 20 "open" cards (accounts).

I would think that relieving Purchasing and the Auditor-Controller's Office from having to deal with small cost items would save significant staff time and resources for the entire organization. I think that the introduction of purchasing cards for employees to be able to obtain necessary supplies in an expedient fashion and not have to fill out more forms which are then reviewed by other county employees saves time and money for the taxpayers of Stanislaus County which can be devoted to improving and expanding the services which are

*Stani*



**DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT**

CHIEF EXECUTIVE OFFICE


1010 10<sup>th</sup> Street, Suite 3400, Modesto, CA 95354

Phone: 209.525.6330 Fax: 209.525.5911

2001 JUL -5 P 3:42

**DATE:** July 5, 2001

**MEMO TO:** Reagan M. Wilson,  
Chief Executive Officer

**FROM:** Ron E. Freitas,   
Director, Planning and Community Development

**SUBJECT:** CREDIT CARD PROGRAM

In response to your request, I have reviewed our department credit card procedures with the county's policies and feel that we are in total compliance. All credit cards are kept in a secured area until needed, office supplies are purchased from Corporate Express, through Central Services Department, larger items are reviewed with Purchasing Department before being purchased and all receipts are turned with a written description of the item purchased and the reason for the purchase.

In August, 2000, our credit card procedures were reviewed by the county's outside independent auditors and one recommendation was made to improve our procedures which was implemented immediately. In February, 2001, Stephen Smith of the Auditor-Controller's Office reviewed our procedures and found no areas for improvement.

I personally review the monthly credit card detail transaction report to be aware of the items purchased and their cost.

If you have any questions or need further clarification, please don't hesitate to call me.

Thank you!



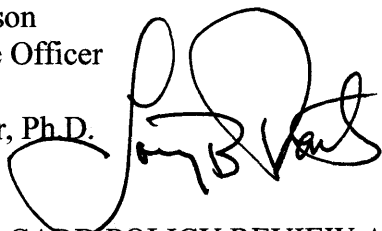
**BEHAVIORAL HEALTH AND RECOVERY SERVICES**  
A Mental Health, Alcohol and Drug Service Organization

Larry B. Poaster, Ph.D.  
Director

800 Scenic Drive, Modesto, CA 95350  
Phone: 209.525.6225 Fax: 209.525.6291

July 16, 2001

TO: Reagan M. Wilson  
Chief Executive Officer

FROM: Larry B. Poaster, Ph.D.  
Director 

SUBJECT: PURCHASING CARD POLICY REVIEW AND REPORT

In response to you memo dated June 26, 2001, the following report is being submitted.

Behavioral Health and Recovery Services has been audited twice within the last 12 months. Listed below are the results of the two audits.

- The report from Byron E. Bystrom, Auditor-Controller, dated October 4, 2000 indicated that the CPA firm of Bartig, Basler & Ray had no findings for Behavioral Health and Recovery Services.
- The report from Stephen Smith, Chief Deputy Auditor-Controller, dated June 18, 2001 indicated that all purchasing card transaction for the period of February 24, 2001 through March 23, 2001 were examined. On May 2, 2001, the day of the audit, less than 10% of purchasing card receipts were not found in the files (42 of 457). All missing receipts were submitted prior to May 25, 2001. The meal/tip overages were less than 1% (4 of 457); the total dollar amount was insignificant (\$5.11 total); and, most importantly, were reimbursed to the County.

The organization's purchasing card policy has been reviewed and revised. Several of the internal forms were revised and attached to the revised policy. Within the next month or two, the new policy will be distributed to all leadership staff of the organization at our monthly meeting. A brief training will be provided at that time. A copy of the revised purchasing card policy is attached. In addition, the organization's internal processing and audit procedures have been reviewed and revisions made as needed.

Reagan M. Wilson  
July 16, 2001  
Page 2


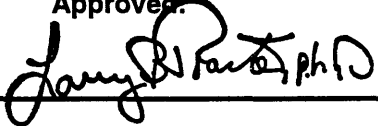
Currently, 84 Behavioral Health and Recovery Services staff have been issued purchasing cards. Generally, credit limits are \$1,500 or less. Staff responsibilities that require above average travel expenditures or purchases of training materials, advertisements for recruitment or RFP's, or emergency equipment/supplies have limits from \$2,500 to \$5,000. Three staff in the Administrative Services Division who are responsible for the purchasing function have limits of \$30,000. Approximately one half of the cards are locked up and checked out when needed and one half are kept by the cardholder. This is one area still being reviewed to determine whether the number of cards kept by cardholders can be reduced.

Purchasing policies and procedures for Behavioral Health and Recovery Services are contained in a Purchasing Guide Handbook developed by the Administrative Services Quality Improvement Council. A copy of the handbook has been sent to County Purchasing and several other departments as a benchmark or best practice.

All policies and procedures for the organization comply with County policies and procedures. Policies and procedures will be reviewed annually and revised as needed. Periodic reminders will be given to staff who have purchasing cards on appropriate use.

If you have any questions or would like additional information, please do not hesitate to contact me.

Attach.

 <b>STANISLAUS COUNTY</b> <b>BEHAVIORAL HEALTH AND RECOVERY SERVICES</b>	<b>Developed by/Date:</b> Ecco Stotts, MBA	<b>Page:</b> 1 of 4	<b>Number:</b> 12.3.0.2
	<b>Reviewed by/Revised Date:</b> Ecco Stotts, MBA 7/9/01	<b>Replaces:</b>	<b>Subject:</b> Purchasing
<b>Title:</b> <b>CREDIT CARD POLICY</b>		<b>Approved:</b> 	

**POLICY**

It is the policy of the Department of Behavioral Health and Recovery Services to use credit cards whenever they offer the most efficient and/or economical method of arranging for travel or for the purchase of goods and services under \$1,000. Such use shall be in strict adherence to the County's credit card, travel and purchasing policies.

**PURPOSE**

The use of credit cards benefit the Department by reducing the time and paperwork necessary to obtain urgently needed goods and services as well as eliminating the need for employee reimbursement for travel expenses. With the proper understanding of credit card usage as a method of payment and subject to sufficient controls, they can effectively be used in the purchasing function.

**PROCEDURE**

**I. ISSUANCE**

- A. Credit cards will be issued only to full-time County employees and on an exception basis to Personal Service Contract employees, who either travel periodically or are involved in the purchasing process.
- B. Credit cards will only be issued with the approval of the System of Care Chief and / or Associate Director and /or Assistant Director and the Director.
- C. The issuance and maintenance of credit cards shall be the responsibility of Accounting Services.
- D. A log of cardholders shall be kept by Accounting Services.
- E. Every employee issued a credit card (cardholder) shall be given a copy of the department's credit card policy and the Stanislaus County Credit Card and Travel Policies. They will also be required to sign an acknowledgment that they agree to abide by these policies and all related County policies, including purchasing policies. This acknowledgment will be kept in the employee's personnel file and a copy maintained in each cardholder file in Accounting Services.
- F. No cardholder shall lend their credit card to another person.
- G. Credit cards will be kept by Accounting Services or by a designated person.
- H. Credit cards will be given to the named employee, no more than one business day prior to use and only upon presenting a properly authorized "Trip Authorization" or "Purchasing Request" forms. Exception as noted in Item J, below.



<b>STANISLAUS COUNTY BEHAVIORAL HEALTH AND RECOVERY SERVICES</b>	<b>Title:</b>	<b>Number:</b>
	CREDIT CARD POLICY	12.3.0.2
		<b>Subject:</b> Purchasing
		<b>Page:</b> 2 of 4

- I. Credit cards must be returned to Accounting Services, with all receipts and documentation within one business day following use.
- J. Subject to the Department Head approval, cardholders may be issued a credit card to keep with them. Accounting Services will keep a list.

**II. GENERAL ROLES AND RESPONSIBILITIES**

- A. The cardholder assumes full responsibility for credit card use. They agree that any unauthorized use is grounds for discipline. The only exceptions to this are as follows:
  - 1. When otherwise authorized charges are made to a credit card that exceed the Department or the County's established reimbursement rate, the overage is reimbursed to the County promptly upon return. (e.g. when a charge for meals exceeds the established reimbursement rate.)
  - 2. When charges for multiple authorized meals, including those between Departments, are charged together. The names of all individuals will be written on the receipt or attached to the receipt.
  - 3. When properly authorized business expenses are combined with personal expenses and it is not cost-effective or even possible, to have them divided (e.g., when personal phone calls are charged to a hotel bill). The personal expense will be reimbursed at the time the receipt is submitted.
- B. No cardholder shall lend their credit card to another person. Doing so is a violation of Department and County policy and considered grounds for discipline, including possible termination. In the case of a cardholder revealing credit card numbers and related information to another individual to allow that individual to make travel plans, reservations or any other valid use, on behalf of the cardholder; the cardholder is still the sole responsible party with regard to the use of the credit card and receipt accountability.
- C. Any personal use must be immediately reimbursed to the County. If a cardholder is unable to provide a receipt for any credit card expenditure and has not signed the form documenting receipt has been misplaced and vendor unwilling or unable to provide duplicate, that expenditure shall be deemed to be for personal use and shall be reimbursed to the County. Any charges that exceed the County's established rates shall be reimbursed to the County.
- D. Any personal expenses that are not immediately reimbursed, or charges for which there are missing receipts or incomplete documentation, will be deducted from the employee's payroll check on the earliest possible payroll cycle.
- E. If a receipt is lost; it is the sole responsibility of the cardholder to contact the vendor for a duplicate in a timely manner.
- F. All cardholders are required to immediately report lost or stolen credit cards to both the company issuing the credit cards and to the Department. All cardholders will be provided a toll free 24-hour phone number to report lost or stolen cards as well as a phone number to notify the Department.

<b>STANISLAUS COUNTY BEHAVIORAL HEALTH AND RECOVERY SERVICES</b>	<b>Title:</b>	<b>Number:</b>
	CREDIT CARD POLICY	12.3.0.2
		<b>Subject:</b> Purchasing
		<b>Page:</b> 3 of 4

- G. Upon termination, leave of absence or any other separation of employment, the cardholder will surrender their credit card, along with all outstanding receipts.
- H. Any card issued to a terminated employee will be destroyed by Accounting Services.
- I. Accounting Services shall receive all credit card statements directly. Cardholders will be notified by Inter-Departmental Mail as to missing receipts. Cardholders will have five (5) business days to provide missing receipts. 1. If the cardholder is unable to obtain a duplicate receipt for a lost or missing receipt the cardholder may complete "Misplaced credit card receipt" form. This form must be signed and approved by System of Care Chief, Assistant and/or Associate Director. 2. Any missing receipts following that time shall be considered to be personal expenditures and shall be reimbursed to the County by payroll deduction, without further notice to the cardholder, except for Section I, Item J, below.
- J. If a cardholder believes that a specific charge on their credit card is in error, they shall notify Accounting Services immediately. The cardholder must complete a "Purchasing Card – Statement of Disputed Item" form as soon as possible. Any such items shall not be subject to cardholder reimbursement until resolved.

### III. TRAVEL

- A. All travel shall require a properly authorized "Trip Authorization" form.
- B. Except as noted in Section I, Item J, above, a credit card will be issued to a cardholder no sooner than one business day prior to the travel date.
- C. Within one business day of returning from travel, the card and all receipts shall be presented to Accounting Services.
- D. It is the cardholders' responsibility to calculate excessive meal and other personal charges and provide reimbursement at the time the credit card is returned and/or the receipts are due.

### IV. PURCHASING

- A. A properly completed and authorized "Purchasing Request" form shall be presented to Purchasing, prior to any procurement. Cardholders must conform to Department and County purchasing policies; including, but not limited to, issues such as Material Safety Data Sheets, Conflict of Interest, OSHA requirements, comparative rate review, etc. The use of a credit card for procurement does not relieve the cardholder or the Department from appropriate controls or requirements.
- B. Purchasing shall have the discretion of using the most efficient method for procurement.
- C. If the item or items cannot be purchased with a credit card, Purchasing shall substitute another method of procurement consistent with the stated need.

<b>STANISLAUS COUNTY BEHAVIORAL HEALTH AND RECOVERY SERVICES</b>	<b>Title:</b>	<b>Number:</b>
	CREDIT CARD POLICY	12.3.0.2
		<b>Subject:</b> Purchasing
		<b>Page:</b> 4 of 4

- D. Upon delivery of the goods or services, the packing slip and/or invoice should be signed and dated by the receiver and forwarded to Accounting Services.
- E. It shall be the responsibility of the cardholder to make arrangements for the local pick-up, and forward all receipts and other documentation to Accounting Services.
- F. When making telephone, fax or other such orders, the cardholder should specifically request that they receive a receipt from the vendor.

**V. MONITORING AND REVIEW**

- A. Monthly Purchasing Card Detail Transaction Report from the Auditor/Controller's Office to the Department Head will be reviewed each month by the Assistant Director. Items will be randomly selected for in-depth review. The report and results of the random review will be maintained for audit purposes.
- B. Annually all policies, procedures, and reports will be reviewed and revised as needed.

**VI. FORMS ATTACHED**

- 1. Stanislaus County Purchasing Card Authorization and Application Form
- 2. Statement of Disputed Item
- 3. Credit Card Use Statement and Acceptance
- 4. Accounting Service Notice Travel Purchase Card Received
- 5. Misplaced Credit Card Receipt
- 6. Notice of Missing Receipt

**STANISLAUS COUNTY  
PURCHASING CARD AUTHORIZATION & APPLICATION FORM**

\_\_\_\_\_  
Fund                      Org                      Account  
(to be automatically charged)  
  
Mental Health  
\_\_\_\_\_

Type Department Name

Type Department Mailing Address:

Stanislaus County Mental Health  
Attn: Amy Childs-Accounting Services  
800 Scenic Dr.  
Modesto, CA  
\_\_\_\_\_

Zip Code: 95350-6131

Contact Name & Phone Number

Amy Childs (209) 525-7495

I hereby authorize \_\_\_\_\_ to use a County Purchasing  
(Type Name of Employee)  
Card for official County business.

Indicate Purchasing Card credit limit here: \$ \_\_\_\_\_

Larry B. Poaster, PhD  
Type Name of Authorized County Official

\_\_\_\_\_  
Signature of Authorized County Official

\_\_\_\_\_  
Date

I accept responsibility for the Purchasing Card that will be issued to me and have read and understand the Stanislaus County Purchasing Card Policy and Travel Policy, and agree to use the purchasing card in accordance with the terms and conditions of those policies. I understand that I am personally liable for any unauthorized purchasing card charges that I may incur. If it is determined by my department head that I have used this purchasing card for unauthorized purposes, then the County may offset all such unauthorized charges through payroll deduction. Upon termination of County service, I must return my purchasing card to the County.

\_\_\_\_\_  
Type Name of Employee

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date



Purchasing/Corporate Card
Statement of Disputed Item

Instructions: Your company should first make good-faith efforts to settle a claim or dispute for purchases directly with the merchant. If assistance from Bank of America is required, please complete this form, and mail or fax with required enclosures within 45 days fr

Bank of America- Commercial Card Services Operations
1825 E. Buckeye Road
Phoenix, AZ 85034
PH. (800)300-3084
Fax (602) 597-2980

Company Name:
Account Number:
Cardholder Name:

This charge appeared on my statement:

Billing close date:
Reference Number:
Merchant Name:
Merchant Location:
Posted Amount:
Disputed Amount:

Please check only ONE of the following:

- Unauthorized Transaction
Charge amount does not agree with order authorizing the charge
Merchandise or Services Not Received
Disputed transaction
Defective or wrong merchandise
Recurring charges after cancellation
Items charged already paid by other means
Credit appears as a charge
Credit from merchant not received
Hotel Reservation Canceled
Double or multiple charges

Cardholder's Signature:

Date:

Phone Number:



**Stanislaus County  
Behavioral Health and Recovery Services**

**Credit Card Use Statement and Acceptance Form**

I, the undersigned, acknowledge that the credit card being issued to me is for travel on official county business only.

- The card will be kept by Accounting Services and signed out one business day prior to the day I depart on official county business.
- As authorized by the Director, the card will be kept by the cardholder.
- The credit card is to be used for travel related expenses only. It is not to be used to pay for non-travel related services or goods.
- The card can only be used for purchases when an approved Purchasing Request (purple) has been obtained. Receipts will be forwarded to Accounting within 5 business days.
- As authorized by the Director, the card can be used for emergency purchases but a purchasing request form will be approved and sent with the receipt to Accounting Services within 5 business days.
- The card will be returned to accounting services, along with the Trip Request and Purchasing Request if applicable and all receipts, no later than one business day following my return.
- Upon termination, leave of absence, or any other separation of employment, the card will be surrendered along with all outstanding receipts.

I hereby acknowledge the receipt of a copy of this Credit Card Use and Acceptance Form and I agree to abide by all the terms and conditions in this form, as well as all terms and conditions in the County and Department Credit Card, Travel, and Purchasing policies.

\_\_\_\_\_  
Cardholder's Signature

\_\_\_\_\_  
Date

July 11, 2001

4:53 PM

H:\WORDDATA\Ecco\Credit Card Use Statement and Acceptance Form.doc



**STANISLAUS COUNTY  
BEHAVIORAL HEALTH AND RECOVERY SERVICES**

---

**Accounting Services  
Memo**

**To:**  
**From:** Account Services  
**Re:** Travel Purchasing Card  
**Date:**

Your County Purchasing Card, which is to be used for travel expenses, has been received. I have activated your card for you. Please sign the back of the card the first time you use it.

Travel purchasing cards are kept in the safe in Accounting Services at 800 Scenic Drive. You may sign out your card a day or two prior to your departure on county business. You must return your card with receipts within one business day after you return from your trip.

In order to make prior arrangements such as airfare, motel reservation, conference registration, you may use your credit card number, which is shown on the enclosed notice from Bank of America.

Please also read the memo from the Auditor-Controller's Office regarding what to do in case of loss of your card.

Contact Accounting Services if you have any further questions about the use of the travel credit card at 525 - \_\_\_\_\_.

July 10, 2001  
2:35 PM

H:\WORDDATA\Ecco\Accounting Services Travel Purchasing Card.doc



To: Accounting Services  
 From:  
 Re: Misplaced Credit Card Receipt

I used my County credit card on authorized County business. The receipts for the following credit card purchases have been misplaced:

<u>Type of Purchase</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

These purchases are legitimate County expenses and payment of the credit card statement is justified.

_____	_____	_____	_____
Cardholder	Date	Assistant Director / Associate Director/ System of Care Chief	Date

**Remember to obtain both required signatures on the form.**





**Stanislaus County**  
**Behavioral Health and Recovery Services**

**Accounting Services**  
**Memo**

**Immediate Action Required**

TO:  
FROM: Amy Childs  
SUBJECT: MasterCard Statement dated \_\_\_\_\_  
DATE:

A reconciliation of your MasterCard statement indicates one or more deficiencies, as noted below. Please resolve immediately.

- "PURPLE"/ TRAVEL REQUEST FORM missing – Please provide completed "Purple" or "Travel Request Form" including Fund/Org/Account coding for:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- RECEIPT missing – please provide Receipt for:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- OTHER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please provide the requested information ASAP.**  
**Thank You.**



KAREN MATHEWS  
County Clerk-Recorder

Clerk: PO Box 1670, Modesto, Ca. 95353

Phone: 209-525-5250

Recorder: PO Box 1008, Modesto, Ca. 95353

Phone: 209-525-5260

CHIEF EXECUTIVE OFFICE

2001 JUL 13 P 3:39

July 13, 2001

To: Reagan M. Wilson, Chief Executive Officer

From: Judy Ferreira, Interim Manager

**SUBJECT: CLERK-RECORDER'S OFFICE PURCHASING CARD POLICIES  
& PRACTICES**

This is in response to your memorandum of June 26, 2001. Upon review of the Clerk-Recorder's Office above-mentioned policies and practices, I have found that in addition to following all the County rules, it is also more stringent in some areas.

1. Itemized receipts are required for both cash and credit travel expenditures.
2. The County's purchasing division is used when negotiating any purchase over \$1,000.00 to ensure the best price.
3. Purchase cards are locked in the Clerk-Recorder accounting office. Employees do not carry the card(s) until the day they are needed for travel. If used to purchase items, a pre-purchase form must be completed and approved by the department head.

The Clerk-Recorder's Office possesses 14 purchasing cards. 13 of these cards have limits ranging from \$500.00 to \$2,000.00. The Clerk-Recorder's purchasing card had a limit of \$5,000.00 -- however, this limit could be reduced to \$2,500.00

MEMO TO: REAGAN WILSON, CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER

FROM: *Syndee Whipple for*  
JEFF JUE, DIRECTOR

2001 JUL 13 PM 4:10

RE: REVIEW OF CSA POLICY AND PROCEDURES -  
CREDIT/PURCHASING CARD PROGRAM

DATE: JULY 13, 2001

Per your request, we have reviewed recent Grand Jury Reports and the CSA Policy and Procedures related to the Credit/Purchasing Card Program. We believe that we are not only in compliance with the existing Countywide Policy and Procedures, but have also designed and/or implemented the Best Practices suggestions referenced by the Grand Jury (one exception noted on Page 5, g).

