

## VII. Finance

The Following duties are carried out by the Financial Officer:

### A. Claim Voucher Preparation

Contact Person for GWCSO is Keely Cleland, EDC Auditor's Office.  
[keely.cleland@edcgov.us](mailto:keely.cleland@edcgov.us) 621-5421.

- Finance Officer (FO) receives invoices/bills by USPS or email. Payment vouchers are prepared monthly, prior to the Agenda preparation. Voucher(s) with original bills attached are prepared for the county, and one copy is made for district file. Voucher form is available online. (**Appendix F Payment (Claim)Voucher**). Each Director will be emailed a copy with the Board meeting packet. **KEEP COPIES OF EVERYTHING**. In a special circumstance, a voucher may be prepared out of cycle.
- To complete voucher, open blank voucher form and fill in information. OR, Open old voucher, rename with new date, Save As, and then input new amounts for current voucher. Insert row or delete row (highlight the item above, go to home, click insert)
- Date. The date will autofill on the day the voucher is completed if using blank form. Otherwise, change date to current.
- Coding accuracy is very important for transaction type, index code, object code. Use as reference the Chart of Accounts in the finance binder, the vendor numbers in the finance binder, and prior voucher.
- Description line accommodates up to 50 characters. Do not use # or \*. Each description starts with GWCSO. Use dates and invoice numbers from bills for ease of tracking and confirming billing. e.g. "Legal Services May 2015 Inv. 6109".
- Include date of invoice and account number if there is space. 50 characters is not much, and there will be an error message if description is too long.
- Vouchers will be approved with two director signatures, if directors are on approved signature list. (**Appendix G District Signature Sheet**) In the case of vouchers for road and other contracts, finance person will confirm with GM that work has been completed and bill should be paid.
- If a voucher includes reimbursement for a director, that director should not be one of the signatories on that voucher.
- Completed packets are hand carried to county auditor's office and date stamped to show delivery. Payment to the vendor is usually issued within 7-14 days. Voucher backup (bills, invoices) is scanned and emailed to person preparing the agenda for review. Any questions should be asked at next Board meeting.

- An electronic version of the voucher is saved to electronic file (“Request for Pay”).
- Place district's copy of date stamped signed voucher in finance binder for reference.

### **How to Establish a New Vendor**

- The current vendor list is not available online. Keely provides these numbers upon request.
- From time to time, the CSD may want to use a vendor who is not approved by the county. In this case, a new vendor number needs to be obtained.
- Establishing a new vendor requires two steps. All forms are available at auditor's web site. Print out both forms.
- The new vendor completes and signs the vendor form providing social security number or employee id numbers and other pertinent information.
- The CSD completes the request for new vendor form.
- Both forms are delivered to auditor's office and date stamped. **MAKE A COPY OF THE COMPLETED FORMS.**

### **Reporting Information to Board**

- Financial Report: This is a monthly summary of approved budget and financial activity for the month, outstanding bills and balances in each object code.
- Voucher must be signed by two directors and approved by the board before submission to the county Auditor’s office. May be included in the Consent Calendar.
- GM, FO and board members are responsible for checking that the bill is accurate and either previously approved by Board motion, or an ongoing bill (SDRMA, PO box, Storage rental, CSDA, etc.).
- FO/GM/Board members use monthly county printouts and voucher copies to prepare monthly report to Board on current financial status of CSD.
- In order to prepare reports in time for monthly meeting agenda, email or call Keely for these reports at the end of the first week of the month.
- FO checks county information against vouchers to confirm what bills have been paid and what bills are still outstanding. A summary is prepared so that Board members and others have recent information and balances.
- Report reflects summary by object code, and a list of outstanding invoices.
- Report is saved electronically in “FO Report for (month/year)”.

- FO makes five copies for distribution to public at meeting.
- Hard copy of report is filed in finance binder.

### **Claim Voucher For Mileage**

- Use county Mileage & Expense Form or create another document including all the appropriate information: Date, starting location, destination location, mileage, purpose of travel, etc.
- Reimbursement for Mileage is based on IRS Reimbursement for Mileage figures.

