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 Chapter 6-100: Cash Collections

It is the policy of Tehachapi Valley Recreation and Park District to establish good internal controls over the handling of cash and cash equivalents to adequately safeguard and properly record District assets. This policy has been developed to provide guidance for the proper collection, recording, and management of cash funds.

**Authority Over Cash Funds**

Overall responsibility for this policy rests with the District Office.

**Internal Controls**

The District will maintain the following internal controls over cash receipts (income collection) and imprest (change or petty cash) funds:

* Written internal procedures describing the proper handling of each type of cash transaction will be provided to all departments/units.
* All departments/units will adequately safeguard cash funds (i.e., keep in a safe, locked cabinet, or locked drawer) to reduce the risk of loss or misuse of cash funds.
* The Recreation Software computerized facility reservation and activity registration system will produce receipts for all of its income collection transactions made at the District office.
* When needed, the District Office will also issue pre-numbered receipts in consecutive order for manual income collection transactions.
* Checks and other instruments of payment (i.e., money orders, traveler’s checks) will be restrictively endorsed upon receipt.
* No funds administered by the District will be expended for articles or services that are for personal use.
* Personal checks will not be cashed for employees from income collections or imprest cash funds.
* The responsible supervisor for each site will assign one individual as cash custodian with the responsibility of control of the imprest cash and change fund.
* Imprest cash funds (change or petty cash funds) will be kept separate from other funds.
* Suspicion of fraud must be reported to the Administration Department and District Office immediately for further investigation.
* Reports of non-compliance with internal control directives will be reviewed and appropriate action taken.

**Cash Collections**

Cash collection is the receiving of and receipting of monies (currencies, money orders, bank cards, checks, etc.) offered as payment to the District.

Cash collections received by the District must be receipted by the department/unit receiving the funds.

General:

* Checks and money orders should be made payable to Tehachapi Valley Recreation and Park District or “TVRPD.”
* Upon receipt, all checks and money orders must be restrictively endorsed.
* The following checks are not acceptable:
	+ Post-dated checks;
	+ Checks that are not imprinted.
* Only authorized personnel may collect and receipt monies.
* All monies collected elsewhere are to be regularly brought to the District Office to the Administration Department where they will be counted under dual custody in preparation for deposit.

**Receipting**

The receipting process may involve any of the following methods:

* Recreation Software computer-generated receipts;
* Two-part, pre-numbered receipts (issued by the District Office)

**Recreation Software Computer-Generated Receipts:** The computerized Recreation Software system generates numbered receipts for all activity registration and facility reservations as well as entries made through its miscellaneous income component.

Receipts are distributed as follows:

* One copy is given to the customer from whom funds are received.
* One copy serves as or is attached to the registration or reservation form and forwarded to the Administrative Assistant.

**Manual Receipts Issued by District Office:** Three-part, pre-numbered receipt books are issued to cashiers by the District’s District Office. These receipts are to be used only for cash collection receivables for which the computerized Recreation Software system does not generate a receipt or when Recreation Software is out of service.

* To ensure proper processing, the receipt form must be filled out completely.
* Receipts must be written to the customer or, in the case of checks or credit cards, to the name written on the check or credit card.
* Receipts must be completed in ink only.

The two-part, pre-numbered receipt is distributed as follows:

* The “white original copy” is given to the customer from whom funds are received.
* A copy is forwarded to the Administration Department (include accompanying documentation, i.e. registration form, attendance log, etc.), and must accompany daily deposits (which are forwarded to the District Office).
* One copy remains intact in the receipt book.

Once all receipts in a receipt book have been utilized, the receipt book, with its goldenrod copies, must be returned to the Administration Department.

All two-part, pre-numbered receipts must be accounted for at all times. When voiding a receipt, write “VOID” across the face of all copies of the receipt and forward to the Administration Department with other receipts.

**Depositing of Cash and Cash Equivalents**

The Administration Department establishes District depository bank account for the purpose of depositing cash collected at District cashiering sites. The cash deposited into this depository bank account is considered a part of the District’s general cash. All deposits are accurately recorded and checked against bank statements.

**General:**

* Any department/unit receiving cash, checks, certified funds, or credit card purchases must complete a daily log. Non-deposited funds must be kept under lock and key at all times for weekly deposit.
* All monies received must be deposited into the District’s depository bank account. The Administrative Assistant will hand-deliver all daily deposits to the designated bank.
* All checks and money orders must be stamped, upon receipt, with the restrictive endorsement stamp issued by the District Office.