For your information we have provided the following comments and concerns specific to the noted Grand Jury Findings, Conclusions, and Recommendations.

**REPORT CITATION**

**AGENCY REVIEW/FINDINGS**

<ul style="list-style-type: none"><li>◆ (Page 5, f 3) DET, CSA, Ag Commissioner, Family Support and AAA are listed as having "...had exemplary documentation for their employees use of the County's purchase and travel card".</li></ul>	<ul style="list-style-type: none"><li>◆ We attribute this performance to continuous monitoring of the CSA policy document, frequent staff reminders regarding the policy, complete monthly audits of the purchasing card statements and ongoing communication between Accounting, Office Services and purchasing card users.</li></ul>
<ul style="list-style-type: none"><li>◆ (Page 5, g) County credit card transactions must have receipts or written documentation to substantiated transactions. The</li></ul>	<ul style="list-style-type: none"><li>◆ CSA has a form that employees can use to document transactions when receipts have been lost or misplaced (please see attached).</li></ul>

<p>existing policy stipulates that payroll deductions will be made when an employee takes more than ten days to submit documentation of expenses incurred on behalf of the County.</p>	<p>CSA has not utilized the payroll deduction reimbursement process at this time except for one fraud instance which involved a terminated employee's final paycheck. CSA does insure that we have on file a receipt or a copy of the missing receipt form in all cases. We would recommend that the County and CSA policies include the Best Practice committees' language: "If ten days has elapsed from the date an employee has been requested by the department's purchasing card clerk to submit a charge receipt and still no receipt has been provided then the department should initiate a payroll deduction for the amount of the charge."</p>
<p>◆ (Page 7, 10,d) The report notes that MIS "is duplicating services and is competing with other department's technology specialists in CSA, Health Services, Sheriff, BHRS, Emergency Dispatch and Environmental Resources".</p>	<p>◆ Technology specialists in large departments still collaborate with MIS. MIS is the tech support for small departments. It is important for the County to have long range technical vision. County-wide sharing of information is critical to insure conformity and compatibility related to technical infrastructure.</p>
<p>◆ County accounting procedures related to equipment are detailed on page 7 in item 11.</p>	<p>◆ This information is consistent with our understanding and practices regarding purchased equipment.</p>

<p>◆ (Page 7, 11 e) Clause e, notes that there are no asset tags placed on equipment costing under \$1000; this makes sense because items under \$1000 do not meet the definition of an asset.</p>	<p>◆ Given the volume of items CSA purchases in the areas of office supplies and equipment under \$1000, it would be difficult, if not impossible, to tag such purchases with existing staffing levels. One suggestion is that the County institute procedures to tag electronic equipment under \$1000 only. This would allow tracking of cell phones, pagers, hand springs, televisions, vcr's, etc.</p>
<p>◆ (Page 7, 11f) Clause f notes that there is no depreciation schedule for County owned property under \$5000.</p>	<p>◆ Depreciation schedules are only required for fixed assets which cannot be completely expensed in the year/accounting period of purchase. Most businesses would not depreciate items under \$5000.</p>
<p>◆ (Page 7, 11 i) Few departments let the Auditor know when they are disposing of equipment over \$1000, creating a gap in inventory.</p>	<p>◆ CSA Office Services currently complies with this Oracle requirement.</p>
<p>◆ (Page 8, 3) Decentralization is central to current County philosophy and raises the question of "Why have Purchasing and MIS at all".</p>	<p>◆ As customers of both departments we believe that these departments, like the CEO operations and Auditor's Office experts, have a vital role in ensuring quality county services, particularly for small departments and in providing technical expertise on big projects.</p>

<p>◆ (Page 8, 4) Many departments don't check with MIS before purchasing technical equipment.</p>	<p>◆ CSA and other large departments that have their own MIS ensure coordination.</p>
<p>◆ (Page 8, 5) Departments choose not to place asset tags on equipment under \$1,000 and raises questions concerning accountability.</p>	<p>◆ Tagging office equipment as an asset is inconsistent with accounting policies and would be extremely cumbersome to do for ALL equipment. Office Services staff can implement a tag process for electronic equipment under \$1,000 to include: digital cameras, TV and VCR's, PDA's, cell phones and pagers.</p>
<p>◆ (Page 9, 1) The Auditor assign designated accountants to identify and monitor all federal and state grants received by the County.</p>	<p>◆ The Single Audit includes a process for documenting federal grants in excess of \$300,000. Accountability for federal and state grants rests with the responsible county department to which funds are awarded. Accounting Services' suggestion is for the Auditor to coordinate a listing and annual report of federal and state grants similar to the Single audit process, with a lower level of materiality; \$25,000 might be reasonable. Another suggestion is that a Grant Accounting Work Group be established to ensure common procedures and best practices sharing among departments as relates to monitoring federal and state grants.</p>

<p>◆ (Page 10, 2) All county departments with significant budget variances (defined as 10% or higher) be required to report written documentation to the Auditor, CEO, Board of Supervisors and Grand Jury by 9/15/01.</p>	<p>◆ Documentation of budget variances is standard practice for CSA. Accounting Services can provide a written report by the noted deadline. We will need clarification as to the accounting level of the variance calculation, ie: character versus account.</p>
<p>◆ (Page 10, 4 and 5) HR is to determine employees at retirement age and the number of unused vacation days for department managers to analyze fiscal impact for FY 2001/2002 budget.</p>	<p>◆ CSA Accounting Services projects retirement cash outs by surveying staff during the budget process. Vacation cash outs have been budgeted by historical usage. We have already accounted for these costs in the Proposed budget.</p>
<p>◆ (Page 10, 6) Tag Electronic Equipment under \$1,000.</p>	<p>◆ We agree with this recommendation.</p>
<p>◆ (Page 10, 7) Standardized depreciation on equipment under \$5,000.</p>	<p>◆ Equipment costing between \$1000 and \$5000 is already tracked by departments. Depreciation is simply an accounting method to link the value of an asset to the period in which it provides a benefit; generally depreciation periods consist of 3 years. There is no value to depreciating equipment less than \$5000; significant workload could result due to the need to make many more Oracle entries for General Services staff.</p>
<p>◆ (Page 10, 2) Purchasing to create an "Approval to do Business with the County" form.</p>	<p>◆ We agree with this recommendation.</p>

<p>◆ (Page 10, 3) Purchasing to establish and distribute a countywide vendor list to all departments.</p>	<p>◆ We agree with this recommendation.</p>
<p>◆ (Page 10, 4) Consult Purchasing for three quotes on items over \$500.</p>	<p>◆ This practice would not be workable for CSA. Purchasing is not staffed to handle such a workload, and would take weeks to deal with that volume. Departments can't spend this much time waiting for assistance. CSA and other large departments have the structure in place to do this properly.</p>
<p>◆ (Page 11, 2) The CEO, Auditor and MIS Department consider employee usage as the most equitable means to charge operational divisions of MIS services and infrastructure.</p>	<p>◆ Determining equity of a cost allocation plan is never simple. The existing cost model was developed by a work group comprised of department stakeholders, and is approved by the SCO. Part of achieving "equity" is in applying a method consistently and over a period of time.</p>
<p>◆ (Page 11, 1) Amend and distribute the purchase/travel card policy.</p>	<p>◆ We agree with this recommendation. Further, we would suggest that the Best Practice Committee recommendations be incorporated into the County's purchase/travel card policy.</p>
<p>◆ (Page 11, 2). Deactivate cards for employees who resign, retire or transfers to another department</p>	<p>◆ We agree with this recommendation. The majority of CSA staff turn in their cards</p>



<p>within the County...</p>	<p>upon resigning, retiring or transferring but we will improve upon this recommendation by insuring that the purchasing card clerk review all STAN 175 - Employee Status Memo forms received from payroll.</p>
<p>◆ (Page 11, 3) Inactive cards to be returned to the Auditor for safe keeping.</p>	<p>◆ Accounting believes that this action is costly and provides little benefit. We recommend a clear definition of "inactive" be shared with all card holders; inactive cards should be deactivated. CSA policy provides that cards will be issued to staff who travel a minimum of one day per month.</p>
<p>◆ (Page 11, 4) Any employee not eligible for merit pay if card removed for "whatever reason".</p>	<p>◆ We are concerned about this statement. Reasons should either be clearly delineated for cardholders or wording changed to "removed for cause". Even then, more clarity in administering this item would be essential.</p>
<p>◆ (Page 12, 5) Cancel cards for failing to follow guidelines.</p>	<p>◆ We agree with this recommendation, although it seems important that "documentation" be noted to include forms for missing receipts, etc. Also, if a credit card is canceled for an employee that is required to travel as part of their job, we may need to consider the impact on the HR aspects of this policy change. The</p>

	Employee would incur out of pocket business expenses and subsequently be reimbursement through the payroll (EER) process.
◆ (Page 12, 6) Department managers ineligible for merit pay if they fail to adhere to policies.	◆ We agree with this recommendation, although the same issues raised in reference to employee merit pay mentioned above apply as well.
◆ (Page 12, 7) Terminate employee that abused taxpayer dollars.	◆ Abuse: Needs defining, in order to avoid inconsistent application of this recommendation.

Thank you for the opportunity to review and provide feedback regarding the Grand Jury report on the Countywide Credit/Purchasing Card Program. We would be happy to answer any questions you may have regarding the information in this memo and/or the CSA Policy and Procedures for Credit/Purchasing Card usage.

attachments

cc: Assistant Directors

# Community Services Agency

07/09/01

**TO:** Accounting Services

**FROM:**

**RE:** Misplaced Credit Card Receipts

I used my County credit card on authorized County business. The receipts for the following credit card purchases have been misplaced:

type of purchase	date	vendor	amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
			_____
			_____
			_____
			_____
			_____

These purchases are legitimate County expenses and payment of the credit card statement is justified.

\_\_\_\_\_  
Cardholder date Assistant Director date

**Remember to obtain both required signatures on the form.**

**Final Report  
Part Seven**

For the  
**Stanislaus County/Audit**

**Stanislaus County  
2000-2001 Civil Grand Jury**

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**Stanislaus County/Audit**  
**Grand Jury Case No. 01-07-GJ**  
**June 5, 2001**

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**REASON FOR INVESTIGATION**

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The Civil Grand Jury is mandated by Section 925 of the California Penal Code to "...investigate and report operations, accounts and records of the offices, departments or functions of the County." It is the Grand Jury's responsibility to be informed of the generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the Government Auditing Standards, the Single Audit Act of 1984, the U. S. Office of Management and Budget Circular A-133, and Audits of States, Local Governments, and Non-Profit Organizations.

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**BACKGROUND**

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In keeping with that mandate, the Grand Jury conducted a review of prior and current year's General Fund, Special Revenue, Debt Service, Capital Project, Enterprise, Trust and Agency, and Account Group budgets. Additionally, a review was conducted of divisional operational assessment reports and the financial statements and reports of independent certified accountants for the fiscal years 1998, 1999, and 2000.

The County Board of Supervisors and Grand Jury are permitted to enter into a joint contract to employ the services of an expert to conduct an audit. The Board of Supervisors approved the Certified Public Accounting firm of Bartig, Basler and Ray (BBR) to conduct the annual audit for the fiscal year ending June 30, 2000 and to conduct internal audits as specified.

The CPA firm reported on the County's compliance with each major federal program's requirements and reviewed the internal control over compliance. The internal control structure consists of the control environment, the accounting system, and the control procedures required by the Statement of Auditing Standards, SAS-55, its modification SAS-78, and GASB 34 "Disclosure About Year 2000 Issues." In accordance with the audit agreement approved by the Board and BBR, the accounts of officers and departments who provide the care, management, collection and disbursement of County taxpayers' dollars were examined.

The outside auditor tested whether internal accounting and administrative structures were functioning in accordance with prescribed federal, state and county procedures. BBR declared it would perform analytical procedures both initially and at the end to "...determine overall reasonableness of the financial statements presented." The auditors also stated they would "...perform substantive tests to determine if the financial accounting balances are fairly stated in

all material respects.” This would help determine what amounts would cause the fund type or account group to be “materially misstated.”

The body of this report will reflect those objectives to County residents as it investigates adherence to external and internal policies and procedures integral to the financial accountability of all County employees.

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## PROCEDURES FOLLOWED

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1. The Civil Grand Jury interviewed:
  - a. Bartig, Basler, and Ray (BBR), independent audit accountants.
  - b. BBR and County department heads, September and November 29, 2000.
  - c. Department heads at the Grand Jury Audit Exit Conference, January 18, 2001.
  - d. The Chief Executive Officer of Stanislaus County.
  - e. The Auditor-Controller.
  - f. The Chief Deputy Auditor-Controller.
  - g. The Assistant Auditor-Controller.
  - h. The Assistant Purchasing Agent.
  - i. A buyer in the Purchasing Division.
  - j. An employee in the Clerk-Recorder’s Office.
  - k. The Interim Director of the Management Information Systems Department (MIS).
  - l. Two currently employed managers in the MIS Department.
  - m. Two past employees in the MIS Department.
  - n. A confidential classified employee in the MIS Department.
  - o. The Chief Financial Officer of Stanislaus County Health Services Agency.
  - p. The Managing Director of the Health Services Agency.
  
2. The Civil Grand Jury reviewed the following documents and records:
  - a. Stanislaus County Board of Supervisors’ approved contract, April 5, 2000, with Certified Public Accountants Bartig, Basler, and Ray to conduct the annual audit for the year ending June 30, 2000 and to conduct internal audits as specified
  - b. Management Report for the year ended June 30, 2000
  - c. Auditor-Controller Responses to Management Recommendations as of June 30, 2000
  - d. County of Stanislaus Single Audit, June 30, 2000
  - e. Bartig, Basler, and Ray Audit Planning Memo, June 30, 2000
  - f. Stanislaus County Purchasing Card Policy and Travel Policy, approved February 29, 2000
  - g. Stanislaus County Purchasing Card Audit Procedures, August 31, 2000

- h. Bank of America Commercial Card Services for Stanislaus County as of January 2001
- i. Stanislaus County Purchase/Travel Card Policy Review and Cardholder Best Practices document, February 15, 2001
- j. SMART Data for Windows Detail Transaction Report for Assessor, District Attorney, and Superior Court, October 24, 2000 to November 23, 2000
- k. SMART Data for Windows Detail Transaction Reports for Management Information Systems Accounts #540582193157893 and #540582955554641 from July 1, 1999 to June 30, 2000
- l. Stanislaus County Information Technology Strategic Plan, September 19, 2000
- m. Stanislaus County Policies and Procedures for County Surplus Property Policy and pending draft
- n. Stanislaus County Health Services Agency Clinic and Ancillary Services Enterprise Fund, June 30, 1999 and June 30, 2000
- o. Trial Balance of General Ledger Accounts for Stanislaus Medical Center, July 1 to November 15, 2000
- p. Stanislaus County Mid-Year Report, March 2001
- q. Technical Adjustments, Mid-year 2000-01
- r. Chief Executive Office Project Status Report, February 2001
- s. Status of the Final Budget, March 6, 2001
- t. Purchasing Card Audit Report, April 26, 2001
- u. Government Auditing Standards (GAS)
- v. BBR Procedures and Findings of Stanislaus County Credit Card program, March 31, 1999 and 1998 dated June 21, 2000
- w. Departmental Purchasing Card Summary, July 1, 1999 to June 30, 2000.
- x. Auditor-Controller's Biennial Inventory and Certification memo dated April 11, 2000
- y. Stanislaus County Health Services Agency Financial Statements and Report, 1998, prepared by Grant Thornton, external auditor.

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## FINDINGS

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1. Stanislaus County is a major employer with over 4,600 employees in 35 departments, whose budget totaled \$637,649,789 in fiscal year 2000.
2. The Grand Jury received the full cooperation of the Auditor-Controller, Health Services Agency and the Clerk-Recorder Departments in its request for information and documentation.
3. The contracted external financial audit by BBR validates the County's financial statements prepared by the Auditor-Controller.

4. A major objective of the audit examination is to discover if effective control and proper accounting procedures for revenues, expenditures/expenses, assets and liabilities are in place.
5. The Mid Year Analysis of the 2000-2001 Final Budget documented a number of potential expenses not funded in the original County budget.
  - a. Funding shortfalls in property taxes
  - b. Health Services Agency deficit of \$6,000,000
  - c. Increased utility and fuel costs
  - d. Vacation and retirement cash outs
  - e. Management and confidential performance based pay increases
  - f. Employee self-insurance funds not calculated to offset actual Workers' Compensation rates
6. The detailed internal audit examines departments' compliance with Board approved County policies including the County's Travel and Purchase Card policy.
  - a. An outside auditor performs a county wide purchase/travel card audit every two years.
  - b. An internal UNANNOUNCED audit of departments' purchase/travel card authorizations is performed annually by the Auditor-Controller or his designee.
  - c. The Auditor-Controller sent the Chief Deputy Auditor-Controller to conduct ANNOUNCED departmental visits to the Area on Aging, Assessor, Board of Supervisors, Library, Management Information Systems, Planning, Public Works, and Veterans Affairs to review purchase card and travel authorizations as of March 28, 2001.
  - d. The Auditor-Controller conducted ANNOUNCED departmental visits to the Sheriff, Environmental Resources/Parks, Employment and Training, Agricultural Commissioner, Family Support, Emergency Dispatch, and Cooperative Extension to review their compliance with the Travel Policy and the Purchasing Card Policy on April 2, 2001.



- e. The Chief Deputy Auditor-Controller is to conduct UNANNOUNCED departmental visits to all thirty-five (35) departments before June 30, 2001 to review and monitor purchase card and travel authorization transactions per the directive issued by the Auditor-Controller in 2000.
- f. The Auditor-Controller sent departments two letters alerting department managers that purchase card and travel authorizations were to be reviewed by the Chief Deputy Auditor-Controller.
  - (1) Even with that advanced knowledge, MIS did not have 30% of purchase card documentation available for immediate inspection in February 2001.
  - (2) The Sheriff's Department could not find 33 receipts out of 231 transactions for the audit or find documentation to account for two in-town meals totaling \$641 for the period January 24 to February 23, 2001.
  - (3) The Department of Employment and Training, Community Services Agency, Agriculture Commissioner, Family Support, and Area on Aging/Veteran Services had exemplary documentation for their employees use of the County's purchase and travel card.
- g. County credit card transactions that do not have the receipts or written documentation to substantiate the transaction will be critiqued using the Best Practices Procedures, February 2001, and benchmarked against existing purchase card policy. This policy stipulates that payroll deductions will be made if an employee takes more than ten (10) days to submit documentation of expenses incurred on behalf of the County.
- h. Department managers continue to fail to check and sign the monthly transaction purchase card reports within thirty days of receipt, with many department managers not signing them two to three months after the monthly transactions are distributed.
- i. Many department heads, particularly MIS, Sheriff, and the Clerk-Recorder, do not follow established Board policy and procedures on purchase card/travel authorizations when dealing with employees who fail to conform to Board approved established practices on these two policies.
  - (1) Some department employees have been allowed to charge up to \$15,000 per month which eliminates or makes redundant the role and responsibility of the Purchasing Division.

See  
Bus. Practices

Yes

- (2) The average purchase card transaction in 1999-2000 was \$179.00.
- j. The MIS manager of the Applications Development Area charged approximately \$53,000 on his purchase card in 1999-2000 before it was removed from his possession in Fall 2000.
- k. This same MIS manager used his purchasing card at Save Mart and Smart and Final to purchase food totaling:
  - (1) \$1581.00 between June 30, 1999 and July 27, 1999
  - (2) \$608.00 between August 5, 1999 and August 25, 1999
  - (3) \$310.00 between September 23, 1999 and September 27, 1999
  - (4) \$709.00 between October 6, 1999 and October 28, 1999
  - (5) \$809.00 between November 3, 1999 and November 27, 1999
  - (6) \$1,344.00 between December 3, 1999 and December 31, 1999
- l. From July 1 to December 31, 2000, \$6,256,282 was expended using purchase cards.
- m. Current County policy requires purchases of items worth \$5,000 or more to be signed off by the County Purchasing Division.
7. County departments are allowed to solicit prices from various suppliers for goods and services prior to purchase rather than going through the Purchasing Division.
8. The Purchasing Division is held responsible for the department's solicitation of prices for goods and services and is required to sign a purchase order, even though it may have had nothing to do with any of the transactions prior to purchase order sign off.
9. The Purchasing Division has a vendor list that is not distributed to County departments, and departments may have their own vendor list that is not shared with other departments.
10. The following facts were learned concerning the MIS Department:
  - a. The Purchasing Division is held responsible for handling excess/outdated equipment, yet an MIS Department manager failed to follow all points of Section VII Surplus Procedure regarding the 1998 "loan" of computers to Oakdale High School which the school still possesses.

