

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

DEPT: Auditor-Controller *JH*

BOARD AGENDA # *B-1

Urgent ☐

Routine ☒

AGENDA DATE November 17, 2015

CEO Concurs with Recommendation YES ☒ NO ☐
(Information Attached)

4/5 Vote Required YES ☐ NO ☒

SUBJECT:

Approval to Accept the Auditor-Controller's Report on Stanislaus County's Revolving Funds as of June 30, 2015

STAFF RECOMMENDATIONS:

1. Accept the Auditor-Controller's report on Stanislaus County's revolving funds as of June 30, 2015 in accordance with Government Code Section 29321.1.
2. Approval to close two revolving fund accounts in excess of \$1,000.

FISCAL IMPACT:

As of June 30, 2015, there were 95 revolving fund accounts totaling \$144,962. The revolving funds are detailed on Attachment A and accounted for and reported as follows: General Fund \$90,480, Special Revenue Fund \$45,320, Enterprise Fund \$4,700, Internal Service Fund \$500, and Trust and Agency Fund \$3,962.

(continued on page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-562

On motion of Supervisor Monteith, Seconded by Supervisor Chiesa
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) ☒ Approved as recommended
- 2) ☐ Denied
- 3) ☐ Approved as amended
- 4) ☐ Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (Continued):

Five revolving accounts with a total amount of \$625 were closed during Fiscal Year ending June 30, 2015. In addition, we are requesting the Board of Supervisors to approve the closing of two revolving accounts with a total amount of \$6,500. The close-out adjustments can be absorbed within current year department budgets; there is no impact to the County General Fund as a result of the closure of these two accounts.

DISCUSSION:

A revolving fund is a cash fund account established by an advance of a fixed amount of money, without charge to an appropriation, for the purpose of minor disbursements or for a specific purpose, such as a change account. When disbursements are made, a voucher is completed to record the date, amount, nature and purpose. At the appropriate time, a report with substantiating vouchers is prepared, the account is replenished for the exact amount of the disbursements and appropriate general ledger accounts are charged. The total of cash and substantiating vouchers should always equal the total fixed amount of money established in the revolving fund account.

Pursuant to Government Code Section 29321.1, "...the county auditor shall...render a written report to the board at the end of each fiscal year identifying the revolving funds in existence during the fiscal year, the amount of such fund, and the officer using the fund."

On December 5, 1989, the Board of Supervisors by resolution authorized the Auditor-Controller to "perform the function of the Board in establishing, increasing, reducing or discontinuing any of the revolving funds provided for in this article." Pursuant to the authority granted the Auditor-Controller, changes to the revolving funds have occurred during the fiscal year. Changes to revolving fund accounts that exceed \$1,000 require Board approval.

In addition to the annual reporting to the Board of Supervisors as required by government code, the Internal Audit Division of the Auditor-Controller's Office completes a limited review of revolving funds annually. The purpose of the limited review is to ensure that departments and agencies are maintaining and accounting for their revolving fund accounts appropriately. The scope of the review includes verification that reported amounts and financial records are reconciled as of June 30, 2015. A sampling population was chosen for this review which consisted of 39 of the 95 revolving funds or 41% of the total revolving fund accounts. The Internal Audit Division noted no significant exceptions in the processes departments and agencies are applying in the use of their assigned revolving funds.

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The following three revolving fund accounts were closed during Fiscal Year ending June 30, 2015, resulting in a net decrease of \$300 to the revolving fund cash accounts:

- Behavioral Health and Recovery Services discontinued the use of a change account of \$100 for making change to registrants attending department sponsored training. The change account was no longer needed and the funds were returned to the County Treasury.
- The Health Services Agency discontinued the use of a change account of \$100 assigned to the Indigent Health Care Program. Due to the transfer of collection of outstanding receivable balances on client accounts to the Revenue and Recovery Division in the Treasurer-Tax Collector's Office, the change account was no longer needed and the funds were returned to the County Treasury.
- The Sheriff's Office discontinued the use of a change account of \$100 assigned to Kitchen Support Services in the Adult Detention Center. The kitchen was closed and the funds were returned to the County Treasury.