### **B. Deposit Permits** (Cash and Checks for Deposit)

- Obtain Deposit form (**Appendix H- Deposit Permit**) from the El Dorado County Auditors website.
- Fill out form, Save As and rename with new month and date.
- Fill in form --showing cash and checks--change dates and amounts--save final document
- Make sure all the checks are signed or stamped
- Print on correct side of NCR paper. There are 5 duplications including the original form- white, green, yellow, pink and gold. It is carbonless paper. Each form goes to a different department- Treasurer (White), Auditor (Green), and 2 to GWCSO (Yellow, Pink)
- Deliver document and cash/checks to the Auditor's office and at the counter inform them that you have a deposit.
- Counter person will sign document & remove their page.
- Upon leaving the Auditor's office proceed to the Treasurer's office (2nd door) after turning right from Auditor's office. Make sure you arrive before 11:00 a.m.
- Wait in line at the Treasurer's office and give them the deposits and forms. They will sign and keep their copy(s) and return the pink and yellow copies to you. The deposit has now been completed.

### **C. Schedule of Budget Activities and Budget Development**

**Think of the budget as the District's plan defined in dollars. The budget tells you at a glance where the District intends to spend its money, and its anticipated costs in each category.** The budget process never really stops, though the District will focus on certain activities in each quarter

of the year. The budget runs July 1 through June 30, with revenue and expense experienced each month.

Revenue and expense are reported by County in Revenue/Expense (R/E) Detail (**See Appendix I Revenue and Expenditures Detail**), Revenue/ Expense Summary, General Ledger (G/L) Detail (**See Appendix J- General Ledger Detail**) and General Ledger Summary. These four reports are sent to districts automatically after each month closes. Because GWCS D meets the second Saturday, it is necessary to email the county at month end to request current reports used to prepare finance reports for timely posting prior to meeting.

- Reoccurring Monthly Items Include:
  - Use R/E Detail and GL Detail from the end of previous month to confirm bills paid.
  - Prepare Financial Officer (FO) monthly report.
  - Prepare Bill Vouchers and scanned backups for board meeting.
  - At the end of each month request current county reports to prepare for the following month's meeting.
- January - no additional Items
- February - no additional Items
- March - Schedule Finance Committee meeting to review budget history, current percent of budget expended, projected income and expense for the proposed budget for following year. Take input and revise/update. Prepare single page Preliminary Budget for (next year) with projected income and proposed expense.
- April - Post public notice in Mt. Democrat and at least three boxes in the District announcing that the preliminary budget for the following year will be approved at the May meeting. Specific Language of Notice included for reference. (**See Appendix K- Notice of Budget Hearing**)
- May - Update annual budget history on current county reports. Prepare Preliminary Budget based on projected income, current expense report from county, and input from Finance Committee. For following year, update budget history and prepare Resolution to Approve Preliminary Budget (**See Appendix L- Budget Resolution**)
- June—Last month of fiscal year.
- July—First month of new fiscal year. When preparing voucher, make sure bills are expended from correct fiscal year. Direct Charge Month, which gives you actual Special Tax amount for final budget. Directions for processing Direct Charges available separately in this manual (Direct Charge Annual Process). Update budget history page. Use county report to project carryover for final budget adoption. Post public notice in Mt Democrat and three boxes in the district announcing that final budget (for following year) will be approved at August board meeting. Prepare resolution for approval of final budget. Finalize income and expense figures for final budget approval.
- August—Ad valorem month. County prepares letter with estimate of ad valorem income

(actual direct charges that you completed in July). County closes prior year and give districts final closing/carryover numbers. Use actual direct charge, estimate of ad valorem income and final prior year expenses to prepare final budget for adoption. Review with the Board at the meeting. Update budget history with prior year final numbers. After approval, send final budget with approved, signed resolution to county auditor. County uses approved budget to set final figures for operating budget for the fiscal year.

- September - no additional items
- October- no additional items
- November – no additional items
- December - no additional items
- **(See Appendix M for GWCS D Budget History)**
- **(See Appendix N for Sample Budget and Comparisons for GWCS D from El Dorado County Auditors website)**

#### **D. Appropriations Limitations-Proposition 4-Gann Spending Limits**

- The Appropriation Limitation is a Government Code Section that requires the GWCS D to establish appropriation limits by resolution. The Annual Appropriations calculations and report is the duty of the Financial Officer.
- In 1979 the Gann Spending Limit Initiative placed limits of taxation by governing local jurisdictions. Therefore, when the GWCS D was formed in the late 1980's, a figure was established by the County. Two other factors came into play to compute the appropriation limits each year. These are the cost of living factor and the reported increase in population in the county's unincorporated area. These are referred to as the "growth factors."
- The appropriation limits are determined by the use of last year's limits and multiply it with the growth factors provided by the Auditor-Controller's office (May-June) to come up with the new fiscal year's appropriation limits.