- Jarvis*
- b. The MIS manager of Applications Development Area signed his name as the former Department Head giving approval for the Oakdale High School loan of microcomputers and monitors on December 21, 1998.
  - c. The MIS manager of Applications Development Area and former MIS Department Head did not possess a written request for the donation of the surplus property. None of the three points under County Surplus Policy was followed.
  - d. The MIS Department is duplicating services and is competing with other departments' technology specialists in Community Services, Health Services Agency, Sheriff's Department, Behavioral Health and Recovery Services, Emergency Specialists, Emergency Dispatch and Environmental Resources.

11. County equipment is accounted for in the following ways:

- a. GASB Statement 34, adopted June 1999 and effective 2002, requires the use of accrual accounting to determine the cost of loss of assets during the assets' useful lifetime rather than as a one-time expenditure as currently in place.
- b. Non-inventoried equipment consists of equipment that was purchased for \$1,000 or less. It is not considered a fixed asset nor is it tracked.
- c. Equipment costing \$1,000 to \$4,999 is not considered a fixed asset, but is tracked as an expense although it is not capitalized.
- d. Equipment costing \$5,000 and more is considered a fixed asset and it is tracked.
- e. There are no asset tags placed on equipment costing under \$1,000.
- f. There is no depreciation schedule for County owned property under \$5,000.
- g. Very few departments choose to track assets under \$1,000 for their own internal inventory.
- h. There is no cumulative record by department of the monetary value of equipment unaccounted for as of June 30, 2000.
- i. Very few departments let the Auditor-Controller's Office know when they are disposing of equipment over \$1,000, creating a gap in accurate inventory.

12. The new financial system, Oracle, does not handle encumbrances very well even though it has been modified to handle government accounting.

13. The following facts were learned regarding the Health Services Agency:
- a. The State Department of Health Services' conflict between its licensing division and its medical division has cost Stanislaus County approximately 23 million dollars as of March 2001.
  - b. The Health Services Agency suffers an annual two million dollar revenue loss due to Medi-Cal certification for the county's room charge in its clinic system.
  - c. A County appeal is underway to sponsor State legislation that would restore Medi-Cal room charge reimbursement and provide an option to negotiate a rate directly with Medi-Cal for outpatient services.

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## CONCLUSIONS

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The Civil Grand Jury concludes that:

- 1. It is the responsibility of Stanislaus County's management to establish and maintain effective internal control over compliance with requirements of laws, regulations, contracts and grants as applied to its major federal and state programs.
- 2. Redundancy of roles and responsibilities between departments creates a gray line of authority both within and outside departments.
- 3. If decentralization is central to current County philosophy as demonstrated by dual functions and roles of MIS and Purchasing with staff in other departments, why have Purchasing and MIS exist at all? Contrarily, many departments operate as an entity unto themselves without benefit of county wide competitive quotes and bulk purchases, creating a loss to taxpayers.
- 4. *Jackie* Many departments do not check with MIS prior to purchase of technical equipment, leading to lack of standardization and coordination of county wide MIS services and resultant creation of departmental Local Area Networks (LANs) not configured to the county wide infrastructure. This makes it difficult to network departments to each other and a central server. *de... Jackie*
- 5. Purchasing and the Auditor-Controller's Departments are forced to remove themselves from the accountability process since departments choose not to place asset tags on equipment under \$1,000, which may lead to a lackadaisical, haphazard view to loss of goods and equipment purchased with taxpayer monies.

6. Although they don't appear to be adhered to by all County employees, the current procedural manuals of established County policies and procedures appear to be well organized and systematic, but policy gaps exist to track items under \$1,000.
7. There are numerous County departments who choose not to take the County's Purchase and Travel Card Policy seriously and violate its tenets even after the external auditor and the County's Auditor-Controller's Office have vigorously cautioned against this from 1999-2001.
8. In order to balance the Health Services Agency, 23 million dollar three year budget deficit, state and federal legislative assistance is critical to level the playing field for counties with increasingly high numbers of medically indigent, uninsured or under insured clients.

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## **RECOMMENDATIONS**

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The Civil Grand Jury recommends that:

### **TAX COLLECTOR**

1. The Tax Collector's Office should fully automate and complete the computerization of tax delinquencies in coordination and cooperation with the Auditor-Controller's Office and MIS Department by September 2001.

### **CLERK-RECORDER**

1. The County Clerk-Recorder's Office go out to public bid on sample ballots and related voting literature, effective immediately, in order to receive the most competitive bid and stifle any hint of favoritism/cronyism.
2. The Clerk-Recorder be required to follow all purchase and travel card authorization policies and repay to the County those transactions that were not within the established criteria.

### **AUDITOR-CONTROLLER**

1. The Auditor-Controller assign designated accountants to identify and monitor all federal and state grants received by the County.

2. All County departments, who had significant variances ten percent (10%) or higher between actual and budgeted costs in their 2000-2001 budget, be required to provide written documentation to the Auditor-Controller, Chief Executive Officer, Board of Supervisors and Grand Jury by September 15, 2001 as to why such substantial differences existed.
3. The external auditor is requested to perform ANNUAL audits of purchase card/travel authorization transactions for every department in its 2001-2002 contract rather than hire two additional County auditors at a total cost of \$142,608. The cost of the external auditors would be approximately \$82,000 to perform purchase card/travel authorization transactions audits. Hiring an outside auditing firm would prevent a perceived conflict of interest.
4. Human Resources personnel determine which employees are of retirement age and calculate retirement cash outs for 2001-2002, so department managers can analyze the fiscal impact on each department's budget.
5. Human Resources personnel determine the number of unused vacation days for each department's employees, so department managers can analyze the fiscal impact on each department's 2001-2002 budget.
6. Stanislaus County inventory, track, and place an asset tag on specified electronic equipment costing under \$1,000, since a huge gap exists in this category with the potential of hundreds of thousands of taxpayer dollars unaccounted for by County departments.
7. A standardized depreciation schedule for equipment under \$5,000 be established by the Auditor-Controller's Office that ALL departments must follow effective immediately.

**PURCHASING**

1. The Board of Supervisors and CEO's office review the current policy of allowing individual departments' purchasing and procurement related functions to coexist while continuing the Purchasing Division's identical role.
2. All departments, if allowed to continue to solicit vendor bids themselves, have an "Approval to Do Business with the County" form, to be created by Purchasing, effective July 2001.
3. A county wide vendor list be established and distributed to all departments immediately.
4. The Purchasing Division be consulted as a primary source for pricing quotes. Three (3) outside bids should be obtained for purchases of \$500 or more.

*Handwritten notes:*  
 2/11/01  
 no more  
 2/11/01  
 2/11/01  
 No!

5. Central Services provide quality products at a competitive price in a timely fashion or begin the gradual phase out of Central Services over a two-year period, beginning July 2001.

## **MANAGEMENT INFORMATION SYSTEMS**

1. The MIS Department, in coordination with the Auditor-Controller, give all County departments an accurate budget estimate for its services with written detail explaining the rationale for MIS service costs prior to next year's final adopted budget.
2. The Chief Executive Officer, Auditor-Controller and MIS Department consider that employee usage is the most equitable means of charging operational divisions for MIS services and infrastructure.
3. The Chief Executive Office immediately share its Strategic Technology Plan with all MIS employees and all department managers since it appears departments are unaware of the Board approved and adopted Strategic Technology Plan, September 2000.
4. The Chief Information Officer, to be hired, immediately establish a task force to create an articulated set of technology standards that will be used county wide.
5. The County Chief Executive Office vigorously support the MIS Department in building LANs that are configured to the county wide infrastructure.

## **PURCHASE/TRAVEL CARD POLICIES and PROCEDURES**

1. The Best Practices of Purchase/Travel Card Policy presented to County departments February 15, 2001 be immediately approved as policy by the Board of Supervisors with the proviso that "should" be changed to "shall" or "will" to prevent County employee misinterpretation, ambiguity, circumvention and dishonesty.
2. When a County employee resigns, retires, or transfers to another department within the County, his/her purchase card shall be taken and deactivated.
3. Thirty-five unit managers in Stanislaus County return for safe keeping 654 inactive cards out of the 1510 issued to the Auditor-Controller's Office. Only after a written request with justification is signed by the department head and forwarded to the Auditor-Controller will an inactive card be distributed and activated.
4. Any County employee who has had his/her purchase card removed, for whatever reason, not be eligible for merit pay, even though the person may have met the professional objectives outlined in his/her development plan.

5. Any County employee who fails to comply with maintaining appropriate purchasing card documentation and does not follow the guidelines on travel expenses SHALL have his/her credit card canceled.
6. Department managers and their designees, who do not adhere to the County's established Purchase and Travel Card policies for themselves and their employees, shall be considered ineligible for merit pay for that year and have a letter of reprimand placed in their personnel file.
7. The County exercise its right to administrative action and terminate any employee who is found to have abused taxpayer dollars through the use of purchase/travel cards.

*Public  
Account  
side*

### HEALTH SERVICES AGENCY

*Cliff  
C. Jones  
Director*

1. All internal measures of fiscal responsibility are absolutely mandatory to offset the three year negative cumulative balance of \$22,000,000 to include the following:
  - a. Establish a time line for the pharmacy department to implement a daily reconciliation work sheet that should include daily cash totals and summary totals by no later than July 2001.
  - b. Review its automated and manual billing internal control procedures to prevent the occurrence of quantity errors.
2. The Agency's budget for fiscal year 2001-2002 reflect the actual projected \$6,000,000 deficit, as well as required current year expenditures.
3. If the Agency's budget for fiscal year 2001-2002 cannot reflect the actual \$6,000,000 projected deficit, it should be clearly shown in the General Fund ending balance so the Board of Supervisors, County taxpayers, and legislators realize the operational cost of this department in relationship to other needs of County residents.
4. The Agency develop a new long-range plan to demonstrate fiscal effectiveness and accountability so all taxpayers realize the benefit of this department.
5. The CEO, Board of Supervisors, and Health Services Agency management continuously work to institute state and federal legislation that assists in providing equitable allocations to offset health care costs in highly impacted counties.



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**RESPONSE REQUIRED**

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per Section 933 [c] and 933.05 of the California Penal Code:

Auditor-Controller, Tax Collector, Clerk-Recorder, Purchasing, Management Information Systems, Board of Supervisors and the Health Services Agency.

This Final Report will be available for public review on the Civil Grand Jury website located at: <http://www.co.stanislaus.ca.us/COURTS/courts/grandjury/index.html>

**§933. Comments and Reports on Grand Jury Recommendations**

- [c] No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elective county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

**§933.05 Response to Grand Jury Recommendations--Content Requirements**

- A. Section 933.05 of the California Penal Code requires that a responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding(s); or
  - (2) The respondent disagrees wholly or in part with the finding(s). If this response is chosen, the respondent will specify that portion of the finding(s) which is disputed and shall include an explanation of the reasons for the disagreement.
- B. As to each Grand Jury recommendation, the responding public officer or agency shall indicate one of the following:

- (1) The recommendation has been implemented and set forth a summary of the implemented action;
  - (2) The recommendation has not been implemented but will be implemented in the future with a time frame for implementation;
  - (3) The recommendation requires further analysis with an explanation as to the scope of the analysis and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department or governing body being investigated. The time frame shall not exceed six (6) months from the date of publication of the Grand Jury report; and
  - (4) The recommendation will not be implemented because it is either not warranted or not reasonable with an explanation as to why the recommendation will not be implemented.
- C. If a finding or recommendation addresses budgetary or personnel matters of a department headed by an elected official, both the Department Head and the Board of Supervisors will respond. The Board of Supervisors response shall be limited to those budgetary or personnel matters over which it possesses decision making authority.

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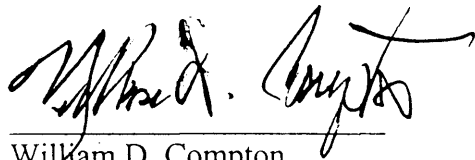
**RESOLUTION**

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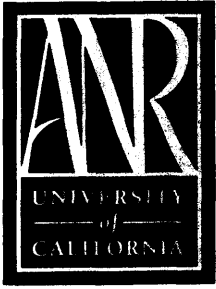
**WHEREAS**, the 2000-2001 Stanislaus County Civil Grand Jury has conducted an investigation and has reached certain conclusions and made recommendations; and

**WHEREAS**, the Stanislaus County Civil Grand Jury desires to make its *FINAL REPORT* thereof;

**THEREFORE BE IT RESOLVED**, by the Stanislaus County Civil Grand Jury that the report is hereby adopted as *FINAL REPORT, PART SEVEN*.



William D. Compton  
Civil Grand Jury Foreperson  
Fiscal Year 2000-2001  
Released on 06/05/01



University of California Cooperative Extension  
Agriculture & Natural Resources

CHIEF EXECUTIVE OFFICE  
Serving Stanislaus County Since 1915

2007 JUL 10 AM 10:20



Crows Landing & Service Roads  
Phone: (209) 525-6800

3800 Cornucopia Way #A  
Modesto, CA 95358

July 6, 2001

Reagan Wilson, C.E.O.  
County of Stanislaus  
P. O. Box 3404  
Modesto, CA 95353-3404

Dear Reagan:

RE: Review of Credit Card Program

We have complied with your request to review our internal policies and practices related to credit card purchases, and feel that we are consistent with the County's credit card policy and other purchasing policies and rules.

We have identified an area where there appears to be conflicting information regarding purchase of items between \$1,000 and \$5,000. The County's purchasing card policy identifies \$5,000 as the upper limit for which we can make a purchase using the credit card. According to the guidelines, we are to obtain competitive quotes and to check with purchasing regarding any existing contracts. We have done so in all of our purchases to date.

We did use the Visa card to purchase a camcorder for \$2,951.94 using trust funds. According to the policy, this is not a fixed asset. We checked with purchasing, prior to the purchase, regarding contracts, and finding none, we purchased the item.

We are continuing to obtain receipts for all purchases. We have successfully completed two audits (County Auditor & CPA contractor) where no discrepancies were found. We hope that this record will continue.

Sincerely,

A handwritten signature in cursive script that reads 'Phil'.

Philip P. Osterli  
County Director

PPO:sm



**OFFICE OF COUNTY COUNSEL  
STANISLAUS COUNTY**

CHIEF EXECUTIVE OFFICE

2001 JUL -9 A 11:13

Michael H. Krausnick  
COUNTY COUNSEL  
E. Vernon Seeley  
ASSISTANT COUNTY COUNSEL

DEPUTIES  
Wm. Dean Wright  
Linda S. Macy  
John P. Doering  
Victoria A. Halliday  
Vicki F. de Castro  
Carrie M. Stephens

1010 10th Street, Suite 6400 Modesto, CA 95354  
PO Box 74, Modesto, CA 95353-0074  
Phone: 209.525.6376 Fax: 209.525.4473

July 11, 2001

**MEMO TO:** Reagan M. Wilson  
Chief Executive Officer

**FROM:** Michael H. Krausnick  
County Counsel

**SUBJECT: COUNTY COUNSEL'S OFFICE CREDIT CARD POLICY**

I have reviewed our policies and procedures on credit card use with my secretary, Sharon Cummings, and I have the following to report per your request of June 26, 2001:

1. County Counsel credit cards are locked up and provided to staff when needed.
2. Credit Cards are kept in a folder with a check out page for each employee so my secretary knows who has their credit cards and/or who has not returned their card.
3. For travel, credit cards are handed out to staff with a folder containing the information said employee needs for his/her conference along with meal allowances and tipping information. It is the policy of our office that each employee give any and all credit card receipts to Sharon immediately upon their return to the office so that she can put them in order promptly.

Sharon then reviews all receipts, asks for any overage, if any, to be paid immediately by check or cash, she keeps said receipts all together with copies of conference information, etc. and then waits for the actual MasterCard statement to come. The overages, if any are deposited to the County as soon as I receive them. There are very few overages in this office as each of our employees has been asked to pay in cash or use their personal credit card for overages.

When the actual MasterCard statement arrives, Sharon attaches all the original receipts and any notes or explanations she has received. The Department Head signs each and every statement we receive after he has reviewed the same.

MEMO TO: Reagan M. Wilson  
Chief Executive Officer

July 11, 2001

Page Two

4. The County Counsel's office orders most of our everyday supplies through Corporate Express (County Authorized) with an account set up with a credit card with Jennifer Brostrom's name and it works extremely well and we are very satisfied with them.
5. Sharon Cummings has a separate Office Supplies Credit Card in her name used for equipment, etc. She always goes through purchasing before she orders equipment. She recently asked Keith Watts the best and proper way to order some printers. He gave her the name of a government supplier who uses Purchase Orders and/or Credit Cards. Purchasing gave her the ok to use her credit card to buy three small printers to for our attorneys a couple of weeks ago.
6. Once a month we receive a Detailed Transaction Report showing all activity on all cards. Sharon reviews this Report each month and then forwards it to the Department Head for his review and signature. It is then keep in a binder.
7. Sharon Cummings also keeps a three-ring binder with a divided section for each attorney, one for office supplies and one for miscellaneous. Behind each section she dates each entry and puts all pertinent information and all original receipts. These binders containing all travel and credit card information are available for viewing at any time.

MHK/sc

V:\CO\_ADMIN\WP\CMMNGSS\MASTERCD\Credit Card Report to RW.wpd

# Memo

**To:** Reagan Wilson  
**From:** Tim Bazar  
**CC:**  
**Date:** 07/23/01  
**Re:** Credit card usage and accountability

---

The auditor's office recently examined our credit card usage and record of receipts. It is my understanding that they found no missing receipts and no improper charges. I recently sent out a memo to all staff with credit cards reminding them of the requirement of receipts and telling them that they could be charged for any purchase they made if they fail to turn in the receipt within 10 days of the bank statement reflecting that purchase. I have also spoken to the employees who make the vast majority of purchases for our office and reminded them that we should check with the purchasing department for price and availability of an item before we consider any other vendor.



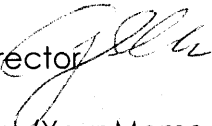
**DEPARTMENT OF PUBLIC WORKS**

**George Stillman**  
Director

1010 10th St, Suite 3500, Modesto, CA 95354  
Phone: 209.525.6550

July 12, 2001

MEMO TO: Reagan Wilson, CEO

FROM: George Stillman, Director 

SUBJECT: Credit Card Program (Your Memo dated 6/26/01)

The information in the above referenced memo has been disseminated to all Public Works management staff. This will also be an item on our upcoming management staff meeting. Some items reviewed and initially commented are:

- Public Works does periodically use Purchase Cards on an "expediency basis". As was indicated when the purchasing program began, one of the primary reasons for instituting the purchasing card system was to provide an expeditious alternative to the County's purchasing program, as well as to relieve the workload of the Purchasing Division.
- Public Works has had occasional problems obtaining receipts for credit card purchases in the past. However, staff is currently reconciling statements in a more timely manner and being more proactive in obtaining these receipts. Managers review and sign the credit card statement at time of reconciliation.
- Public Works does not inventory and account for fixed asset type items having a value under \$1,000, based on County policy.
- Public Works does not routinely check with Purchasing for existing contract or vendor arrangements before using the Purchasing Card.
- The Public Works Director and management staff regularly review the County's Purchasing Card guidelines and review/revise department guidelines as needed, from input from audits performed or changes established by the Board of Supervisors. All employees issued a County Purchasing Card are given the County guidelines as well as the department guidelines.

GWS:sp  
(H:\GWS\CreditCards-CEO)





**PARKS AND RECREATION**

**Administration**

CHIEF EXECUTIVE OFFICER


3800 Cornucopia Way, Suite C, Modesto, CA 95358-9492

Phone: 209.525.6750 Fax: 209.525.6773

2001 JUL 13 AM 11:05

July 13, 2001

TO: Reagan M. Wilson  
Chief Executive Officer

FROM:  Kevin M. Williams  
Director

RE: Purchasing Card Policy

Our staff received a copy of the County's Purchasing Card Policy and Travel Policy. They have reviewed both policies and have signed a confirmation. In addition to the County policies, the Department has developed a Guideline for Purchasing Card Use and Review (Attachment A).

On May 28, 2001, a memo was sent to staff regarding credit card purchases. The purpose of the memo was to clarify the use of credit cards, in light of recent changes (Attachment B).

Also, the Department follows the 1992 Purchasing Policies and Procedures, including: fixed asset procedures, RFP procedures, surplus disposal, bids, contracts, leases, independent contractors and personal services contracts, and all Oracle Purchasing Procedures.

Should you have questions or need clarification, please call me at 525-6768.

Attachments

## Attachment A

### **Department of Parks and Recreation Guideline for Purchasing Card Use and Review**

#### General Procedures:

All employees have received and reviewed a copy of the Stanislaus County Purchasing Card and Travel Policies. All employees have signed the department's form stating they have read and understand the Purchasing Card and Travel Policies.

On November 29, 2000, the Director delegated the responsibility for reviewing the "Department Head Summary Reports" and authorization of signing the reports to Steve Brodie, Deputy Director of Parks and Recreation.