The following revolving fund accounts required adjustments as of Fiscal Year ending June 30, 2015:

The four revolving funds listed below are specific to funds deposited with the United States Post Office (USPO). The revolving postage account funds are expended for postage due and business reply mailing charges. On a periodic basis, the postage charges are replenished to the departments' USPO accounts through the County's expenditure voucher process. During the review of these postage accounts several issues were noted. Many of the accounts were opened between 10 to 30 years ago and the information pertaining to the original use and need of these accounts has been lost over time with the transition of staff. In addition, discrepancies were noted between the cash balances recorded on USPO's records and the County's financial records for these accounts. It was concluded that the cash assigned to the USPO accounts was used appropriately; however, the corresponding postage expense was never recorded on the financial records. The adjustments listed below will correct this issue.

There were a total of two revolving postage account funds that were closed during Fiscal Year ending June 30, 2015, resulting in a net decrease of \$325 to the revolving fund cash accounts:

- The postage account assigned to the Assessor's Office in the amount of \$25 originated in 1991. The account was closed and postage expense of \$25 was recorded.
- It is unknown when the postage account assigned to the Treasurer-Tax Collector's Office in the amount of \$300 was opened. The account was closed and postage expense of \$300 was recorded.

There are a total of two revolving postage fund accounts, in the Auditor-Controller's Office and the General Services Agency, as of Fiscal Year ending June 30, 2015, totaling \$6,500 that require Board of Supervisors' authorization to close the accounts as the amounts exceed the authority provided to the Auditor-Controller.

- The Auditor-Controller's Office requests to close the postage account in the amount of \$4,000. The postage account originated in 2005 and the subsequent use of \$3,982.93 of account balance was not replenished to the USPO or recorded to the financial records in the appropriate prior periods. Upon Board approval to close this account, the Auditor-Controller's Office will be charged a postage expense of \$3,982.93 and a refund will be obtained for the remaining USPO balance of \$17.07 and returned to the County Treasury.
- The General Services Agency requests to close the postage account in the amount of \$2,500. The postage account originated in 1979 and the subsequent use of the account balance was not replenished to the USPO or recorded to the financial records in the appropriate prior periods. Upon Board approval to close this account, the General Services Agency will be charged a postage expense of \$2,500.

POLICY ISSUE:

Acceptance of this report supports the Board's priority of Efficient Delivery of Public Services by helping improve the efficiency of County government processes.

STAFFING IMPACT:

There are no staffing impacts associated with the adoption of this report. The Auditor-Controller's Office will continue to monitor and track the various funds and accounts maintained by departments.

CONTACT INFORMATION:

Lauren Klein, CPA	Auditor-Controller	(209) 525-6576
Cara Kiely, CPA (inactive)	Manager II	(209) 525-6506

STANISLAUS COUNTY
Revolving Fund Schedule
As of June 30, 2015

GENERAL FUND

Fund/Loc	AGRICULTURAL COMMISSIONER	3800 Cornucopia Way, Suite B, Modesto		
100 0010	1) Weights & Measures - Petty Cash		\$ 600	
100 0011	2) Modesto Office - Change Account		100	
	AUDITOR-CONTROLLER	1010 10th Street, Suite 5100, Modesto		
100 0030	3) Postage Revolving Account	<i>On Deposit with US Postal Service</i>	4,000	***
	ASSESSOR	1010 10th Street, Suite 2400, Modesto		
100 0041	4) Change Account		100	
	BOARD OF SUPERVISORS	1010 10th Street, Suite 6700, Modesto		
100 0050	5) Change Account		30	
	CLERK-RECORDER	1021 I Street, Suite 101, Modesto		
100 0330	6) Elections - Change Account		50	
100 0340	7) Clerk-Recorder - Change Account		200	
100 0341	8) Clerk-Recorder - Petty Cash		200	
100 0342	9) Vital Statistics - Change Account		200	
100 0343	10) Clerk-Recorder - Change Account		200	
	COOPERATIVE EXTENSION	3800 Cornucopia Way, Suite A, Modesto		
100 0070	11) Petty Cash Account		100	
	DISTRICT ATTORNEY	832 12th Street, Suite 300, Modesto		
100 0090	12) Interstate Witness Contact - Petty Cash	<i>Checking Account</i>	5,000	
100 0092	13) Witness Protection Program - Petty Cash	<i>Checking Account</i>	50,000	
	GENERAL SERVICES AGENCY	1010 10th Street, Suite 5400, Modesto		
100 0201	14) Bulk Mailing Permit - Postage Revolving Account	<i>On Deposit with US Postal Service</i>	2,500	***
	PARKS AND RECREATION	3800 Cornucopia Way, Suite C, Modesto		
100 0140	15) Modesto Reservoir - Change Account		2,525	
100 0141	16) Modesto Reservoir - Petty Cash		50	
100 0142	17) Woodward Reservoir - Change Account		2,350	
100 0143	18) Woodward Reservoir - Petty Cash		250	
100 0144	19) Frank Raines Park - Change Account		475	
100 0145	20) La Grange Park - Change Account		250	
100 0146	21) Parks Permits - Change Account		25	
100 0147	22) Modesto Reservoir - Gas - Change Account		200	
100 0148	23) Modesto Reservoir - Gas - Change Account		200	
	PROBATION	2215 Blue Gum Ave, Modesto		
100 0160	24) Change Account		200	