**Daily Deposits Using Recreation Software System:** In preparation for completion of the daily deposit, the Recreation Software computerized system should print the following reports for cash, cash equivalents, and credit cards:

* Cash Journal Report: The Cash Journal Report includes a Cash Balancing Worksheet and Cash Journal listing the daily Recreation Software transactions.
* Summary G/L Distribution Report
* Credit Card Report

**Processing Deposits Using Recreation Software Reports:**

Cashier should:

* Balance cash, cash equivalents, and credit card authorization receipts in the cash drawer against the Cash Journal and Credit Card Report. Attach all signed credit card authorization receipts to the Credit Card Report.
* Complete the Cash Balancing Worksheet.
* Document any differences (overages/shortages) on the Cash Balancing Worksheet.
* Sign and date the Cash Balancing Worksheet.
* A tape of all checks must be attached to the Deposit Ticket with a reference on the Deposit Ticket noting that the tape is attached.
* Insert currency, coin, and checks with copies of the Deposit Ticket into the bank bag.
* Submit the Cash Balancing Worksheet, Cash Journal, G/L Summary Distribution Report, Credit Card Report (with credit card authorization receipts attached) and the copy of the Deposit Ticket into the bank bag.
* Place the deposit in the safe for Administrative assistant’s review.
* Administration Departmenthand-delivers deposit to the designated bank; paperwork is emailed to the bookkeeper to review, post to QBO, and match to banking transactions daily.

**Processing Deposits Using Manual Receipts:** Departments/units without access to Recreation Software must use the Daily Cash Worksheet issued by the District Office when completing deposits.

Cashiers should:

* Balance cash, cash equivalents in the cash drawer against the District “manual” receipts.
* Complete the Daily Cash Worksheet.
* Document any differences (overages/shortages) on the Daily Cash Worksheet.
* Sign and date the Daily Cash Worksheet.
* Insert currency, coin and checks into daily envelope.
* Complete the information on the outside of the envelope.
* Drop envelope into locked drop box for pick up by authorized personnel.

**Daily Credit Card Settlements**

Daily, the bookkeeper verifies that all credit card transactions have been settled for the previous day.

**Processing of Refunds**

Refunds may arise from a variety of situations:

* Return of facility reservation damage deposits;
* TVRPD’s cancellation of a program;
* A participant’s cancellation of a program registration or reservation;
* Customer dissatisfaction.

The timely identification and processing of refunds is essential.

**Responsibility to Process Refunds:** The Administration Department processes all refunds.

**Refund Procedures:** In an effort to create uniformity District-wide in the processing of refunds, the following procedures should be followed upon request for a refund:

* Upon receipt of request for a refund, a Request for Refund form must be completed (generally, the TVRPD staff member receiving the request completes the form).
* After supervisor approval, the Request for Refund should be forwarded to the District Office for the appropriate Recreation Software transaction and given to the Administrative Assistant.
* The Request for Refund is then processed in QBO by the Administration Department

**Credit Card Refunds:** Credit card refunds will be either issued a check or funds returned to the form of payment.

After the customer transaction has been completed, the Administration Department should:

* Complete a Request for Refund noting the reason for the credit balance (i.e., customer overpayment, activity transfer from one class to another class with a lower registration fee)
* Obtain supervisor approval and submit the refund for processing.

**Timing of Refunds:** If approved by the responsible supervisor, customers can anticipate receipt of a refund within four weeks of request. Refunds will be in the form of a check mailed via the U.S. Postal Service unless otherwise requested by the customer.

 Chapter 6-200: Accounts Receivable Policy

Accounts receivable is money owed to the District by customers in exchange for goods or services that have been delivered or used, but not yet paid for. Payment for receipt of District services or goods is generally required in full prior to or in conjunction with the service being performed with the following exceptions:

* A payment method has been established by contract or agreement.
* An agreed upon payment method has been established by District management.
* Governmental or educational entities.

Unless otherwise agreed to in writing, credit will normally not be extended for more than 30 days.

**Billing**

To ensure that charges for services rendered are accurately recorded on a timely basis, billing invoices should be prepared no later than the 15th the month in which the services were rendered.

All initiated billings should have established terms (e.g., 30 days from bill dates) and all bills should be generated within an established time after initial provision of service (e.g., within 30 days).

**Billing Invoices:** Billing invoices are to be sent out at least monthly to all customers who have an outstanding balance due.

A copy of the billing invoice will be retained for subsequent review for a period of at least three years.

Copies of invoices and supporting documents will be filed in an assigned billing file, maintained and secured by the District Office.

All billing invoices must include, at a minimum, the following information:

* A clear description of goods or services sold and date of transaction;
* The date of invoice;
* The date the amount owing is due, generally 30 days from the date of invoice;
* A pre‐numbered invoice number;
* Instructions to customers that a copy of the invoice must accompany payment.

Billing invoices that remain outstanding for three billing cycles will be subject to the District’s collections process.

**Billing Invoice Created in QBO:** When possible, billing invoices for outstanding balances due to the District for activity registrations or facility reservations should be created using QBO.

**Billing Invoice Timelines and Collection Procedures:** The following procedures are to be used for the efficient collection of accounts due:

**Collection Guidelines**

|  |  |  |
| --- | --- | --- |
| ***Step*** | ***Days from******Date of Charge*** | ***Action*** |
| 1 |  **–** | Send first billing invoice to customer. |
| 2 | 30 | Send second billing invoice to customer. |
| 3 | 60 | Send third billing invoice and a letter to customer requesting immediate payment. |

If the customer does not respond to the third notice and letter requesting immediate payment, the account information will be forwarded to the District Manager who will make the following determination:

* More rigorous collection efforts will be pursued.
* It is unlikely that the benefits to be gained from continued pursuit of the account will meet or exceed the costs of additional collection efforts.