In an effort to clarify the policy for use of the purchasing card, a memo was sent to all staff. Attachment B is a copy of the memo that was drafted based on the findings in the April 2001, Auditor/Controller audit.

#### Overall Purchase Review Process:

Immediately (1-2 days) following a purchase, every employee is responsible for submitting the pre-authorizations, Park Supervisors post purchase approval and original itemized receipts to Accounting Unit. The same procedure is to be followed for Trip Authorizations and receipts.

Each Park Supervisor is responsible for pre-authorizing each purchase, reviewing original itemized receipt for each purchasing card purchase. Managers are responsible for signing trip authorizations, and reviewing expenses incurred during the trip. The Deputy Director is responsible for ensuring that trip authorization documentation is complete with itemized credit card receipts attached, and that the employee has not exceeded expense allowance including tips in excess of 15%.

Each month the Auditor/Controller Office sends each department a Department Head Summary Report, this report is forwarded to the Accounting staff. The Accounting staff reconciles credit card charges. Accounting staff attach the pre-authorization for each purchase, credit card receipts with managers' approval, trip authorizations, copies or original of receipts for reimbursement and all other supporting documentation.

All supporting information and the Department Head Summary Report is forwarded to the Deputy Director for review. The Deputy Director reviews each credit card purchase for compliance with Stanislaus County's Purchasing Card and Travel policies.

Based on the Grand Jury Reports 2000/2001, the following procedure change was implemented. The Assistant Director of DER will review all credit card purchases made by the Deputy Director of Parks and Recreation.



May 28, 2001

MEMO TO: All Parks and Recreation Staff

FROM: Steve Brodie  
Deputy DirectorSUBJECT: **CREDIT CARD PURCHASES**

Due to a recent audit, it has come to my attention that the proper credit card policies are not being followed. This memo is intended to clarify what the expectations are so that we can continue to utilize credit cards for purchase in our dept.

**All purchases must be pre-authorized.**

Immediately (1-2 days) following the purchase the receipt, pre-authorization and ok from supervisor needs to be attached together and forwarded to Accounting.

The following are some examples:

1. Travel - When you have a trip authorization to attend a meeting or travel out of county for any reason and you use your credit card for purchases, your trip authorization serves as the pre-authorization of purchase. Immediately upon your return, all of your COUNTY credit card receipts should be attached to your trip authorization and turned in to your supervisor for approval. Trip authorizations and receipts should then be immediately forwarded to Accounting.
2. When you pay out of pocket for purchases or travel meals etc... again, the trip authorization serves as your pre-authorization of purchase. Receipts for which you are claiming reimbursement must be attached to your timecard along with a copy of the trip authorization. Reimbursement request for the purchases must be written on your timecard.

If you attach a county credit card receipt to your time card, the possibility exists that Accounting will assume this was your personal credit card receipt and you will receive compensation that is not owed to you. The only way that they would know this is not your personal credit card receipt is to check the credit card number detail on the receipt against your county credit card number. Because of time constraints, they are simply not able to check these numbers on every receipt that comes through. Please be aware of this issue and attach appropriate receipts to the appropriate request or approval form.

3. All other receipts for purchase must have the authorization form attached (or an email from your supervisor okaying the purchase) and be signed by the supervisor and forwarded to Accounting immediately.
4. No gasoline purchases may be made on your county credit card while in County. You are encouraged to not purchase gasoline on your county credit card when

you are out of county because of the high cost. The County Garage has gas cards that you can pick up and use while you are out of county on a trip that requires you to purchase gas. Of course, this only applies to county vehicles and rental vehicles. It is NEVER ok to purchase gas with a county card for your personal vehicle - even if you are on county business.

**All purchases must have receipts and must explain the purchase in detail.**

The following are examples:

1. If you do not have a detailed receipt a missing receipt form must be completed, approved by your supervisor and immediately turned into Accounting.
2. One of the biggest credit card issues in the County is overages on meal allowances and tips. To reiterate the policy, you are allowed \$12.00 for breakfast. This includes any tip that you might leave up to 15%. Therefore, if you eat a \$12.00 breakfast, the amount that you leave for tip is at your own expense. If you eat a \$7.00 breakfast and leave a \$4.00 tip, the county will only pay for the \$7.00 breakfast and a \$1.05 tip (15% allowance).

Detail is important. If the receipt only states a total of \$22.35, questions arise how much did you spend on the meal? How much on tip?

It is not the responsibility of Accounting to come ask you for the overage. You are expected to turn in your receipts, your payment to the county and all related documentation to your supervisor for approval. In addition, reimbursing the county for .08 cents or .50 cents because of meal and tip overage is time consuming. Money is collected, receipts are written, charges are set up in the computer system in order to allow payment of those charges, and then the money is deposited to the Treasurer's office. This is not a cost effective way to do business and is not an efficient use of our time. Please be aware of these issues when you use your county credit card. If you need to pay more than the amount the county allows, consider paying by cash.

3. Our Auditor's office cannot express strongly enough, the detail that is needed on receipts! If for instance, your county credit card is used for an in-county meeting meal, or interview panel luncheon, the receipt must state the date, name of the attendees, where the attendees are from (city, county, state etc...) the position being interviewed for, names of the interview panelists and where they are from, copy of the agenda of the meeting etc.... It is better to attach more information to your receipt in order to save problems down the road.

Lastly, I want to explain why these procedures are necessary. During a recent audit, we were informed that the expectation of our department is to have all credit card statements reconciled, receipts with the statements, and the monthly report reviewed and signed by the department head within 3 weeks. The only way for us to ensure that we meet this expectation is to try to work as efficiently as possible. We can't possibly run down these receipts, run down signatures from supervisors, follow up to get missing receipt forms AND have the process completed within 3 weeks.

If a receipt, or missing receipt form has been requested, and not turned in after 10 days, County policy allows the deduction of the \$ amount from your paycheck. I am requesting your assistance so that this action does not become necessary.

The issues listed in this memo are by no means the entire travel and / or purchasing card policy. These issues represent our department's biggest compliance problems. If you are traveling or using a county credit (purchasing) card, please be sure that you know the county policies. For your convenience and future reference, I have attached a copy of the travel and purchasing card policies.

If you have any questions regarding these procedures, please feel free to talk to either myself or your supervisor.

Thank you for your cooperation in this matter.



Tom Watson  
Treasurer / Tax Collector

PO Box 859, Modesto, CA 95353-0859  
Phone: 209.525.6388 Fax: 209.525.7868

CHIEF EXECUTIVE OFFICER

2001 JUL -5 P 3:51

MEMO  
TO: Reagan Wilson, CEO  
FROM: Tom Watson, T/TC *Tom Watson*  
SUBJECT: Annual Review of Department Credit Card Charges  
DATE: July 3, 2001

I have reviewed the 2000-2001 year T/TC Office credit card charges to date. We have received 11 monthly statements which have been fully reviewed. We recently received the May 24, 2001 to June 23, 2001 report from the Auditor-Controller and are in the process of reviewing that also.

Of the 11 monthly reports which I reviewed, I found that we have original receipts or other documentation to support every transaction made. Any personal items have been reimbursed and purchases appear to be made within the policy parameters.

Below please find the breakdown of the expenses by month:

STATEMENT PERIOD		TOTAL TOTAL		MEMO:			
from	to	# OF TRANS.	\$ EXPENDED	TRAVEL TRANS.	TRAVEL \$	OTHER TRANS.	OTHER \$
06/24/2000	07/23/2000	22	\$5,920.55	7	\$3,467.96	15	\$2,452.59
07/24/2000	08/23/2000	11	\$2,103.25	3	\$837.50	8	\$1,265.75
08/24/2000	09/23/2000	12	\$1,730.49	8	\$1,560.45	4	\$170.04
09/24/2000	10/23/2000	39	\$6,970.13	23	\$5,204.13	16	\$1,766.00
10/24/2000	11/23/2000	47	\$7,073.78	31	\$6,144.40	16	\$929.38
11/24/2000	12/23/2000	31	\$6,294.81	5	\$1,702.75	26	\$4,592.06
12/24/2000	01/23/2001	18	\$2,065.40	3	\$209.50	15	\$1,855.90
01/24/2001	02/23/2001	17	\$2,492.04	4	\$1,137.15	13	\$1,354.89
02/24/2001	03/23/2001	32	\$6,544.20	25	\$5,323.02	7	\$1,221.18
03/24/2001	04/23/2001	13	\$293.53	4	\$202.95	9	\$90.58
04/24/2001	05/23/2001	29	\$5,929.51	13	\$4,924.52	16	\$1,004.99
						0	\$0.00
TOTALS		271	\$47,417.69	126	\$30,714.33	145	\$16,703.36
AVERAGES:			\$174.97		\$243.76		\$115.20
			per transaction		per transaction		per transact.

The above figures include Retirement Board members who travel to State conferences, make due diligence visits on vendors and potential investment managers, and attend educational forums to keep abreast of current trends in retirement benefits and investments. The average expenditure per transaction for "other" items such as minor office supplies or catering for retirement seminars is less than \$120 (and in one month less than \$11 per transaction). We have 20 "open" cards (accounts).

I would think that relieving Purchasing and the Auditor-Controller's Office from having to deal with small cost items would save significant staff time and resources for the entire organization. I think that the introduction of purchasing cards for employees to be able to obtain necessary supplies in an expedient fashion and not have to fill out more forms which are then reviewed by other county employees saves time and money for the taxpayers of Stanislaus County which can be devoted to improving and expanding the services which are of importance to our county's citizens.



CHIEF EXECUTIVE OFFICER

2001 JUL - 17 3:51

MEMO  
TO: Reagan Wilson, CEO  
FROM: Tom Watson, T/TTC *Tom Watson*  
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# Stanislaus County

DEPARTMENT OF  
MANAGEMENT INFORMATION SERVICES

948 11th Street, St 23  
Modesto, California 95354  
Phone (209) 558-4477  
Fax (209) 558-4483

July 13, 2001

## MEMORANDUM

**TO:** Reagan M. Wilson  
Chief Executive Officer

**FROM:** James W. Ray  
Interim Director

**SUBJECT:** Response to Grand Jury Report - Case # 01-02-C

The Grand Jury Report, Case # 01-02-C was reviewed by this department.  
The enclosed document is submitted in response to that report.

Enclosure





# Stanislaus County Management Information Services



# Response to Grand Jury Case #01-02-C

July 2001



## FINDINGS & Response to Findings

1a. The MIS Department hires both independent contractors and personal services contractors.

**Concur**

1b. The MIS department hires personal services contract staff in place of regular staff.

**Nonconcur.** *MIS hires contractors to augment regular County staff. Personal services contractors are not hired in place of County Staff. They are hired to perform specific projects and activities. They are hired to perform short-term project specific activities which are difficult and are above our normal workload.*

1c. Testimony indicated that it is quicker to hire someone on a contract than to go through the process of hiring regular staff.

**Nonconcur.** *The reason for hiring contract staff is not for the shorter hiring process. In addition to the administrative process that is required to bring in contractor staff, they are subjected to the same competitive screening that permanent staff are.*

1d. Testimony also indicated that sometimes regular staff cannot be hired because of budget constraints, but money has been set aside to pay for short term contracts. Contract staff can be hired as regular employees at a later date.

**Concur with clarification.** *MIS hired contractors to augment the current staff. For example, in 1999 Y2K generated a great deal of extra workload requiring a large number of temporary staff for a short term period of time. Contract staff can only be hired permanently if they apply through the regular competitive process, consistent with County policy.*

1e. Managers testified that they did not keep records of the length of time of a contract and did not know when contracts were supposed to end.

**MIS uses a standard County contract, which is approved by County Counsel and CEO staff. A copy of each contract is kept on file with MIS, Payroll, and Human Resources. County Policy dictates that the cost and/or duration must be defined in the contract.**



1f. The MIS Department sends personal services contract staff to training at County expense.

***Concur with clarification. The MIS department has paid for limited training. Personal services contractors started as low as \$8 per hour and do not have the resources to pay for this additional training. This special training is needed to support the specific projects and activities that the Personal Services Contractors worked on and generally is only for a few days. This has been a very good value for the County. An alternative would have been to hire consultants at \$100 to \$180 per hour.***

1g. There is not a written policy that prohibits sending contract staff to training.

***Concur***

1h. As many as 17 MIS employees attended the same workshop on the same date at a cost of \$185 per person.

***Concur with clarification. MIS records indicate that the department sent 12 people to a "Lessons in Leadership" class on Nov 18, 1998. This class was hosted by Stanislaus County at the SOS Club and County staff from all departments were encouraged to attend.***

1i. The County Travel Policy states that training expenses are to be reimbursed to personal services contractor employees in the same way as regular employees.

***Concur***

1j. Testimony and a review of the type of training provided to the MIS Department indicated that staff was receiving training that was not related to their jobs.

***Nonconcur. It is the policy of the County to train staff for professional growth, with which MIS has complied. MIS trains in new technology areas where required.***

1k. The practice of sending staff or contract employees to training was not uniformly followed throughout the department.

***Nonconcur. Training is encouraged in the MIS department for professional and technical skills development.***

2. No evidence could be found to support the allegation that the Applications Development Manager used County equipment for a private party at his home.

***Concur.***



3. During the course of the Civil Grand Jury investigation, other problems with the MIS Department came to light that are related to the original allegations. They are as follows:

- a. Ordering of County equipment and lack of tracking
- b. Misuse of credit cards, also known as purchase cards
- c. Misuse of County equipment by the Applications Development Manager who was running for public office.

*All items discussed here are addressed under number 4. See number 4 for responses*

4a. Digital cameras, monitors, laptops, and other equipment have mysteriously disappeared from the MIS Department.

*Concur with clarification. A digital camera was stolen in September 2000. A laptop was lost during the emergency response of the flood of 1997 and a laptop belonging to a consulting firm was stolen in 1998.*

4b. County policy is to assign asset numbers and affix asset tags to items costing more than \$1,000 as a means to track inventory. Without these numbers, inventory cannot be tracked.

**Concur**

4c. County policy does not have a system for the tracking of items costing less than \$1,000.

**Concur**

4d. The MIS Department does not put asset tags on any equipment costing under \$1,000.

**Concur**

4e. The MIS Department started an asset list for items costing less than \$1,000 in October 2000.

*Concur with clarification. Purchases under \$1000 were tracked for the purpose of billing accountability.*



4f. When the MIS Department Manager orders equipment for other departments, that equipment can be sent directly to the requesting department from the vendor. The requesting department is responsible for assigning asset tags. The MIS Department does not track this equipment.

**Concur**

4g. The Applications Development Manager loaned computers to the Oakdale High School District without following County policy on the disposal of surplus equipment. He signed his name on the loan document identifying himself as the department head.

**Nonconcur.** The MIS director at the time authorized the loan of equipment to the Oakdale High School. This was discussed with Purchasing. The Applications Manager signed for the Director, as the Director was out of the office.

4h. The MIS Department loaned computers to various staff, outside entities and contract employees for home use.

**Concur.** MIS has signed letters for all equipment that has been loaned. Employees and contractors use computers at home to perform authorized work after already having put in a full day. County computer systems are supported 24 hours a day and 7 days a week by MIS staff.

4i. "In accordance with the California Government Code, Public Contract Code, and Stanislaus County Ordinance the Purchasing Agent is authorized to sell, trade, trade-in, lease, exchange, or otherwise dispose of any personal property belonging to the County which is deemed to be surplus and not required for public use by the County which has a value of less than \$1,000 per individual item without prior approval by the Board of Supervisors. The disposal of surplus property may be made without securing bids or advertising.

**Concur**

4j. For the disposition of County property exceeding \$1,000, the Purchasing Agent must obtain prior approval of the Board of Supervisors. The policy further states that each department shall determine if an item becomes surplus or obsolete and, if so, shall report this to the Purchasing Agent by completing a Turn In of County Property To Surplus Form. The Purchasing Agent then determines the proper disposal of the item.



**Concur**

4k. There was no evidence that the MIS Department used the Turn In of County Property To Surplus Form during the 1999 or 2000 fiscal years.

**Nonconcur. MIS used the salvage process extensively during this period. MIS has used the salvage form and transfer form during this period. MIS files dating back to 1992 can be submitted for verification, including as late as March 2001. Purchasing changed the procedure to use transfer form exclusively during last couple of years.**

4l. The MIS Department placed an order for 230 computers for the D.O.V.E. project at a cost in excess of \$300,000.

**Concur**

4m. These computers were stored at the former women's jail on Oakdale Road and were distributed as needed.

**Concur**

4n. The MIS Department did not track the computers when they were stored or as they were distributed from the former women's jail on Oakdale Road.

**The cross-functional project teams tracked the PC's for the PeopleSoft and Oracle Projects. As the assets were delivered to departments, it was their responsibility to track the asset through the accounting system.**

5a. The Stanislaus County Credit Card policy states that credit cards may be used to purchase individual items costing less than \$1,000. The policy also states that employees need to obtain competitive quotes, check with the Purchasing Division for any existing contracts, and identify themselves as County employees to receive government discounts.

**Concur**

5b. Computer components can be purchased by credit card if the cost of each component is under \$1,000. These components can be used to build a system that is worth considerably more than \$1,000.

**Concur**



5c. No evidence exists to indicate that competitive quotes were received by the MIS Department prior to credit card purchases.

***Nonconcur. MIS consistently shops for the best price and the shortest delivery timeframe. Most credit card purchases of equipment and software, when essential, are to address an immediate need. For example, a server requires additional memory to continue operation. If memory is not purchased immediately, several departments' computer processing could be at risk. The cost of lost productivity is much greater than the cost of \$70 memory.***

5d. The MIS Department used County credit cards to purchase hundreds of dollars of computer equipment, books, software, digital cameras and other equipment without getting bids or accessing information available through the Purchasing Division regarding where these items might be purchased cost-effectively.

***Nonconcur. Credit card purchases are typically required on the basis of urgency. According to the County's purchasing policy, bids are required on items costing \$25,000 or more, which MIS has complied with. The cheapest possible source for an item is utilized unless there is a delivery issue.***

5e. The MIS Department purchased one fully equipped Macintosh IMAC computer for the Applications Development Manager. This is the only Macintosh computer in the MIS Department. County credit card records show that an additional \$8,900 was spent on this Macintosh computer during the time period July 1, 1998 through June 30, 2000.

***Nonconcur. Our records indicate that approximately \$2700 was spent on software and hardware for the Mac computers during the last three years. This includes the cost of the PC. MIS purchase general PC and network equipment from MacWarehouse (also known as MicroWarehouse and PCWarehouse) and Macdaddy. This may have caused some confusion. Also, there is one other Mac computer that we support for the CEOs office. Though not the County standard, Non-standard equipment can be purchased when there is a need.***

5f. The County received a government discount from two large suppliers of office equipment and supplies; however, the MIS Department used a local downtown vendor to purchase the items cited in Finding e.

***Nonconcur. In 1999, the one source, Central Services, for support, was initially very slow. MIS purchased large amounts of supplies on credit card because of time constraints to meet urgent customer needs. The***



*referenced purchases were made through a discount supplier whose prices were very competitive. MIS also identified themselves as county employees to obtain discounts. Today, MIS uses the two sources for over 95% of our supplies. Local office supply stores are used for emergencies only.*

5g. The Applications Development Manager used his purchasing card at SaveMart and Smart and Final to purchase food totaling:

- (1) \$1,581.00 between June 30, 1999 and July 27, 1999.
- (2) \$ 608.00 between August 5, 1999 and August 25, 1999.
- (3) \$ 310.00 between September 23, 1999 and September 27, 1999.
- (4) \$ 709.00 between October 6, 1999 and October 28, 1999.
- (5) \$ 809.00 between November 3, 1999 and November 27, 1999.
- (6) \$1,344.00 between December 3, 1999 and December 31, 1999.

*Concur. Food was purchased for numerous County/MIS events including:*

- *Staff working OT, Y2K Projects*
- *MIS Quarterly Meetings: mandatory all staff meeting. Approx. 85 MIS plus other dept staff*
- *MIS Forums: approx. 65 at each meeting*
- *MIS Technical Forums: approx. 40 people from all depts.*
- *Stanislaus State Professor and Student Tours (Part of our recruiting program)*
- *CJIS Meetings*
- *Product Enhancement meeting with other depts.*
- *Employment and Panel Lunches*
- *Y2K Dec 31<sup>st</sup> Emergency Operations*
- *Y2K preparation conferences with representatives from all County Departs and some outside agencies*

5h. Multiple managers within the MIS Department used County credit cards to purchase food products in excess of \$7,000 for staff between July 1, 1999 and June 30, 2000. A review of credit card expenditures for July 1, 1998 through June 30, 1999 and July 1, 2000 through February 28, 2001 indicated similar expenditures. Meeting agendas and employee attendance records could not be found to document the need for these expenses.