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Revolving Fund Schedule
As of June 30, 2015

100 0180	PUBLIC DEFENDER	1021 I Street, Suite 3500, Modesto		
	25) Postage Due - Postage Revolving Account	<i>On Deposit with US Postal Service</i>	25	***
	SHERIFF	250 E. Hackett, Modesto		
100 0170	26) Public Administrator - Revolving Account	<i>Checking Account</i>	10,000	*
100 0210	27) Civil Division - Change Account		150	
100 0211	28) Petty Cash		300	
100 0213	29) Fingerprint - Change Account		200	
100 0214	30) Alternate Work Program - Change Account		200	
	TREASURER-TAX COLLECTOR	1010 10th Street, Suite 2500, Modesto		
100 0221	31) Registered Mail, Writs of Execution - Petty Cash	<i>Checking Account</i>	5,000	*
100 0222	32) Tax Collection - Change Account		3,000	
100 0223	33) Collection Division - Change Account		1,800	
TOTAL GENERAL FUND			\$ 90,480	

SPECIAL REVENUE

1051 0540	AREA AGENCY ON AGING	121 Downey Ave., Suite 102, Modesto		
	34) Petty Cash		\$ 200	
	BEHAVIORAL HEALTH & RECOVERY	800 Scenic Drive, Modesto		
1501 0300	35) Change Account		50	
1501 0301	36) Petty Cash		80	
1501 0303	37) Homeless -Petty Cash	<i>Checking Account</i>	8,000	*
1501 0307	38) Emergency Revolving Account - Petty Cash		120	
1501 0421	39) WMRS - Change Account		50	
1501 0425	40) TRS - Change Account		50	
1505 0492	41) Stanislaus Recovery Center - Change Account		200	
	CHILD SUPPORT SERVICES	251 E Hackett Rd, Modesto		
1071 0520	42) Revolving - Petty Cash	<i>Checking Account</i>	100	*
	COMMUNITY SERVICE AGENCY	251 E Hackett Rd, Modesto		
1631 0362	43) Revolving - Petty Cash	<i>Checking Account</i>	1,900	*
1631 0363	44) Cashier - Change Account		300	
1631 0364	45) Office Services - Petty Cash		500	
1631 0365	46) Postage Due - Postage Revolving Account	<i>On Deposit with US Postal Service</i>	22,000	***
1631 0366	47) Emergency Client Services - Petty Cash		250	
1631 0367	48) Turlock Out Station - Change Account		200	
1631 0368	49) Cashier's - Change Account No. 2		300	

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Revolving Fund Schedule
As of June 30, 2015