**Example:**     \$335,305.62                             X   1.0416             =   \$349,254.33  
                          (2016-2017 Approp. Limit)                             (2017-2018 Approp. Limit)

- This document is to be adopted before finalizing the GWCS D's fiscal year budget, the reason being to alert the CSD of limitation so the CSD does not over tax the properties within the District. **(See Appendix O Resolution and Notice for Appropriation Limitations)**
- The Appropriations Limitations packet usually arrives in June from the El Dorado County Auditors office. It contains instructions and the figures necessary to compute.

- A public hearing is required for the Appropriation Limitation. A Notice of Public Hearing should be posted on the website, 3 areas in the district and the Mountain Democrat, 2 weeks prior to meeting.
- Prepare a Resolution for the Appropriation Limitation for the upcoming Year. Place on June agenda for approval. When approved, a copy of the Resolution is sent to the El Dorado County Auditor.

## **E. Parcel Tax Definition**

- The State Controllers Office's definition of Parcel Tax:  
For purposes of reporting under AB 2109, a parcel tax, per Government Code section 12463.2, is defined as a non -ad valorem tax imposed as an incident of property ownership and collected on the annual property tax bill. Generally, the tax is charged on a parcel of property based on either a flat per parcel rate or a variable rate depending on the size, use, and/or number of units on the parcel. A parcel tax includes, but is not limited to, all types of Mello-Roos taxes and special taxes for governmental purposes such as libraries, hospitals, schools, fire protection services, ambulance services, parks or museums.

## **F. Direct Charge Annual Process**

County Contact Person: Sally Zutter, Auditors office/Accounting Division Manager,  
[sally.zutter@edcgov.us](mailto:sally.zutter@edcgov.us)

- Direct charges are non-Ad Valorem amounts levied on a per parcel basis which may encompass annual charges for a variety of items to include: voter approved special taxes, benefit assessments, special assessments, improvement direct charges, charges for services and fees.
- The County Auditor's Office orchestrates the direct charge process annually. This process begins with a letter from them in May announcing the date of availability of files, a checklist of items needed, and the final date for districts to respond (usually a date in August).
- The file of GWCS D Tax Rate Areas (078 082 and 078 084) can be downloaded either at the auditor's office or at the county library. The preferred method is the auditor's office as you

are assured to get the right file and the most current download of Parcel Quest (PQ), the proprietary software needed to manipulate files.

- Bring a laptop or thumb drive (to work there) or to download both PQ and TRA files and work offline. This information should be gathered early, so that there is plenty of time in case there are problems getting the correct files.
- Locate the Direct Charge binder, which includes prior year reporting, forms and files. Follow instructions PAGE by PAGE to delete certain files (there is a list in direct charge binder) and manipulate the files so that they are readable by auditor's office. **(See Appendix P for Direct Charge Report Packet)**
- Once the files are revised, email them to our contact Sally Zutter, Accounting Division Manager. She will review the files and respond promptly with request for correction or a letter stating how many parcels qualified and what the district's total revenue will be from special tax.
- GC 50075-50077.5 requires annual demonstration of appropriate use of special taxes. From time to time this requirement is modified, so pay attention to any new requirements pointed out by county staff. They will let you know when legislation changes.
- Included is a template for the 2015-16 special tax accountability report. **(See Appendix Q Special Tax Accountability Report)** The report is not due until December, but I do it in August right after prior year close.

## **G. Audit**

Audit is done every 2 years after the close of the even numbered fiscal year. The process usually begins in September after all final reports from the county are received.

Contact the CPA to get the process started. Current CPA is Vaughn Johnson, 4120 Cameron Park Dr., Suite 400, Cameron Park, CA 95682, 530-677-1390. She will provide you with an engagement letter and a list of required documents.

Provide the following to the CPA per her required document list:

- Invoices and all bills
- Minutes of Board meetings during audit time period
- Vendor files & invoices
- Vouchers payable
- Number of parcels and assessment per parcel (\$120)
- Resolutions creating road maintenance taxes/assessments
- List of Board of Directors
- Budget and Amendments
- Statement of Economic Interest (Form 700) filed

- Notice of El Dorado County assess valuation of district and allocation of ad valorem property tax revenues (Report from El Dorado Auditor-Controller's office)
- Resolution for Appropriation Limits (Prop 4)
- Certificates for Insurance coverage (SDRMA)
- New Contracts during the Audit period
- Revenue and Expenditure and General Ledger reports
- Any new Governance
- Resolutions and Ordinances
- Confirmations from attorney and insurance carrier for any claims file