*Concur with clarification. MIS has retained some agendas and sign-in sheets. MIS was not aware there was a requirement to keep records that included detailed individual names on food/meeting tracking. Charges for food to credit cards were greatly reduced during the period from 7-1-2000 through 2-28-2001.*





5i. MIS Department managers' credit card printouts for the fiscal year 1999-2000 indicate that the Technical Services Manager charged in excess of \$25,000 and the Applications Development Manager charged in excess of \$40,000.

*Concur*

5j. The Applications Development Manager charged in excess of \$53,000 on his purchasing card in 1998-1999.

*Concur*

5k. The Applications Development Manager had his credit card removed from his possession in the fall 2000.

*Concur*

5l. Records were reviewed indicating that reconciliation of credit card expenditures is being conducted the Confidential Assistant. These records do not adequately explain what the expenditures were for or who had actually made the expenditures.

*Nonconcur. MIS has kept records with notations for purchases, containing a brief description, which may not be readily interpreted by non-technical personnel.*

5m. Managers testified that staff can use the managers' credit cards and that they do not monitor what staff purchases.

*Nonconcur. Staff used credit cards in the past. This practice has been terminated. Managers did monitor staff purchases via prior approval and receipts.*

5n. The Stanislaus County Travel policy indicates that in-county meals are allowable, with department head approval, when incurred in conjunction with a County sanctioned meeting, when oral interview boards contain non-County employees, or for recognized training programs where the employee's attendance is required all day without a full-hour discretionary lunch period and the meal is not claimable through another agency. The maximum meal rates apply.

*Concur*

6. The Applications Development Manager used County equipment to copy campaign materials for a public office for which he was running.

*Concur. The applications manager used a network printer to print materials. He immediately ceased this practice when made aware that this was prohibited and completely reimbursed the County.*



7. The Applications Development Manager was given a good evaluation and a raise for the same period in which his credit card was cancelled and he misused County equipment.

***Nonconcur. The County Performance Evaluation Criteria clearly states a team approach to rating process. The supervisor's opinion is only one input to the rating process. The former Director of MIS last rated the applications manager. The Interim Director has completed no evaluation at this time. The credit card was canceled later by the Interim Director of MIS.***



## RECOMMENDATIONS & Response to Recommendations

The Civil Grand Jury recommends that:

1. The MIS Department develop an internal process to track the length and terms of both personal services contracts and independent contractors.

**MIS is enhancing a current process to track the length and terms of contractors and will complete this within 30 days.**

2. The MIS Department and the office of the CEO establish written policies regarding the training of regular employees and contract employees. The policy should be uniform with regard to who can attend training and what type of training is appropriate.

**MIS will comply with the County policy on training employees.**

3. The CEO and the MIS Department develop consistent procedures for ordering, receiving and assigning asset numbers and tracking equipment.

**Currently, the Auditor Controller has the responsibility for setting policy on assets and tracking.**

4. A uniform tracking system be developed for all departments for items costing in excess of \$250.00.

**MIS has no authority to set a policy for tracking all items costing more than \$250. Current policy requires the tracking of items costing \$1000 or more.**

5. The MIS Department and the office of the CEO develop an adequate system to obtain supplies and computer equipment so that employees do not need to constantly go to local stores to purchase office and computer supplies,

**MIS has already implemented this recommendation. Purchases at local office supply stores are limited to rare occasions when there is an essential service at risk.**

6. The MIS Department expand the current credit card tracking system to indicate who made the purchases, what was the purpose of the purchases and who approved the expenditures.

**Processes will be updated to provide more detail on tracking information for credit card purchases. This will be in place within 30 days.**



7. MIS Department review written County policies and procedures regarding surplus equipment and ensure all staff are following these procedures. If the equipment is deemed to be excess, County policy for the liquidation of excess equipment should be followed.

**Current policies for dealing with surplus equipment will be reviewed within 30 days to validate compliance.**

8. The MIS Applications Development Manager reimburses the County for the use of County equipment to copy campaign material.

**The MIS Manager had reimbursed the County for personal use of equipment in September 2000 immediately upon realizing that he had inadvertently printed materials on the County network.**

9. The MIS acting department head review evaluation criteria for management staff to ensure that management personnel who do not follow County procedures do not receive good evaluations and raises. Instead, these infractions should be adequately addressed in the evaluation process.

**The interim Director will review the rating criteria, which can only count for 40% of the total criteria. Criteria are based upon the Baldrige model.**

10. MIS staff be housed in one location. It is difficult for a department head to know what is happening with staff that are located in three different locations in the County.

**MIS has been working to be housed in a single location for a number of years. A timeframe cannot be set, as this requires the coordination with other County departments.**



**AUDITOR-CONTROLLER**

**Larry D. Haugh**  
Auditor - Controller

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Phone: 209.525.6398 Fax: 209.525.6487

July 5, 2001

The Honorable William A. Mayhew, Presiding Judge  
Stanislaus County Superior Court  
1100 I Street  
Modesto, CA 95353

SUBJECT: STANISLAUS COUNTY CIVIL GRAND JURY  
2000-2001 FINAL REPORT

This memorandum will serve as the Auditor-Controller's response to the Grand Jury's Final Report for the 2000-2001 year. The Grand Jury should be commended for devoting a significant amount of time interviewing numerous individuals and reviewing thousands of pages of documents. Reporting on matters as complex as those contained in the report is a difficult task.

The Auditor-Controller's Office agrees with some of the findings either in whole or in part. Our responses are in the same order as they appeared in the Grand Jury Report. We have included the Grand Jury's recommendations followed by our response.

Recommendation #1

The Auditor-Controller assign designated accountants to identify and monitor all federal and state grants received by the County.

Response

We agree with the Grand Jury's recommendation. State and local governments frequently receive substantial federal assistance, which is often provided by several different grantor agencies. At one time, state and local governments were subject to the separate audit requirements of each individual grantor. Such multiple audits often resulted in a wasteful duplication of effort, with different audit teams examining and re-examining the same internal control framework. The federal response to remedy this situation was the Single Audit Act of 1984, which was further strengthened by the Single Audit Act amendments of 1996.

As part of the audit process, a schedule of all federal grant funds must be completed and identified. This task is assigned to an Accountant III in the Auditor-Controller's Office. This schedule is used as the basis for the field work performed by the external audit firm to comply with the annual Single Audit.

Like all federal audits, Single Audits must be performed in accordance with Generally Accepted Government Auditing Standards. In addition, Single Audits are subject to the requirements of the Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Circular places special testing and reporting responsibilities on auditors dealing with federal awards.

Approval to apply for state and federal grants must be obtained from the Board of Supervisors. State and federal grant agenda items are routed to the Accountant III referenced above. State and federal funds must be approved through the budget process by the Board of Supervisors. Budgets for these programs are reviewed no less than annually. Budget modifications to state grants must be approved by the Auditor-Controller.

All federal and state grants are tracked on the County's financial system. Monthly reports, including those pertaining to federal and state grants, are created for use by departments. This is in addition to the on-line availability of this information which can be accessed by departments.

#### Recommendation #2

All County departments, who had significant variances ten percent (10%) or higher between actual and budgeted costs in their 2000-2001 budget, be required to provide written documentation to the Auditor-Controller, Chief Executive Officer, Board of Supervisors and Grand Jury by September 15, 2001 as to why such substantial differences existed.

#### Response

We agree with the Grand Jury's recommendation. In some cases, budget variances may appear to be excessive and numerous, however, they are projections that are monitored throughout the year. Departments are issued a base budget allocation in preparing their proposed budgets. Changes to this base budget are scrutinized and must be approved by the Board of Supervisors in arriving at the final budget numbers. The final budget may not be increased without approval from the Board of Supervisors, but departments can make internal adjustments as long as they stay within their total budgeted amount. At mid-year and at the third quarter, a formal review of the County's budget position is presented to the Board of Supervisors with recommended adjustments. These adjustments include increases and decreases in appropriations and estimated revenues.

In addition, the complexity of governmental accounting, the effect of differing state and federal government fiscal years in relation to the County fiscal year, and the receipt of funding from these entities in arrears contribute to this issue, all of which are outside of local control.

Monthly operating statements are provided to departments with actual expenditures and revenues to budget numbers. This permits monitoring on an ongoing basis.

Recommendation #3

The external auditor is requested to perform ANNUAL audits of purchase card/travel authorization transactions for every department in its 2001-2002 contract rather than hire two additional County auditors at a total cost of \$142,608. The cost of the external auditors would be approximately \$82,000 to perform purchase card/travel authorization transactions audits. Hiring an outside auditing firm would prevent a perceived conflict of interest.

Response

We disagree with the Grand Jury's recommendation. Due to severe fiscal constraints in the 1992-1993 fiscal year, the Internal Audit staff was eliminated. A contract for limited internal audit work was negotiated with the firm responsible for the County's annual financial audit. In subsequent years the Grand Jury was critical of the Auditor-Controller's Office for eliminating this essential function.

The following excerpts are from the 1993-1994 Grand Jury Report:

"The lack of an effective internal auditing function has been criticized in Advisory comments from the independent auditors for at least the last three years, as well as the Final Reports of the last three Civil Grand Juries. In the face of these criticisms, the internal audit staff has shrunk from 5 people to 1 over a three year period."

"Internal audit functions are typically not missed until there has been a significant loss which could have been prevented if detected early. The loss potential associated with misuse of County monies grows more significant as time goes on without appropriate checks and balances. The prevention of a loss could easily justify the addition of internal audit staff."

The Auditor-Controller's Office does not currently have any internal audit staff, and must take staff from other critical assignments to do limited audit work. An Internal Audit staff would not be limited to the auditing of credit card activity, but would review all internal control issues on a proactive basis. An Internal Audit staff would conduct audits throughout the year as opposed to the limitations of an annual audit period. This permits audit concerns and issues to be addressed on a current basis.

The goal of the internal auditor is to help management function more efficiently and effectively. In doing so, the internal auditor typically plays a vital role in helping management to establish and maintain a comprehensive framework of internal controls. Indeed, internal auditors actually function as an integral part of the internal control framework, serving as a secondary level of control to ensure that a government's control-related policies and procedures remain relevant and operational.

The role of the internal auditor differs substantially from that of the independent auditor of the government's financial statements. Internal auditors work directly for the entities they audit. While a significant degree of independence is required for the internal audit function to be effective, it is not the same degree of independence required of the independent auditor of the financial statements. Also, the primary focus of the independent auditor of the financial statements is on the fair presentation of a particular set of financial statements. The focus of internal auditors often extends to much broader managerial concerns, such as performance auditing.

Recommendation #4

Human Resources personnel determine which employees are of retirement age and calculate retirement cash outs for 2001-2002, so department managers can analyze the fiscal impact on each department's budget.

Response

We agree with the Grand Jury's recommendation. There are many factors that enter into determining the impact of retirements on a department budget in a specific year. The cash out amount is affected by an employee's bargaining unit, whether they are a safety or general member of the retirement system, have prior government service, and whether they have a personal sick leave limit.

While not exact, it is possible to develop a global query that would identify most of those eligible in a department to retire and provide an estimate of the cost. We will make this query available to departments, which they can run themselves. The query will be based on the age of the employee, years of service, employee bargaining unit, and retirement tier.

Another factor is that most employees retire at the end of March. This is due to the 1937 Retirement Act, whereby if an employee retired on April 1 and has met certain criteria, he is eligible for a 3% cost of living increase in his retirement benefit. The final budget is typically approved in September. This precludes a department's ability to accurately forecast an employee's retirement prior to the budget process.

Recommendation #5

Human Resource personnel determine the number of unused vacation days for each department's employees, so department managers can analyze fiscal impact on each department's budget.

Response

We agree with the Grand Jury's recommendation. We currently provide with each biweekly payroll, a report to all County departments reflecting the number of vacation and sick hours accrued by each employee. In addition to this, a separate report is provided to all County departments with each biweekly payroll showing who is near their maximum vacation accrual, total number of hours accrued, and their individual vacation limit.



Recommendation #6

Stanislaus County inventory, track, and place an asset tag on specified electronic equipment costing under \$1,000, since a huge gap exists in this category with the potential of hundreds of thousands of taxpayer dollars unaccounted for by County departments.

Response

We agree with the Grand Jury's recommendation. Currently many departments track, at department head discretion, specific electronic equipment they feel has a great exposure of becoming lost or missing. The County's fixed asset system has the capability to track these items under \$1,000. The Auditor-Controller's Office makes available County property tags.

Recommendation #7

A standardized depreciation schedule for equipment under \$5,000 be established by the Auditor-Controller's Office that ALL departments must follow effective immediately.

Response

We disagree with the Grand Jury's recommendation. Under Generally Accepted Accounting Standards, fixed assets purchased through Governmental Funds, which include the County's General Fund, Special Revenue, and Capital Projects Funds are expensed and are not capitalized. Therefore, a depreciation schedule for departments accounted for in a Governmental Fund would not be appropriate.

The governmental fund balance sheet is the basic statement of position for the governmental funds. Governmental funds focus on current financial resources. Accordingly, only financial assets are properly reported in governmental funds. An asset is considered financial if it satisfies any of the following conditions:

The asset is a form of cash.

The asset will convert to cash in the ordinary course of operations.

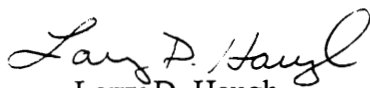
The asset represents inventories (such as materials or supplies) or a prepayment.

Examples of assets that should not be reported in governmental funds because they are not financial in nature include general capital assets and intangible assets used in the government's operations. General capital assets might include land, buildings and improvements, equipment, and infrastructure.

Capitalization and depreciation of fixed assets is required in Proprietary Funds, which include Enterprise and Internal Service Funds. This represents a small part of the fixed assets purchased and held by the County.

While the Controller of the State of California has issued guidelines which allow for a fixed asset to be \$5,000 or more, the County Auditor-Controller's Office has determined that there is a need for the safeguarding of assets that are less than \$5,000 in value. For this reason the Auditor-Controller's Office requires that any single item having a value of \$1,000 or more be tracked and accounted for in the Fixed Asset module of the County financial system. These items are also included in the biennial fixed asset inventory required by state law.

In closing, I would like to give my thanks to the Grand Jury for all of their comments and I look forward to working with them in the future.

  
Larry D. Haugh  
Auditor-Controller

C: Honorable Pat Paul, Chair, Chair of the Board of Supervisors – District 1  
Honorable Thomas W. Mayfield, Supervisor – District 2  
Honorable Nick W. Blom, Supervisor – District 3  
Honorable Ray Simon, Supervisor – District 4  
Honorable Paul W. Caruso, Supervisor – 5  
Reagan Wilson, Chief Executive Officer




CHIEF EXECUTIVE OFFICE 251 E. Hackett Rd. C-2, PO Box 3389, Modesto, CA 95353-3389  
Phone: 209.558.2100 Fax: 209.558.2164

2001 JUL 13 PM 4:53

DATE: July 13, 2001

TO: Reagan Wilson  
Chief Executive Office

FROM: Terry Plett   
Department of Employment and Training

SUBJECT: CREDIT CARD PROGRAM

I have reviewed the 11 observations addressed in your memo of June 26, 2001 and done an overall evaluation of the department credit card policy to ensure that the department policy is consistent with the County. My evaluation included the implementation of the recommendations noted in Steven Smith's Purchasing Card Audit Report, dated April 26, 2001.

Attached are the Department Credit Card Policy and the Sales Tax Log for MasterCard Charges.

If I can answer any additional questions regarding the department credit card policy, please let me know.

DEPARTMENT OF EMPLOYMENT AND TRAINING  
CREDIT CARD POLICY

The Department of Employment and Training (DET) is issuing this credit card policy in order to be in compliance with the County Credit Card Policy. This policy is effective May 1, 2001.

- An employee must complete a "Credit Card Authorization" form prior to being issued a County credit card. This Authorization includes the following statement, "I accept responsibility for the credit card that will be issued to me and have read and understand the Stanislaus County Credit Card Policy and Travel Policy and agree to use the credit card in accordance with the terms and conditions of those policies. I understand that I am personally liable for any unauthorized credit card charges that I may incur. If it is determined by my department head that I have used this credit card for unauthorized purposes, then the County may offset all such unauthorized charges through payroll deductions."
- The County credit card is ONLY to be used by the cardholder, and ONLY when conducting authorized County business. An employee may not lend their assigned County credit card or credit card number to any other individual. However, one employee may charge county business items on their card for another employee in the same department. The credit cardholder must be the one using the credit card and will be responsible for all charges to their card. First time violation is grounds for immediate cancellation of the credit card.
- Personal expenses are not to be charged on the County business credit card. Should a charge card inadvertently be used for an unallowable purpose, the employee shall immediately reimburse the County. If the reimbursement is not paid within two weeks, it may be deducted from payroll. The first violation will receive a warning. The second violation is grounds for immediate cancellation of the credit card.
- The County business credit card may NOT be used to obtain cash advances.
- The credit cardholder will be responsible for the credit card. It must always be kept in a secured location.
- The county business credit card will be activated by the cardholder. If the credit card is lost or stolen, it is the employee's responsibility to notify the bank. The cardholder is responsible for letting Fiscal know when a card has been lost or stolen and when it was called in to the bank.
- Disputed charges will be handled by the cardholder. The cardholder must try to resolve the problem with the vendor. If that is unsuccessful, the Purchasing Card Statement of Disputed Items must be completed and submitted to Fiscal for further action.
- It is the responsibility of each credit cardholder to know and track his/her available balance. Stanislaus County Credit Card procedures state that every time there is a decline for a charge, the Auditor's Account Payable Department will be notified. They will then send a memo making the cardholder aware of the declined charges. If a cardholder has been declined charges, a memo with an explanation must be submitted to Fiscal.
- Violation of the County Credit Card Policy can result in having your credit card canceled.
- If a credit card is being canceled, the credit card must be returned to Fiscal. It will be cut through the black strip and discarded by Fiscal. Fiscal will notify the Auditor's Account Payables office to cancel the card and send a completed Purchasing Card Program Maintenance Form.

Purchases:

- County credit cards may be used to purchase individual items costing less than \$1,000.00 including taxes, shipping, etc.
- To initiate a credit card purchase, a Request for Goods & Services (RGS) or a DET Training/Supportive Service Application must be completed first. The RGS must be signed by the requestor and approved by the PROGRAM MANAGER for \$ .01 to \$999.99 (single item) or \$5000.00 (total purchase) (including taxes, shipping etc.) and must be signed by the Director or Assistant to the Director from \$1000.00 (single item) or \$5000.00 (total purchase) and up. All other rules for the completion of the RGS, i.e. cost price analysis, etc, remain in effect. Supervisors can still sign the Training/Supportive Service Application. The credit cardholder must have a completed RGS or Training/SS Application before making a purchase.
- After the purchase has been made the receipts must be turned in to the Fiscal department within a few days of purchase. If the purchase is made over the phone, the credit cardholder must request the vendor mail or fax a receipt immediately. If a receipt is lost, the credit cardholder must complete a memo verifying the vendor and the charges and have the Program Manager signature.
- Fiscal will contact the credit cardholder for any missing information, i.e. RGS or Training/SS Application or receipt. It will be the credit cardholder's responsibility to obtain this requested information and forward it to Fiscal. If Fiscal sees a pattern of not following procedures or if information is not provided in a reasonable time, it will be brought to the attention of the credit cardholder's Manager.

## **Sales Tax Log for Master Charge**

After Account Clerk III processes the Master Charge bill monthly, she will then forward it to Accounts Payable desk.

Accounts Payable clerk then will go through every receipt and check to see if any out of state vendor have been used or any Internet purchases have been made. If so, check to see if the invoices are billing for sales tax on the merchandise. If they do not, you have to log the information on the use tax log.

See example:

You also have to check to see if they charged the wrong sales tax. If they did you have to log the vendor on the sales tax log. Then initial the invoice to indicate that it was put on the sales tax log.

Then forward the log to the Auditors office.



CHIEF EXECUTIVE OFFICER  
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Phone: 209.525.6770 Fax: 209.525.6773

2001 JUL 13 AM 11:15

July 13, 2001

TO: Reagan M. Wilson  
Chief Executive Officer

FROM:  Kevin M. Williams  
Director

SUBJECT: Purchasing Card and Purchasing Programs and Policies

Department staff reviewed the County's Purchasing Card Policy, Travel Policy and the 1992 Purchasing Policies and Procedures. In an effort to ensure appropriate purchasing card use and timely review of the Department Head Summary Reports, the Department developed a Department of Environmental Resources Guideline for Purchasing Card Use and Review. This guideline (Attachment A) has been evolving since November 2000. The Auditor/Controller's audit and the Grand Jury Reports led to several changes in our purchasing card use and review process. Attachment B is a copy of a memo sent to staff to clarify the department's expectations for purchasing card use.

Implementation of the new process resulted in a 50% reduction of lost receipts the first month and zero lost receipts the second month. The last two monthly Department Head Summary Reports have been reviewed and signed within the recommended 30 days of receipt of the report.