1711 0091	DISTRICT ATTORNEY	832 12th Street, Suite 300, Modesto	
	50) Child Abduction Unit - Petty Cash	<i>Checking Account</i>	5,000 *
1001 0250 1001 0251	ENVIRONMENTAL RESOURCES	3800 Cornucopia Way, Suite C, Modesto	
	51) Change Account		700
	52) Petty Cash		100
1401 0266 1402 0260 1402 0261 1402 0262	HEALTH SERVICES AGENCY	830 Scenic Drive, Modesto	
	53) IHCP Public Information Officer - Change Account		50
	54) Vital Statistics - Change Account		100
	55) Communicable Disease - Change Account		350
	56) Crippled Children - Revolving Account	<i>Checking Account</i>	2,500 *
1651 0270 1651 0271 1651 0272 1651 0277 1651 0279 1651 0280 1651 0281 1651 0282 1651 0283 1651 0284 1651 0285 1651 0286 1651 0287 1651 0288 1651 0289 1651 0291	LIBRARY	1500 I Street, Modesto	
	57) Main-Circulation - Change Account		300
	58) Main-Xerox - Change Account		100
	59) Main-Reference - Change Account		500
	60) Ceres Branch - Change Account		100
	61) Hughson Branch - Change Account		50
	62) Newman Branch - Change Account		50
	63) Salida Branch - Change Account		210
	64) Turlock Branch - Change Account		140
	65) Waterford Branch - Change Account		50
	66) Keyes Branch - Change Account		50
	67) Oakdale Branch - Change Account		70
	68) Denair Branch - Change Account		50
	69) Empire Branch - Change Account		50
	70) Patterson Branch - Change Account		50
	71) Riverbank Branch - Change Account		50
	72) Petty Cash		100
1206 0060 1206 0190	PLANNING	1010 10th Street, Suite 3400, Modesto	
	73) Building Permits - Petty Cash		100
	74) Building Permits - Change Account		100
1201 0193	PUBLIC WORKS	1716 Morgan Rd, Modesto	
	75) Change Account		100
TOTAL SPECIAL REVENUE			\$ 45,320

ENTERPRISE FUNDS

4021 0380	ENVIRONMENTAL RESOURCES	3800 Cornucopia Way, Suite C, Modesto	
	76) Fink Road Landfill - Change Account		\$ 1,000

STANISLAUS COUNTY

Revolving Fund Schedule

As of June 30, 2015

HEALTH SERVICES AGENCY - CLINICS		830 Scenic Drive, Modesto	
4051 0392	77) Business Office - Change Account		1,000
4051 0394	78) Hughson Clinic - Change Account		300
4051 0397	79) Specialty Clinic - Change Account		200
4051 0407	80) Ceres Medical Office - Change Account		200
4051 0408	81) MAB Pediatrics - Change Account		100
4051 0410	82) Turlock - Change Account		300
4051 0411	83) McHenry - Change Account		300
4051 0414	84) Physical Therapy (REHAB) - Change Account		100
4051 0415	85) Business Office - Petty Cash		350
4051 0416	86) West Modesto Clinic - Change Account		450
4051 0417	87) Business Office Window - Change Account		100
PUBLIC WORKS - TRANSIT		1716 Morgan Rd, Modesto	
4001 0430	88) Transit - Postage Due - Postage Revolving Account	<i>On Deposit with US Postal Service</i>	300 ***
TOTAL ENTERPRISE FUNDS			\$ 4,700
INTERNAL SERVICE FUNDS			
CEO-RICK MANAGEMENT		1010 10th Street, Suite 5900, Modesto	
5051 0440	89) General Liability - Minor Claims	<i>Checking Account</i>	\$ 500
TOTAL INTERNAL SERVICE FUNDS			\$ 500
TRUST AND AGENCIES			
ANIMAL SERVICES		3647 Cornucopia Way, Modesto	
6181 0020	90) Rabies Control - Change Account		\$ 300
6181 0021	91) Rabies Control - Petty Cash		100
6181 0022	92) Change Account		400
LAW LIBRARY		1101 13th Street, Modesto	
6000 0460	93) Change Account		112
6000 0461	94) Revolving Account - Petty Cash	<i>Checking Account</i>	3,000 *
STANCERA		832 12th Street, Suite 600, Modesto	
6100 0510	95) Change Account		50
TOTAL TRUST AND AGENCIES			\$ 3,962
TOTAL REVOLVING FUNDS			\$ 144,962

* Held in outside checking account.

***On deposit with the Post Office.