In reviewing the Department's purchasing procedures, we found that the department purchases office supplies and some office equipment using the discount Purchasing secured with Office Depot. The reason we have chosen to purchase from Office Depot is they have provided excellent customer service, they have responded to our needs and we are able to use the discount secured by the Purchasing Department.

Purchasing is aware that our department works through Computer Ware MicroAge for the purchase of our computer equipment. Our computers have been purchased using the statewide government-pricing contract, when possible.

Our department exercises good judgment in obtaining competitive prices for items under \$500, however, we have not required three bids.

Asset tags are not placed on electronic equipment costing under \$1000.

Page 2

July 13, 2001

SUBJECT: Purchasing Card and Purchasing Programs and Policies

The Department has reviewed all purchasing card limits and all card limits have been reduced to the recommended limit of \$10,000.

The Department follows the 1992 Purchasing Policies and Procedures, including; fixed asset procedure, RFP procedures, surplus disposal, bids, contracts, leases, independent contractors, and personal services contracts, and all Oracle Purchasing Procedures.

Please feel free to contact Sonya Harrigfeld, or me if you have any questions regarding this report.

Attachments



## Attachment A

### **Department of Environmental Resources Guideline for Purchasing Card Use and Review**

#### General Procedures:

All employees have received and reviewed a copy of the Stanislaus County Purchasing Card and Travel Policies. All employees have signed the department's form stating they have read and understand the Purchasing Card and Travel Policies.

On November 29, 2000, the Director delegated the responsibility for reviewing the "Department Head Summary Reports" and authorization of signing the reports to Sonya Harrigfeld, DER Assistant Director.

In an effort to clarify the policy for use of the purchasing card, a memo was sent to all Environmental Resources' staff. Attachment B is a copy of the memo that was drafted based on the findings in the April 2001, Auditor/Controller audit.

#### Overall Purchase Review Process:

Immediately (1-2 days) following a purchase, every employee is responsible for submitting the pre-authorizations, manager's post purchase approval and original itemized receipts to the Accounting Unit. The same procedure is to be followed for Trip Authorizations and receipts.

Managers are responsible for pre-authorizing each purchase, reviewing original itemized receipt for each purchasing card purchase. In addition, each manager is responsible for signing trip authorizations, and reviewing expenses incurred during the trip. The manager is responsible for ensuring that trip authorization documentation is complete with itemized credit card receipts attached, and that the employee has not exceeded expense allowance including tips in excess of 15%.

Each month the Auditor/Controller Office sends each department a Department Head Summary Report, this report is forwarded to the Accounting staff. The Accounting staff reconcile credit card charges. Accounting staff attach the pre-authorization for each purchase, credit card receipts with managers' approval, trip authorizations, copies or original of receipts for reimbursement and all other supporting documentation.

All supporting information and the Department Head Summary Report is forwarded to the Assistant Director for review. The Assistant Director reviews each credit card purchase for compliance with Stanislaus County's Purchasing Card and Travel policies.

Based on the Grand Jury Reports 2000/2001, the following procedure change was implemented. The Deputy Director of Parks and Recreation will review the Assistant Director of DER credit card purchases.



3800 Cornucopia Way, Suite C, Modesto, CA 95358-9492  
Phone: 209.525.6700 Fax: 209.525.6774

May 28, 2001

MEMO TO: All Environmental Resources Staff

FROM: Sonya Harrigfeld  
Assistant Director

SUBJECT: **CREDIT CARD PURCHASES**

Due to a recent audit, it has come to my attention that the proper credit card policies are not being followed. This memo is intended to clarify what the expectations are so that we can continue to utilize credit cards for purchase in our dept.

**All purchases must be pre-authorized.**

Immediately (1-2 days) following the purchase the receipt, pre-authorization and ok from manager needs to be attached together and forwarded to Accounting.

The following are some examples:

1. Travel - When you have a trip authorization to attend a meeting or travel out of county for any reason and you use your credit card for purchases, your trip authorization serves as the pre-authorization of purchase. Immediately upon your return, all of your COUNTY credit card receipts should be attached to your trip authorization and turned in to your manager for approval. Trip authorizations and receipts should then be immediately forwarded to Accounting.
2. When you pay out of pocket for purchases or travel meals etc... again, the trip authorization serves as your pre-authorization of purchase. Receipts for which you are claiming reimbursement must be attached to your timecard along with a copy of the trip authorization. Reimbursement request for the purchases must be written on your timecard.

If you attach a county credit card receipt to your time card, the possibility exists that Accounting will assume this was your personal credit card receipt and you will receive compensation that is not owed to you. The only way that they would know this is not your personal credit card receipt is to check the credit card number detail on the receipt against your county credit card number. Because of time constraints, they are simply not able to check these numbers on every receipt that comes through. Please be aware of this issue and attach appropriate receipts to the appropriate request or approval form.

3. All other receipts for purchase must have the authorization form attached (or an email from your manager okaying the purchase) and be signed by the manager and forwarded to Accounting immediately.
4. No gasoline purchases may be made on your county credit card while in County. You are encouraged to not purchase gasoline on your county credit card when

you are out of county because of the high cost. The County Garage has gas cards that you can pick up and use while you are out of county on a trip that requires you to purchase gas. Of course, this only applies to county vehicles and rental vehicles. It is NEVER ok to purchase gas with a county card for your personal vehicle - even if you are on county business.

**All purchases must have receipts and must explain the purchase in detail.**

The following are examples:

1. If you do not have a detailed receipt a missing receipt form must be completed, approved by your manager and immediately turned into Accounting.
2. One of the biggest credit card issues in the County is overages on meal allowances and tips. To reiterate the policy, you are allowed \$12.00 for breakfast. This includes any tip that you might leave up to 15%. Therefore, if you eat a \$12.00 breakfast, the amount that you leave for tip is at your own expense. If you eat a \$7.00 breakfast and leave a \$4.00 tip, the county will only pay for the \$7.00 breakfast and a \$1.05 tip (15% allowance).

Detail is important. If the receipt only states a total of \$22.35, questions arise how much did you spend on the meal? How much on tip?

It is not the responsibility of Accounting to come ask you for the overage. You are expected to turn in your receipts, your payment to the county and all related documentation to your manager for approval. In addition, reimbursing the county for .08 cents or .50 cents because of meal and tip overage is time consuming. Money is collected, receipts are written, charges are set up in the computer system in order to allow payment of those charges, and then the money is deposited to the Treasurer's office. This is not a cost effective way to do business and is not an efficient use of our time. Please be aware of these issues when you use your county credit card. If you need to pay more than the amount the county allows, consider paying by cash.

3. Our Auditor's office cannot express strongly enough, the detail that is needed on receipts! If for instance, your county credit card is used for an in-county meeting meal, or interview panel luncheon, the receipt must state the date, name of the attendees, where the attendees are from (city, county, state etc...) the position being interviewed for, names of the interview panelists and where they are from, copy of the agenda of the meeting etc.... It is better to attach more information to your receipt in order to save problems down the road.

Lastly, I want to explain why these procedures are necessary. During a recent audit, we were informed that the expectation of our department is to have all credit card statements reconciled, receipts with the statements, and the monthly report reviewed and signed by the department head within 3 weeks. The only way for us to ensure that we meet this expectation is to try to work as efficiently as possible. We can't possibly run down these receipts, run down signatures from managers, follow up to get missing receipt forms AND have the process completed within 3 weeks.

If a receipt, or missing receipt form has been requested, and not turned in after 10 days, County policy allows the deduction of the \$ amount from your paycheck. I am requesting your assistance so that this action does not become necessary.

The issues listed in this memo are by no means the entire travel and / or purchasing card policy. These issues represent our department's biggest compliance problems. If you are traveling or using a county credit (purchasing) card, please be sure that you know the county policies.

If you have any questions regarding these procedures, please feel free to talk to either myself or your manager.

Thank you for your cooperation in this matter.



**DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT**

CHIEF EXECUTIVE OFFICE


1010 10<sup>th</sup> Street, Suite 3400, Modesto, CA 95354

Phone: 209.525.6330 Fax: 209.525.5911

2001 JUL -5 PM 3:12

**DATE:** July 5, 2001

**MEMO TO:** Reagan M. Wilson,  
Chief Executive Officer

**FROM:** Ron E. Freitas,   
Director, Planning and Community Development

**SUBJECT:** CREDIT CARD PROGRAM

In response to your request, I have reviewed our department credit card procedures with the county's policies and feel that we are in total compliance. All credit cards are kept in a secured area until needed, office supplies are purchased from Corporate Express, through Central Services Department, larger items are reviewed with Purchasing Department before being purchased and all receipts are turned with a written description of the item purchased and the reason for the purchase.

In August, 2000, our credit card procedures were reviewed by the county's outside independent auditors and one recommendation was made to improve our procedures which was implemented immediately. In February, 2001, Stephen Smith of the Auditor-Controller's Office reviewed our procedures and found no areas for improvement.

I personally review the monthly credit card detail transaction report to be aware of the items purchased and their cost.

If you have any questions or need further clarification, please don't hesitate to call me.

Thank you!

Department policy. I'm very proud of the staff here in the implementation of that policy, yet the recent audit we had identified findings related to missing receipts. The problem was that the audit reviewed a statement that was only three weeks old. We had identified and requested missing receipts but hadn't yet received them. Two days after the audit, we had all but one or two of the missing receipts. The audit implied that there were problems where I do not believe there are any. I have attached my rebuttal, but the point I want to make is that we do get ALL the receipts or documentation to support missing receipts.

3. We absolutely DO use the credit card to expedite purchasing. However, we carefully follow Purchasing guidelines, getting bids, checking with Purchasing Agents or researching catalogs for even the smallest items, such as pens and pencils. But once a "good" price is found, it is far more efficient to call the vendor or to place an internet order than to submit a requisition/PO to Purchasing. The advantage of having the credit card is to expedite the purchase while saving numerous man-hours in the process. All purchases over \$5,000 and most between \$1,000-\$5,000 go through Purchasing, which I believe is appropriate. But I do not believe it is appropriate or necessary to lower those limits. Department Heads have been given a budget. They should be empowered to use it. In Probation, budgets are tight and it is clearly in our best interest to carefully research prices. If the Auditors do find abuse or failure to follow purchasing policy, then the cards should be withdrawn from that Department or person, or additional limits imposed.

4. and 5. No comment.

6. The reason that inventory practices vary for items under \$1,000 is that there is no requirement for Departments to maintain an inventory for items under \$1,000. Since these records are optional, it is no surprise that they vary.

7. Purchasing Agents are often very difficult to contact, although we (Probation) do make the effort in most cases for larger purchases. Voice mail is the norm and answers are not always timely. I often use Groupwise as well, but in many cases, the answers are delayed. It is usually more efficient to do your own research. Even on requisitions going through the system, we do our own research on prices and forward that information to Purchasing to expedite the purchase. Even when contacted, Agents will often not have prices readily available, and the research often takes an inordinate amount of time.

8. I don't understand this comment. Current policy now is that the Department Head or designee must review and sign each monthly statement. Probation has been doing this for some time. This should be a condition to continued use of the credit card.

9. I am not sure I understand the problem. At least in Probation, EVERY credit card purchase, under or over \$1,000 must be accompanied by a memo documenting who made the purchase, when, and for what purpose. I hope this comment is not suggesting that we now keep an inventory of items under \$1,000. This was never required before credit cards. We do track certain items less than \$1,000, ie. computers, as we see appropriate, but it would probably not be cost effective to track smaller items.

10. and 11. I agree.

Thank you for the opportunity to comment on the Credit Card System. I strongly encourage the continuation of the program, supported by a deliberate and consistent audit effort. I would ask the auditors to look carefully at their findings so that reports will address only real abuses or systematic problems.

Stani

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT



CHIEF EXECUTIVE OFFICE


1010 10<sup>th</sup> Street, Suite 3400, Modesto, CA 95354

Phone: 209.525.6330 Fax: 209.525.5911

2001 JUL -5 PM 3:42

**DATE:** July 5, 2001

**MEMO TO:** Reagan M. Wilson,  
Chief Executive Officer

**FROM:** Ron E. Freitas,   
Director, Planning and Community Development

**SUBJECT:** CREDIT CARD PROGRAM

In response to your request, I have reviewed our department credit card procedures with the county's policies and feel that we are in total compliance. All credit cards are kept in a secured area until needed, office supplies are purchased from Corporate Express, through Central Services Department, larger items are reviewed with Purchasing Department before being purchased and all receipts are turned with a written description of the item purchased and the reason for the purchase.

In August, 2000, our credit card procedures were reviewed by the county's outside independent auditors and one recommendation was made to improve our procedures which was implemented immediately. In February, 2001, Stephen Smith of the Auditor-Controller's Office reviewed our procedures and found no areas for improvement.

I personally review the monthly credit card detail transaction report to be aware of the items purchased and their cost.

If you have any questions or need further clarification, please don't hesitate to call me.

Thank you!



**HEALTH SERVICES AGENCY**  
Administration

**Beverly M. Finley**  
Managing Director

830 Scenic Drive, P.O. Box 3271, Modesto, CA 95353  
Fax: (209) 558-8320  
[www.hsahealth.org](http://www.hsahealth.org)

7/12/01

To: Reagan M. Wilson  
Chief Executive Officer

From: Beverly M. Finley  
Managing Director, Health Services Agency

*cc'd to Ben Finley*

Subject: Response to Credit Card Program Memo of 6/26/01

Enclosed please find a copy of the Health Services Agency's policy and procedure for credit card usage. The purpose of the policy is to supplement the County's policy for credit card usage and refine specific guidelines to adhere to HSA's internal operating policies.

The policy, along with the County policy, is distributed and reviewed with each cardholder upon receipt of their Credit Card. An in-service to review the policy and procedures for credit card usage is being planned for this Fall. The in-service will be conducted during a monthly Leadership Council meeting where the majority of cardholders will be present. The object of this in-service is to review the policy and the importance of adhering to County and Agency guidelines.

The enclosed policy specifically addresses the following areas of concern listed in your memo including:

- No fixed assets are to be purchased on the card with a cost of \$500 or more. All fixed asset items with a cost of \$500 or more are tagged and inventoried by Materials Management. These items are added to the fixed asset module by the General Accounting Department and depreciated accordingly.
- Performing due diligence to ensure best pricing as well as operating within budget

In addition to County and HSA policies being enforced, a monthly review of credit card usage is also performed. A copy of the monthly detail provided to Senior Managers has been included for reference.

Should you need any additional information, please feel free to have Staff contact me or Cindy Coit .



DATE: May 31, 2001

TO: HSA Finance Division  
 FROM: Toni DiBartolo  
 RE: BANK OF AMERICA CREDIT CARD STATEMENT

Below is a brief description and the codes for the charges shown on the Purchasing Card Statements, closing date 05/23/01.

DATE OF TRANSACTION	CARD & NAME	AMOUNT	ORCALE			MEDITECH	DESCRIPTION
			FUND	ORG	OBJ		
5/9/01	2785-S. Bland 01	\$ 10.38	4051	1010001	67120	01.7211.5000	Dictation tape for Doctor Seng.
5/10/01		\$ 12.25	4051	1010001	67120	01.7214.5000	US Postal fee for Express Mail - Title X Report
5/14/01		\$ 10.00	4051	1010001	67120	01.7208.8800	Storer Travel Agent Fee
5/14/01		\$ 25.00	4051	1010001	67120	01.7208.8405	Employee recognition - Mervyns gift cert.
5/14/01		\$ 137.50	4051	1010001	67120	01.7208.8800	Southwest Airlines Samantha travel to LA
5/22/01		\$ 23.62	4051	1010001	67120	01.7210.4300	Food for Colp training
		<b>\$ 218.75</b>					
4/25/01	6279-N Bronstein 30	\$ 3,577.95	1401	1300001	67120	30.8610.8405	Blockbuster Gift Certif's for emp recognition
5/2/01		\$ 24.54	1401	1300001	67120	30.8610.4600	Supplies for Supervisor training.
5/4/01		\$ 15.00	1401	1300001	67120	30.8610.8405	Cheesecake Kitchen gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Target gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Galaxy Theater gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Marie Callender's gift card - Emp appreciation week
5/4/01		\$ 27.45	1401	1300001	67120	30.8610.4600	Supplies for Supervisor training
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	My little Balloon Co gift card - Emp appreciation week
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	El Rosal Gift Card - Emp appreciation week
5/9/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Vintage Fair gift card - Emp appreciation week
5/10/01		\$ 10.00	1401	1300001	67120	30.8610.8405	Starbucks Coffee Co gift card - Emp appreciation week
5/10/01		\$ 10.00	1401	1300001	67120	30.8610.8405	Baker's Square gift card - Emp appreciation week
5/10/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Hallmark gift card - Emp appreciation week
5/10/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Wal Mart gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Olive Garden gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	RJ Sweetwaters gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Outback gift card - Emp appreciation week
5/11/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Pap Murphy's gift card - Emp appreciation week
5/11/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Save Mart gift card - Emp appreciation week
5/11/01	\$ 24.00	1401	1300001	67120	30.8610.8405	See's Candies gift card - Emp appreciation week	
5/11/01	\$ 36.79	1401	1300001	67120	30.8492.8800	Enterprise rental - Trudi Prevette Osha Mtg in Sac	
5/17/01	\$ 520.00	1401	1300001	67120	30.8492.8420	Marie Callender's	
		<b>\$ 4,520.73</b>					
4/25/01	0118-W Burns 30	\$ 68.47	1401	1300001	67120	30.8480.5001	Visual Basics ref manual
		\$ 4.88	1401	1300001	67120	30.8480.5001	Tax liability
		\$ (4.88)	1401	1300001	67120	30.2020.0001	Accrued tax
5/10/01		\$ 885.55	1401	1300001	67120	30.8400.8700	Comp USA class for Dave Van Etten
5/11/01		\$ 15.00	1401	1300001	67120	30.8610.8405	Best Buy gift card - Emp appreciation week
5/14/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Barnes & Noble gift card - Emp appreciation week
5/14/01		\$ 30.00	1401	1300001	67120	30.8610.8405	Borders Books gift card - Emp appreciation week
5/14/01		\$ 30.00	1401	1300001	67120	30.8610.8405	Bed Bath & Beyond gift card - Emp appreciation week
5/16/01		\$ 147.88	1401	1300001	67120	30.8480.4800	Tool Bag
		\$ 0.92	1401	1300001	67120	30.8480.4800	No tax paid for S & H
		\$ (0.92)	1401	1300001	67120	30.2020.0001	Accrued Tax
		<b>\$ 1,196.90</b>					
4/24/01	2751-J Danton 01	\$ 26.77	4051	1010001	67120	01.7063.8400	Employee coffee pot
4/30/01		\$ 71.90	4051	1010001	67120	01.7071.5000	Frames
4/30/01		\$ 71.90	4051	1010001	67120	01.7071.5000	Frames
5/4/01		\$ 4.25	4051	1010001	67120	01.7070.4300	Staff Mtg Donuts
5/4/01		\$ 18.20	4051	1010001	67120	01.7020.4800	Wire cutters for UC
5/4/01		\$ 21.25	4051	1010001	67120	01.7070.4300	Donuts for Staff Mtg
5/10/01		\$ 25.67	4051	1010001	67120	01.7020.4600	UC kids chairs
5/21/01		\$ 28.95	4051	1010001	67120	01.7070.4500	RID spray - disinfect pt in w lice
		<b>\$ 268.89</b>					
4/25/01	2250-L Earl 01	\$ 16.06	4051	1010001	67120	01.7206.4600	Table fan
		<b>\$ 16.06</b>					
5/7/01	5713 - D Jones 30	\$ 24.61	1401	1300001	67120	30.8630.4600	Office Depot Laser paper
5/9/01		\$ 42.84	1401	1300001	67120	30.8630.4600	OfficeMax Optical wheel/paper
5/14/01		\$ 18.20	1401	1300001	67120	30.8630.4600	Cable extensions
5/22/01	7919- K Kohrman 01	\$ 25.00	4051	1010001	67120	01.7195.8405	Vintage Faire Mall gift card for HMO
		<b>\$ 25.00</b>					
4/25/01	0819-M Lee 40	\$ 4.00	1403	1400001	67120	40.8610.5000	Nat'l practioner data bank -disclosure request
4/30/01		\$ 59.90	1403	1400001	67120	40.8610.5001	St Anthony's Medicode Book
5/7/01		\$ 4.00	1403	1400001	67120	40.8610.5000	Nat'l practioner data bank -disclosure request
5/17/01		\$ 27.00	1403	1400001	67120	40.8610.5000	Stockton Blue Copies of Prints
5/18/01		\$ 856.00	1404	1500001	67120	50.8590.8700	Case Mngmnt workshop
5/21/01		\$ 215.00	1403	1400001	67120	40.8610.8600	Sandy Wallace subscription to RAND
5/23/01		\$ 110.00	1403	1400001	67120	40.8610.8600	Willie Mixon - ASHRM membership
		<b>\$ 1,275.90</b>					

DATE OF TRANSACTION	CARD & NAME	AMOUNT	ORACLE			MEDITECH	DESCRIPTION
			FUND	ORG	OBJ		
4/27/01	9419-B Long	\$ 50.71	4051	1010001	67120	01.8700.4600	Edge protectors for med records
		\$ 2.84	4051	1010001	67120	01.8700.4600	Tax liability (10.95 shipping non taxable)
	01	\$ (2.84)	4051	1010001	67120	01.2020.0001	Accrued tax
		<b>\$ 50.71</b>					
4/25/01	5261-L Markum	\$ (2,000.00)	1401	1300001	67120	30.8610.5000	Blockbuster credit due from last month
4/25/01	01	\$ 408.90	1401	1300001	67120	30.8630.4900	Photo flatbed scanner - D Jones
		\$ 29.14	1401	1300001	67120	30.8630.4900	Tax liability
		\$ (29.14)	1401	1300001	67120	30.2020.0001	Accrued Tax
4/27/01		\$ 107.11	4051	1010001	67120	01.7195.4900	HMO compact refrigerator - old one had freon leak
5/1/01		\$ 122.57	1401	1300001	67120	30.8400.8400	Enterprise rental car - to be credited - not our expense
5/4/01		\$ 259.42	1401	1300001	67120	30.8610.8405	El Rey Garden Inn -Emp appreciation week gift
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Village Baking Co - gift card Emp appreciation week
5/7/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Verona's Cucina Italiana - Gift Card - Emp appreciation
5/7/01		\$ 25.00	1401	1300001	67120	30.86610.8405	Mallard's Gift Card - Emp appreciation week
5/7/01		\$ 548.36	4051	1010001	67120	01.7071.4900	Sears - Family Practice - refrigerator
5/8/01		\$ 205.20	1401	1300001	67120	30.8610.8405	Royal Hotel gift cards - Emp appreciation week
5/14/01		\$ 130.56	4051	1010001	67120	01.7080.5000	Specialty clinic mini blinds
5/14/01		\$ 426.36	4051	1010001	67120	01.8440.4900	Housekeeping - new refrigerator - old one leaking and not cost efficient
5/21/01		\$ 1,103.86	4051	1010001	67120	01.7530.8420	Safety supplies for Lab - exit signs/eye wash station etc.
		\$ 78.65	4051	1010001	67120	01.7530.8420	Tax liability
		\$ (78.65)	4051	1010001	67120	01.2020.0001	Accrued tax
5/23/01		\$ 12.48	4051	1010001	67120	01.7190.5000	Drinking water for Mom mobile
5/23/01		\$ 246.26	4051	1010001	67120	01.7182.5000	19" TV for education use
5/23/01		\$ 1,341.08	1402	1200001	67120	20.0440.4901	Side by side refrigerator for immunization-vaccine storage
		<b>\$ 2,982.16</b>					
5/21/01	2793-A Montgomery	\$ 72.28	4051	1010001	67120	01.7184.4800	Res Q Vac - suction canister
	01	\$ 72.28	4051	1010001	67120	01.7185.4800	Res Q Vac - suction canister
		<b>\$ 144.56</b>					
4/26/01	Noe Paramo	\$ 60.04	1755	16141	67120	30.1520.0000	Office Supplies
4/30/01	Prop 10	\$ 6.00	1755	16141	67120	30.1520.0000	Lunch w commissioners
5/9/01		\$ 33.00	1755	16141	67120	30.1520.0000	Energy surcharge due on room. Previously paid by check.
		<b>\$ 99.04</b>					
4/24/01	4370- J Payne	\$ 515.55	4051	1010001	67120	01.8240.5001	Medical books for residents-Mazon, Carden, & Shiftley
5/15/01	01	\$ 30.00	4051	1010001	67120	01.8240.8700	Registration for sports medicine course for Dr Myers
		<b>\$ 545.55</b>					
5/11/01	2769- L. Rupel	\$ 14.46	4051	1010001	67120	01.7190.8405	Mixed Bouquets for emp recognition
	01	\$ 67.49	4051	1010001	67120	01.7181.8405	Mixed Bouquets for emp recognition
4/30/01	2728- J Schaper	\$ 50.00	1401	1300001	67120	30.8610.8600	HIPAAALIVE Doc Site subscription
4/30/01	01	\$ 220.00	4051	1010001	67120	01.7530.8800	Room reservations PH Microbiologist Workshop - Nadya Ingle
		<b>\$ 270.00</b>					
4/27/01	2335-M Tresenriter	\$ 11.76	4051	1010001	67120	01.7770.5000	Vinyl glue for cold packs
4/27/01	01	\$ 91.87	4051	1010001	67120	01.7775.5000	Instant film
4/30/01		\$ 4.31	4051	1010001	67120	01.7770.5000	Rubber feet for rebounder
4/30/01		\$ 23.55	4051	1010001	67120	01.7770.5000	Albole moist cleanser - for manual massage
5/14/01		\$ 21.41	4051	1010001	67120	01.7770.5000	4 timers - replace stolen timers
5/23/01		\$ 191.86	4051	1010001	67120	01.7770.4800	Rejuvenator plus - back massager.
		<b>\$ 344.76</b>					
<b>Grand Total</b>		<b>\$ 12,126.61</b>					

JV1029-01 5/01	ORACLE 4/01	MEDITECH	4/30/01		
		\$ 4,919.37	1401	1300001	67120
		\$ 4,491.22	4051	1010001	67120
		\$ 1,341.08	1402	1200001	67120
		\$ 419.90	1403	1400001	67120
		\$ 856.00	1404	1500001	67120
		\$ 99.04	1755	16141	67120
<b>\$ 12,126.61</b>	<b>\$ -</b>	<b>\$ 12,126.61</b>			

Reviewed and approved by  
Gloria Garza, Accountant II  
6/12/01

July 16, 1999

**STANISLAUS COUNTY HEALTH SERVICES AGENCY  
MATERIALS MANAGEMENT/ACCOUNTS PAYABLE  
POLICY AND PROCEDURE**

**SUBJECT: PROCEDURE FOR CREDIT CARD USE.**

**POLICY:** Each card holder is to adhere to the following guidelines in addition to the guidelines set by the county.

**PURPOSE:** To supplement the County's policy to using the County credit cards for the purchases of supplies, equipment and/or for travel. (County policies and guidelines are attached.)

**PROCEDURE:**

**1. Credit Card Usage Authorization:**

Any credit card usage needs to be approved by Senior Management through:

**a. Requisitions**

Purchases of office supplies, furniture, office equipment, educational materials, etc.  
OR

**b. Trip Authorizations**

For payments of travel expenses to educational seminars, workshops, meetings or conferences including workshop registration, air fares, accommodations and meals. Refer to the Stanislaus County Travel Policy for requirements.

**c. County credit cards are not to be used for personal purposes.**

**2. All supplies ordered for your department by credit card should be purchased through a due diligence process you personally conduct. This process must take into consideration your departmental budget for the current fiscal year. If your order is to be received by Materials Management, proper notification to the Materials Management Receiving Clerk must be made well in advance (minimum of 24 hours) via Meditech e-mail. (PLEASE NOTE: Ask your vendor to address your delivery to the attention of yourself or your department's name.) Supply items that are inventoried in the Materials Management Storeroom must be requisitioned through the Materials Management requisitioning system.**

**3. NO PURCHASE OF CAPITAL EQUIPMENT COSTING \$500.00 OR MORE (INCLUDING TAX, FREIGHT, ETC.) IS ALLOWED THROUGH THE CREDIT CARD PROCEDURE. INSTEAD YOU MUST FOLLOW THE FIXED ASSET REQUISITION POLICY AND PROCEDURE.**

**4. If your equipment or supply item involves installation or hook up to existing furniture or equipment, you must first verify installation through the proper respective department manager (i.e. IS Department if computer related; Plant operations if physical installation is required; Communications if telephone related; etc.)**

**5. All statements for credit cards will be mailed to the Finance Department and Finance will copy and distribute to the individual card holder or assigned staff member.**

**6. Card holders or assigned staff members must attach invoicing, trip authorizations, or other documents to verify the expenses listed on the statement. Attach a personal check for all unauthorized, or over the limit charges. Non-reconciled charges will be forwarded to the Agency's Controller, Chief Financial Officer, or the Chief Executive Officer.**

7. When the information is forwarded back to Finance, the cost center must be listed or the expenses will be charged to the individual card holder's cost center.
8. This information must be returned within four (4) working days for the purpose of prompt processing.
9. Copy all documentation for your department's record.
10. Your credit card privileges will be revoked if the above policies are not followed.

HEALTH SERVICES AGENCY  
Travel Requirements

The following is an overview of "Stanislaus County's Travel Policy". All HSA employees should be aware of all County Travel Policies before traveling.

TRAVEL

- \* All local mileage should be noted by using the Auditor's mileage chart or by attaching a log of odometer readings to the employees timecard. (see attached HSA odometer log)
- \* All travel to attend conventions, conferences, training seminars, and similar meetings must have a pre-approved Health Services agency Trip Authorization and a copy of the seminar schedule attached to the timecard.
- \* The Board of Supervisors would like departments to coordinate travel activity in order to maximize cost benefits.
- \* The current mileage rate is 0.31 cents per mile.

MEALS

- \* The limits on meals have been changed and now include an allowance for a maximum of 15% tip. The new limits, including tax and the maximum 15% tip, are as follows: breakfast, \$ 10.00; lunch \$ 11.00; dinner, \$ 21.00.
- \* Meal rates are limits, not allowances. You are to claim the "actual" amount spent, up to the limit. There is no per diem allowance for meals.
- \* Reimbursement of meals and other incidental travel expenses (excluding mileage) will be taxable to the employee if the trip involved does not require sleep or rest (non-overnight travel).

OTHER FARES

- \* Receipts are required for the following if maximum is exceeded:
  - Taxi fares if over \$ 10.00.
  - Streetcar, city bus, Ferry Fares, BART fares, bridge and road tolls if over \$ 7.00.
  - Parking expenses if over \$ 7.00.

Approved by Board of Supervisors  
January 17, 1995

Effective March 1, 1995, departments will be responsible for maintaining documentation that supports all of their expenditures related to travel. This includes both credit card expenditures and incidental travel expenses that will eventually be reimbursed through the payroll system.

- County department heads are accountable to the Board of Supervisors and the public for the funds and assets entrusted to them.
- Each department head is responsible for administering their departmental credit card operation and ensuring that all related expenditures are made in compliance with County Credit Card Policy and County Travel Policy guidelines.
- Each department head must ensure that all employees who are issued a credit card are provided with a copy of the Credit Card Policy.
- Credit card charges are subject to the limitation that there are sufficient funds in the department's budget to cover all charges, and that the expense conforms to the County Travel Policy and County Ordinance.
- Allowable charges shall not exceed the credit limit established for that specific charge card.
- County credit cards are not to be used for personal purposes. Should a charge card inadvertently be used for an unallowable purpose, the employee shall pay the credit card company when the blue claim is submitted.
- County credit cards may not be used to receive cash advances.
- An employee may not lend their assigned County credit card to any other individual. However, one employee may charge county business items on their card for another employee in the same department.
- Each employee using a credit card must complete a "Credit Card Authorization" form prior to being issued a credit card.

Stanislaus County

# CREDIT CARD POLICY

## QUICK REFERENCE GUIDE



VISA



AMERICAN EXPRESS  
Cards

March 1995

## Purchases Under \$1,000 - OFFICE SERVICES ONLY

- County credit cards may be used to purchase individual items costing less than \$1,000 including taxes, shipping, etc. Departments must assure themselves that they are making the most economical purchase that meets their needs as well as the requirements of other interrelated departments.
- Encourage employees to obtain competitive quotes.
- Check with Purchasing for any existing contracts.
- All communication equipment (pagers and radios) must be reviewed by Emergency Dispatch prior to purchase.
- Computers, printers, and other peripheral equipment, cellular phones and telephone equipment, and software must be reviewed with the MIS Department before purchasing.
- Be aware of conflict of interest issues and the Code of Ethics as they pertain to purchasing of goods and services. *Avoid doing business with relatives or with businesses in which you have a financial interest or from which you could incur personal profit or benefit.*
- Request to receive government discounts for Stanislaus County by identifying yourself as a representative of Stanislaus County.
- When soliciting pricing for travel, always compare government rates to prevailing commercial rates.
- Be aware of OSHA requirements on purchases of certain products (e.g., appliances, ladders, etc.)
- Obtain appropriate Material Safety Data Sheets (MSDS), unless already on file, for liquids, powders, etc. Forward copies of MSDS to Risk Management.

## Travel Expenses

- To the extent possible, all authorized employee travel expenses should be charged to a county credit card. All such expenses must comply with the County Travel Policy.

- Every employee who makes a charge with a county credit card shall receive a receipt and a charge slip from the merchant to document and justify that charge.
- The charge slip and the receipt shall be turned in to the department staff responsible for processing the monthly statement for the department. **ACCOUNTING SERVICES**
- That department individual shall:
  - \* Reconcile all charge slips to the monthly statement.
  - \* Audit each receipt for compliance with county policy, and request any required reimbursements for inappropriate charges.
  - \* Use the Monthly Statement Processing procedure (described at the right) to request payment.

- Each month, the department will receive an individual statement for each card. The department is to consolidate all of these individual statements and then prepare a single blue claim that will be sent to the Auditor-Controller's Office.
    - \* Detach the remittance advice from the statement (to submit with the blue claim).
    - \* Total the remittance advices from all the statements and use that amount on the Blue Claim.
      - VISA - there will be a finance charge for any payments made over thirty days after receipt of bill.
      - American Express- there will be no finance charge.
    - \* Prepare blue claim with proper index and subobject distribution of the charges.
      - Paper clip advices to the front of the blue claim.
      - Staple checks made payable to the credit card company to the front of the blue claim. (These include personal purchases, overages on meal allowance, etc.)
    - \* Submit blue claim(s) to the Auditor-Controller's Accounts Payable Division. *Blue claims must be received by the Accounts Payable Division at least 10 days prior to due date on the statement.*
  - Each department must retain all documentation supporting their departmental credit card activity.
- If your department has both VISA and American Express, then a separate departmental blue claim must be submitted for each.*

DATE: May 31, 2001

TO: HSA Finance Division

FROM: Toni DiBartolo

RE: BANK OF AMERICA CREDIT CARD STATEMENT

Below is a brief description and the codes for the charges shown on the Purchasing Card Statements, closing date 05/23/01.

DATE OF TRANSACTION	CARD & NAME	AMOUNT	ORCALE			MEDITECH	DESCRIPTION
			FUND	ORG	OBJ		
5/9/01	2785-S. Bland 01	\$ 10.38	4051	1010001	67120	01.7211.5000	Dictation tape for Doctor Seng.
5/10/01		\$ 12.25	4051	1010001	67120	01.7214.5000	US Postal fee for Express Mail - Title X Report
5/14/01		\$ 10.00	4051	1010001	67120	01.7208.8800	Storer Travel Agent Fee
5/14/01		\$ 25.00	4051	1010001	67120	01.7208.8405	Employee recognition - Mervyns gift cert.
5/14/01		\$ 137.50	4051	1010001	67120	01.7208.8800	Southwest Airlines Samantha travel to LA
5/22/01		\$ 23.62	4051	1010001	67120	01.7210.4300	Food for Colp training
		\$ 218.75					
4/25/01	6279-N Bronstein 30	\$ 3,577.95	1401	1300001	67120	30.8610.8405	Blockbuster Gift Certif's for emp recognition
5/2/01		\$ 24.54	1401	1300001	67120	30.8610.4600	Supplies for Supervisor training.
5/4/01		\$ 15.00	1401	1300001	67120	30.8610.8405	Cheesecake Kitchen gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Target gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Galaxy Theater gift card - Emp appreciation week
5/4/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Marie Callender's gift card - Emp appreciation week
5/4/01		\$ 27.45	1401	1300001	67120	30.8610.4600	Supplies for Supervisor training
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	My little Balloon Co gift card - Emp appreciation week
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	El Rosal Gift Card - Emp appreciation week
5/9/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Vintage Fair gift card - Emp appreciation week
5/10/01		\$ 10.00	1401	1300001	67120	30.8610.8405	Starbucks Coffee Co gift card - Emp appreciation week
5/10/01		\$ 10.00	1401	1300001	67120	30.8610.8405	Baker's Square gift card - Emp appreciation week
5/10/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Hallmark gift card - Emp appreciation week
5/10/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Wal Mart gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Olive Garden gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	RJ Sweetwaters gift card - Emp appreciation week
5/10/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Outback gift card - Emp appreciation week
5/11/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Pap Murphy's gift card - Emp appreciation week
5/11/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Save Mart gift card - Emp appreciation week
5/11/01		\$ 24.00	1401	1300001	67120	30.8610.8405	See's Candies gift card - Emp appreciation week
5/11/01	\$ 36.79	1401	1300001	67120	30.8492.8800	Enterprise rental - Trudi Prevette Osha Mtg in Sac	
5/17/01	\$ 520.00	1401	1300001	67120	30.8492.8420	Marie Callender's	
		\$ 4,520.73					
4/25/01	0118-W Burns 30	\$ 68.47	1401	1300001	67120	30.8480.5001	Visual Basics ref manual
		\$ 4.88	1401	1300001	67120	30.8480.5001	Tax liability
		\$ (4.88)	1401	1300001	67120	30.2020.0001	Accrued tax
5/10/01		\$ 885.55	1401	1300001	67120	30.8400.8700	Comp USA class for Dave Van Etten
5/11/01		\$ 15.00	1401	1300001	67120	30.8610.8405	Best Buy gift card - Emp appreciation week
5/14/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Barnes & Noble gift card - Emp appreciation week
5/14/01		\$ 30.00	1401	1300001	67120	30.8610.8405	Borders Books gift card - Emp appreciation week
5/14/01		\$ 30.00	1401	1300001	67120	30.8610.8405	Bed Bath & Beyond gift card - Emp appreciation week
5/16/01		\$ 147.88	1401	1300001	67120	30.8480.4800	Tool Bag
		\$ 0.92	1401	1300001	67120	30.8480.4800	No tax paid for S & H
		\$ (0.92)	1401	1300001	67120	30.2020.0001	Accrued Tax
		\$ 1,196.90					
4/24/01	2751-J Donlon 01	\$ 26.77	4051	1010001	67120	01.7063.8400	Employee coffee pot
4/30/01		\$ 71.90	4051	1010001	67120	01.7071.5000	Frames
4/30/01		\$ 71.90	4051	1010001	67120	01.7071.5000	Frames
5/4/01		\$ 4.25	4051	1010001	67120	01.7070.4300	Staff Mtg Donuts
5/4/01		\$ 18.20	4051	1010001	67120	01.7020.4800	Wire cutters for UC
5/4/01		\$ 21.25	4051	1010001	67120	01.7070.4300	Donuts for Staff Mtg
5/10/01		\$ 25.67	4051	1010001	67120	01.7020.4600	UC kids chairs
5/21/01		\$ 28.95	4051	1010001	67120	01.7070.4500	RID spray - disinfect pt in w lice
			\$ 268.89				
4/25/01	2250-L Earl 01	\$ 16.06	4051	1010001	67120	01.7206.4600	Table fan
		\$ 16.06					
5/7/01	5713 - D Jones 30	\$ 24.61	1401	1300001	67120	30.8630.4600	Office Depot Laser paper
5/9/01		\$ 42.84	1401	1300001	67120	30.8630.4600	OfficeMax Optical wheel/paper
5/14/01		\$ 18.20	1401	1300001	67120	30.8630.4600	Cable extensions
5/22/01	7919- K Kohrman 01	\$ 25.00	4051	1010001	67120	01.7195.8405	Vintage Faire Mall gift card for HMO
		\$ 25.00					
4/25/01	0819-M Lee 40	\$ 4.00	1403	1400001	67120	40.8610.5000	Nat'l practioner data bank -disclosure request
4/30/01		\$ 59.90	1403	1400001	67120	40.8610.5001	St Anthony's Medicode Book
5/7/01		\$ 4.00	1403	1400001	67120	40.8610.5000	Nat'l practioner data bank -disclosure request
5/17/01		\$ 27.00	1403	1400001	67120	40.8610.5000	Stockton Blue Copies of Prints
5/18/01		\$ 856.00	1404	1500001	67120	50.8590.8700	Case Mngmnt workshop
5/21/01		\$ 215.00	1403	1400001	67120	40.8610.8600	Sandy Wallace subscription to RAND
5/23/01		\$ 110.00	1403	1400001	67120	40.8610.8600	Willie Mixon - ASHRM membership
		\$ 1,275.90					



DATE OF TRANSACTION	CARD & NAME	AMOUNT	ORCALE			MEDITECH	DESCRIPTION
			FUND	ORG	OBJ		
4/27/01	9419-B Long  01	\$ 50.71	4051	1010001	67120	01.8700.4600	Edge protectors for med records
		\$ 2.84	4051	1010001	67120	01.8700.4600	Tax liability (10.95 shipping non taxable)
		\$ (2.84)	4051	1010001	67120	01.2020.0001	Accrued tax
		<b>\$ 50.71</b>					
4/25/01	5261-L Markum 01	\$ (2,000.00)	1401	1300001	67120	30.8610.6000	Blockbuster credit due from last month
4/25/01		\$ 408.90	1401	1300001	67120	30.8630.4900	Photo flatbed scanner - D Jones
		\$ 29.14	1401	1300001	67120	30.8630.4900	Tax liability
		\$ (29.14)	1401	1300001	67120	30.2020.0001	Accrued Tax
4/27/01		\$ 107.11	4051	1010001	67120	01.7195.4900	HMO compact refrigerator - old one had freon leak
5/1/01		\$ 122.57	1401	1300001	67120	30.8400.8400	Enterprise rental car - to be credited - not our expense
5/4/01		\$ 259.42	1401	1300001	67120	30.8610.8405	El Rey Garden Inn -Emp appreciation week gift
5/7/01		\$ 20.00	1401	1300001	67120	30.8610.8405	Village Baking Co - gift card Emp appreciation week
5/7/01		\$ 25.00	1401	1300001	67120	30.8610.8405	Verona's Cucina Italiana - Gift Card - Emp appreciation
5/7/01		\$ 25.00	1401	1300001	67120	30.86610.8405	Mallard's Gift Card - Emp appreciation week
5/7/01		\$ 548.36	4051	1010001	67120	01.7071.4900	Sears - Family Practice - refrigerator
5/8/01		\$ 205.20	1401	1300001	67120	30.8610.8405	Royal Hotel gift cards - Emp appreciation week
5/14/01		\$ 130.56	4051	1010001	67120	01.7080.5000	Specialty clinic mini blinds
5/14/01		\$ 426.36	4051	1010001	67120	01.8440.4900	Housekeeping - new refrigerator - old one leaking and not cost efficient
5/21/01		\$ 1,103.86	4051	1010001	67120	01.7530.8420	Safety supplies for Lab - exit signs/eye wash station etc.
		\$ 78.65	4051	1010001	67120	01.7530.8420	Tax liability
		\$ (78.65)	4051	1010001	67120	01.2020.0001	Accrued tax
5/23/01		\$ 12.48	4051	1010001	67120	01.7190.5000	Drinking water for Mom mobile
5/23/01		\$ 246.26	4051	1010001	67120	01.7182.5000	19" TV for education use
5/23/01		\$ 1,341.08	1402	1200001	67120	20.0440.4901	Side by side refrigerator for immunization-vaccine storage
	<b>\$ 2,982.16</b>						
5/21/01	2793-A Montgomery 01	\$ 72.28	4051	1010001	67120	01.7184.4800	Res Q Vac - suction canister
		\$ 72.28	4051	1010001	67120	01.7185.4800	Res Q Vac - suction canister
		<b>\$ 144.56</b>					
4/26/01	Noe Paramo Prop 10	\$ 60.04	1755	16141	67120	30.1520.0000	Office Supplies
4/30/01		\$ 6.00	1755	16141	67120	30.1520.0000	Lunch w commissioners
5/9/01		\$ 33.00	1755	16141	67120	30.1520.0000	Energy surcharge due on room. Previously paid by check.
		<b>\$ 99.04</b>					
4/24/01	4370- J Payne 01	\$ 515.55	4051	1010001	67120	01.8240.5001	Medical books for residents-Mazon, Carden, & Shifley
5/15/01		\$ 30.00	4051	1010001	67120	01.8240.8700	Registration for sports medicine course for Dr Myers
		<b>\$ 545.55</b>					
5/11/01	2769- L. Rupel 01	\$ 14.46	4051	1010001	67120	01.7190.8405	Mixed Bouquets for emp recognition
		\$ 67.49	4051	1010001	67120	01.7181.8405	Mixed Bouquets for emp recognition
4/30/01	2728- J Schaper 01	\$ 50.00	1401	1300001	67120	30.8610.8600	HIPAAALIVE Doc Site subscription
4/30/01		\$ 220.00	4051	1010001	67120	01.7530.8800	Room reservations PH Microbiologist Workshop - Nadya Ingle
		<b>\$ 270.00</b>					
4/27/01	2335-M Tresenriter 01	\$ 11.76	4051	1010001	67120	01.7770.5000	Vinyl glue for cold packs
4/27/01		\$ 91.87	4051	1010001	67120	01.7775.5000	Instant film
4/30/01		\$ 4.31	4051	1010001	67120	01.7770.5000	Rubber feet for rebounder
4/30/01		\$ 23.55	4051	1010001	67120	01.7770.5000	Albore moist cleanser - for manual massage
5/14/01		\$ 21.41	4051	1010001	67120	01.7770.5000	4 timers - replace stolen timers
5/23/01		\$ 191.86	4051	1010001	67120	01.7770.4800	Rejuvenator plus - back massager.
		<b>\$ 344.76</b>					
<b>Grand Total</b>		<b>\$ 12,126.61</b>					

JV1029-01 5/01	ORACLE 4/01	MEDITECH	4/30/01		
		\$ 4,919.37	1401	1300001	67120
		\$ 4,491.22	4051	1010001	67120
		\$ 1,341.08	1402	1200001	67120
		\$ 419.90	1403	1400001	67120
		\$ 856.00	1404	1500001	67120
		\$ 99.04	1755	16141	67120
<b>\$ 12,126.61</b>	<b>\$ -</b>	<b>\$ 12,126.61</b>			

Reviewed and approved by  
Gloria Garza, Accountant II  
6/12/01

7/12/01

7/12/01  
Beverly  
As per  
e-mails  
Cindy

To: Reagan M. Wilson  
Chief Executive Officer

From: Beverly M. Finley  
Managing Director, Health Services Agency

Subject: Response to Credit Card Program Memo of 6/26/01

Enclosed please find a copy of the Health Services Agency's policy and procedure for credit card usage. The purpose of the policy is to supplement the County's policy for credit card usage and refine specific guidelines to adhere to HSA's internal operating policies.

The policy, along with the County policy, is distributed and reviewed with each cardholder upon receipt of their Credit Card. An in-service to review the policy and procedures for credit card usage is being planned for this Fall. The in-service will be conducted during a monthly Leadership Council meeting where the majority of cardholders will be present. The object of this in-service is to review the policy and the importance of adhering to County and Agency guidelines.

The enclosed policy specifically addresses the following areas of concern listed in your memo including:

- No fixed assets are to be purchased on the card with a cost of \$500 or more. All fixed asset items with a cost of \$500 or more are tagged and inventoried by Materials Management. These items are added to the fixed asset module by the General Accounting Department and depreciated accordingly.
- Performing due diligence to ensure best pricing as well as operating within budget

In addition to County and HSA policies being enforced, a monthly review of credit card usage is also performed. A copy of the monthly detail provided to Senior Managers has been included for reference.

Should you need any additional information please feel free to have Staff contact myself or Cindy Coit .

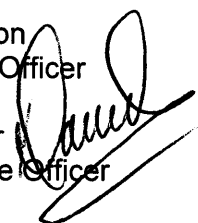


**CHIEF EXECUTIVE OFFICE  
Risk Management Division**

1010 10TH Street, Suite 5900, Modesto, CA 95354  
PO Box 1723, Modesto, CA 95353-1723

Phone: 209.525.5710 Fax: 209.525.5779

TO: Reagan M. Wilson  
Chief Executive Officer

FROM: David L. Dolenar   
Deputy Executive Officer

DATE: July 13, 2001

SUBJECT: **CREDIT CARD REVIEW 2000 – 2001**

Attached per your request is the following report on credit card usage for Fiscal Year 2000 – 2001. If you have any questions, please call me.

Cc: Patty Hill Thomas  
Assistant Executive Officer

Monica Nino-Reid  
Deputy Executive Officer

**July 1, 2000 - June 30, 2001**  
**Stores - Office Supplies 74370**  
**Corporate Express Charges**

<b>Admin</b>	<b>WC</b>	<b>Safety</b>	<b>EB</b>	<b>Master Card Stmt</b>	
<b>Total Exp</b>	<b>Total Exp</b>	<b>Total Exp</b>	<b>Total Exp</b>		
\$1,318.83	\$108.56	\$13.43		\$1,440.82	<b>Jul-00</b>
\$868.05	\$365.83	\$100.60	\$34.05	\$1,368.53	<b>Aug</b>
-\$713.71	\$83.07	\$0.00	\$47.67	-\$582.97	<b>Sept</b>
\$398.89	\$259.45	\$0.00	\$801.39	\$1,459.73	<b>Oct</b>
\$236.53	\$214.80	\$240.34	\$38.31	\$729.98	<b>Nov</b>
\$176.44	-\$38.94	\$1.49	\$12.11	\$151.10	<b>Dec</b>
				\$4,567.19	<b>TOTAL</b>
<b>TOTAL FOR JULY THROUGH DEC 2000</b>					
<b>\$2,285.03</b>	<b>\$992.77</b>	<b>\$355.86</b>	<b>\$933.53</b>	<b>\$4,567.19</b>	<b>TOTAL</b>

\$387.03	\$498.13	\$0.00	\$64.60	\$949.76	<b>Jan 23</b>
\$317.66	\$650.52	\$25.82	\$22.38	\$1,016.38	<b>Feb 23</b>
\$431.67	\$520.52	\$35.83	\$35.91	\$1,023.93	<b>Mar</b>
\$321.34	\$42.02	\$8.13	\$0.00	\$371.49	<b>Apr</b>
-\$56.56	\$167.21	\$2.69	\$45.86	\$159.20	<b>May</b>
					<b>June</b>
\$1,401.14	\$1,878.40	\$72.47	\$168.75	\$3,520.76	<b>Jan - June 01</b>
\$2,285.03	\$992.77	\$355.86	\$933.53	\$4,567.19	<b>July - Dec 00</b>
\$3,686.17	\$2,871.17	\$428.33	\$1,102.28	<b>\$8,087.95</b>	<b>Total</b>
				\$158.93	
				\$8,246.88	

	07/23/00			08/23/00			09/23/00			10/23/00			11/23/00			12/23/00			TOTAL
	100	5101	5081	100	5101	5081	100	5101	5081	100	5101	5081	100	1734	5081	100	5101	5081	
1734 Retirement														\$43.00					\$43.00
61600 Maint. Equip																			
61280 Loss Control								\$2,982.65											\$2,982.65
62200 Mbrshps																			
62600 Off. Supplies							\$262.99									\$119.05			\$382.04
62610 Copy Paper																			
62730 Postage	\$69.18			\$50.98											\$62.80				\$182.96
62790 Subscrip	\$295.12			\$79.95									\$150.00		\$68.00	\$48.00			\$641.07
62860 Off. Equip																			
62980 Exp. Comp																			
63000 Prof Serv																			
63010 Ed Materials															\$2,475.00			\$13.23	\$2,488.23
63220 Fingerprint																			
63280 Contracts																			
63360 Med. Exams																			
63500 Sec. Serv																			
65000 Leg. Notices																			
65100 Rents & L																			
65300 Struct & Grnd																			
65780 Ed & Trng						\$1,260.00	\$534.00	\$263.00			\$628.00								\$2,685.00
65940 Libr & Ref													\$81.23						\$81.23
66110 First Aid																			
66170 Trng Mat'l's																			
67040 Travel	\$80.06					\$41.21	\$17.18	\$129.00	\$618.99	\$260.97	\$10.00	\$54.10			\$384.19	\$175.43		\$230.62	\$2,001.75
Sub Totals	\$444.36	\$0.00	\$0.00	\$130.93	\$0.00	\$1,301.21	\$814.17	\$129.00	\$3,864.64	\$260.97	\$10.00	\$682.10	\$231.23	\$43.00	\$2,989.99	\$342.48	\$0.00	\$243.85	\$11,487.93
Monthly Totals			\$444.36			\$1,432.14			\$4,807.81			\$953.07			\$3,264.22			\$586.33	\$11,487.93

	01/23/01				02/23/01				03/23/01			04/23/01			05/23/01			06/23/01			TOTAL
	100	5051	5101	5031	100	5051	5101	5081	100	5101	5081	100	5101	5081	100	5101	5081	100	5101	5081	
61600 Maint. Equip																					
61280 Loss Control																					\$0.00
62200 Mbrshps				\$200.00																	\$200.00
62600 Off. Supplies					\$117.00				\$40.70						\$17.48						\$175.18
62610 Copy Paper																					
62730 Postage			\$32.52		\$26.06		\$34.08		\$24.84	\$31.74			\$20.80		\$29.12						\$199.16
62790 Subscrip									\$541.28		\$283.00	\$180.00			\$49.00						\$1,053.28
62860 Off. Equip												\$2,285.34			-\$1,090.50						\$1,194.84
62980 Exp. Comp																					
63000 Prof Serv																					
63010 Ed Materials														\$275.49			\$2,380.06				\$2,655.55
63220 Fingerprint																					
63280 Contracts																					
63360 Med. Exams																					
63500 Sec. Serv																					
65000 Leg. Notices																					
65100 Rents & L																					
65300 Struct & Grnd																					
65780 Ed & Trng		\$800.00		\$2,000.00									-\$330.00	\$720.00	\$358.00	\$159.00					\$3,707.00
65940 Libr & Ref				\$261.33																	\$261.33
66110 First Aid																					
66170 Trng Mat'l's												\$379.43									\$379.43
67040 Travel	\$79.81			\$80.62	\$132.62	\$1,280.73		\$99.97	\$60.10			\$653.45		\$379.46	\$35.05		\$74.76				\$2,877.17
Sub Totals	\$79.81	\$800.00	\$32.52	\$2,541.95	\$275.68	\$1,280.73	\$34.08	\$99.97	\$666.92	\$31.74	-\$47.00	\$4,218.22	\$20.80	\$1,012.95	-\$800.25	\$0.00	\$2,454.82	Sub Total Jan 01 - May 01			\$12,702.94
Monthly Totals				\$3,454.28				\$1,690.46						\$5,251.97			\$1,654.57	Sub Total Jul 00 - Dec 00			\$11,487.93
																	Total	Jul 00 - May 01	\$24,190.87		

	07/23/00	08/23/00	09/23/00	10/23/00	11/23/00	12/23/00	02/23/01		03/23/01		04/23/01		05/23/01			06/23/01		TOTAL	
	5101	5101	5101	100	5101	5101	100	5101	5081	5101	5081	5101	5081	100	5101	100	5101		
74370 Stores				\$36.09															\$36.09
61600 Maint. Equip																			
61280 Loss Control																			
62200 Mbrshps																			
62600 Off. Supplies		\$36.91	\$8.97			\$15.00		\$6.96		\$49.25		\$89.95			\$42.83				\$249.87
62601 Off Safety Equip																			
62610 Copy Paper																			
62730 Postage																			
62790 Subscrip																			
62860 Off. Equip		\$64.40																	\$64.40
62980 Exp. Comp																			
63000 Prof Serv																			
63010 Ed Materials													\$179.71	\$139.25					\$318.96
63220 Fingerprint																			
63280 Contracts																			
63360 Med. Exams																			
63500 Sec. Serv																			
65000 Leg. Notices																			
65100 Rents & L																			
65300 Struct & Grnd																			
65780 Ed & Trng		\$1,275.00			\$843.60	\$83.08													\$2,201.68
65940 Libr & Ref																			
66110 First Aid																			
66170 Trng Matl's									\$26.74		\$20.48								\$47.22
67040 Travel								\$251.00		\$40.09				\$100.00	\$401.67				\$792.76
Sub Totals	\$0.00	\$1,376.31	\$8.97	\$36.09	\$843.60	\$98.08	\$0.00	\$257.96	\$26.74	\$89.34	\$20.48	\$89.95	\$179.71	\$239.25	\$444.50	\$0.00	\$0.00		\$3,710.98
Monthly Totals	\$0.00	\$1,376.31	\$8.97	\$36.09	\$843.60	\$98.08		\$257.96		\$116.08		\$110.43			\$863.46				\$3,710.98

	07/23/00		08/23/00		09/23/00		10/23/00		11/23/00		12/23/00		01/23/01		02/23/01		03/23/01		04/23/01		05/23/01		06/23/01		TOTAL	
	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081	100	5081		
74370 Stores/Office Supp			\$31.90																						\$31.90	
61600 Maint. Equip																										
61280 Loss Control					\$172.50																				\$172.50	
62200 Mbrshps	\$200.00							\$115.00				\$100.00													\$415.00	
62600 Off. Supplies														\$23.00		\$16.44									\$39.44	
62601 Off Safety Equip											\$14.90									\$282.75					\$297.65	
62610 Copy Paper																										
62730 Postage																										
62790 Subscrip	\$233.94				\$67.20																				\$301.14	
62860 Off. Equip						\$178.28		\$115.34																	\$293.62	
62980 Exp. Comp																										
63000 Prof Serv																										
63010 Ed Materials					\$429.50																				\$429.50	
63220 Fingerprint																										
63280 Contracts																										
63360 Med. Exams																										
63500 Sec. Serv																										
65000 Leg. Notices																										
65100 Rents & L																										
65300 Struct & Grnd																										
65780 Ed & Trng																\$228.00									\$114.00	
65940 Libr & Ref			\$359.35																						\$359.35	
66110 First Aid																										
66170 Trng Mat'l's	\$418.27		\$101.62		\$51.05		\$11.16		\$236.11		\$20.70		\$63.46		\$201.63		\$74.11		\$66.11		\$112.84				\$1,357.06	
67040 Travel			\$99.00			\$367.21					\$281.31				\$58.73			\$409.60							\$1,215.85	
Sub Total	\$852.21		\$391.25	\$200.62	\$496.70	\$223.55	\$545.49	\$11.16	\$230.34	\$236.11	\$281.31	\$35.60	\$100.00	\$63.46	\$81.73	\$201.63	\$244.44	\$74.11	\$409.60	\$348.86	-\$114.00	\$112.84			\$5,027.01	
Monthly Total		\$852.21		\$591.87		\$720.25		\$556.65		\$466.45		\$316.91		\$163.46		\$283.36		\$318.55		\$758.46		-\$1.16			\$5,027.01	





	07/23/00	08/23/00	09/23/00	10/23/00	11/23/00	12/23/00	01/23/01		02/23/01		03/23/01	04/23/01	05/23/01	06/23/01	TOTAL
	5081	5081	5081	5081	5081	5081	100	5081	100	5081	5081	5081	5081	5081	
61600 Maint. Equip															
61280 Loss Control															
62200 Mbrshps															
62600 Off. Supplies										\$57.77		\$267.80	\$32.13		\$357.70
62610 Copy Paper															
62730 Postage															
62790 Subscrip	\$475.32	\$396.49		\$204.95											\$1,076.76
62860 Off. Equip															
62980 Exp. Comp															
63000 Prof Serv															
63010 Ed Materials								\$245.82		\$213.27					\$459.09
63220 Fingerprint															
63280 Contracts															
63360 Med. Exams															
63500 Sec. Serv															
65000 Leg. Notices															
65100 Rents & L															
65300 Struct & Grnd															
65780 Ed & Trng		\$571.62	\$212.00	\$120.00		\$139.00	\$340.00	\$568.00	-\$310.00		\$120.00		\$579.00		\$2,339.62
65940 Libr & Ref			\$88.05								\$74.93				\$162.98
66110 First Aid															
66170 Trng Mat'l's										\$45.02		\$71.19			\$116.21
67040 Travel	\$555.85	\$463.89			\$110.90	\$108.77	\$40.23	\$36.92	\$14.20	\$1,348.11					\$2,678.87
Sub Totals	\$1,031.17	\$1,432.00	\$300.05	\$324.95	\$110.90	\$247.77	\$380.23	\$850.74	-\$295.80	\$1,664.17	\$194.93	\$338.99	\$611.13		\$7,191.23
	\$1,031.17	\$1,432.00	\$300.05	\$324.95	\$110.90	\$247.77		\$1,230.97		\$1,368.37	\$194.93	\$338.99	\$611.13		\$7,191.23

	08/23/00	10/23/00	04/23/01	05/23/01	TOTAL
	5051	100	5081	5081	
61600 Maint. Equip					
61280 Loss Control					
62200 Mbrshps					
62600 Off. Supplies					
62601 Off Safety Equip					
62610 Copy Paper					
62730 Postage					
62790 Subscrip					
62860 Off. Equip					
62980 Exp. Comp					
63000 Prof Serv					
63010 Ed Materials			\$67.62	\$95.69	\$163.31
63220 Fingerprint					
63280 Contracts					
63360 Med. Exams					
63500 Sec. Serv					
65000 Leg. Notices					
65100 Rents & L					
65300 Struct & Grnd					
65780 Ed & Trng	\$440.38	\$120.00			\$560.38
65940 Libr & Ref					
66110 First Aid					
66170 Trng Matl's					
67040 Travel					
<b>Monthly Totals</b>	<b>\$440.38</b>	<b>\$120.00</b>	<b>\$67.62</b>	<b>\$95.69</b>	<b>\$723.69</b>

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