In all cases, when an account becomes 60 days past due, additional credit should not be given until the account is returned to current status.

**Inquiries from Customers**

It is the responsibility of the originating department to provide all information related to amounts charged to its customers.

The originating department/unit will work with the customer and management to resolve all customer disputes and arrive at a satisfactory agreement on outstanding monies owed.

**Recording of Receivables**

The District will maintain an accurate record of receivable transactions. The accounts receivable ledger is to be maintained for each account showing all charges and payments. A monthly reconciliation is to be completed between the receivable records for the customers and the control ledger to ensure accuracy.

**Aging of Receivables:**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Current*** | ***Past Due*** | ***Delinquent***  | ***Non‐Collectible*** |
| Accounts are due within 30 days of billing. | Accounts are 30 days past due date | Accounts are 60 days past due date | Amount unpaid after all prescribed collection efforts. |

**Write‐Off of Accounts Receivable:** Receivables will be written off only after fully documenting that:

* Rigorous collection efforts were pursued;
* All activities were consistent with established policies and procedures; and
* It is unlikely that the benefits to be gained from continued pursuit of the account will meet or exceed the costs of additional collection efforts.

If a receivable proves to be non‐collectible based on collection efforts described in this policy, a recommendation will be made that the account be written off. Authorization for all write‐offs will be in writing and supported by documentation evidencing the attempts made to recover the debt. The District Manager will authorize all write‐offs of receivables.

 Chapter 6-300: Recreation Software Balance

Recreation Software balances can occur due to balances owed, input errors, inappropriate processing of transfers, participant cancellations or class cancellations. The purpose of this policy is to ensure that Recreation Software balances are resolved.

**Activity Registrations**

In an effort to minimize Recreation Software balances, the following procedures must be followed. All customers registering at TVRPD facilities:

* Must pay registration fees in full at the time of activity registration.
* If household indicates, through a tickler, eligibility for scholarship, the appropriate discount should be applied and the discounted fee paid in full.
* In the absence of a Recreation Software tickler, pre-existing scholarship procedures should be followed in order to qualify for the scholarship discount.
* Households with a previous activity balance or NSF balance cannot register for an activity until all activity balances are paid in full. Customers unable to pay the full balance should be directed to call the Administration Department.

 Chapter 6-400: Accounts Payable Policy

**Processing Payments From Invoices**

An invoice is a bill issued by a vendor who has provided goods or services to the District. In order to ensure that vendors receive payment for goods or services in a timely manner, the District Office depends on all employees to follow procedures outlined relating to processing of vendor invoices.

Invoices are submitted to the District in a variety of ways:

* Mailed directly to the District Office;
* Received directly by a District purchaser from the vendor at time of purchase; or
* Received with delivery of goods or services.

Upon receipt of invoices by the Administration Department, the invoice will be forwarded to the appropriate District employee for approval documentation.

Employees who receive invoices as a result of a direct purchase must submit the invoice to the District Office immediately with the appropriate approval documentation.

Invoices received with the delivery of goods or services must also be submitted to the District Office immediately with the appropriate approval documentation.

**Approving an Invoice for Payment**

Vendor invoices should be forwarded to the District Office promptly to ensure that payments are made in a timely manner so as to avoid any late payment charges. The appropriate budget holder must approve vendor invoices. To approve an invoice, the following information must be noted on the invoice:

* Description of the purchase;
* Invoice total; and
* Initials of the person authorizing the invoice.

**NOTE:** The District Office must receive invoices no later than Monday at 5:00 p.m. in order for the invoice to be processed with the current week’s vendor checks.

 Chapter 6-500: NSF Checks Policy

The purpose of the NSF Check Policy is to establish a policy and procedures for collecting funds due on returned checks.

**NSF Fee:** To cover additional bank charges and collection expenses on checks returned by the bank for non-sufficient funds (NSF), an NSF Fee has been established and approved by the TVRPD Board of Directors. The NSF fee is $25.00 per returned check.

**Procedure for Funds Due on Returned Checks:** Upon notification from the bank that a check made payable to TVRPD has been returned for non-sufficient funds (NSF), the following policy will be followed:

* Participant will be telephoned to inform them of the NSF check.
* Registration will be cancelled in Recreation Software.
* The supervisor will be notified so that services to participant cease.
* When restitution is made, registration is reinstituted and participation may resume.
* NSF payment is entered in QBO (not Recreation Software).

If restitution cannot be solved within 5 business days of receipt of NSF notification, the following policy will be followed:

* **First Notice:** An initial notice will be sent out by regular mail to the address printed on the check informing the check signer that repayment of fees, plus an additional $25.00 returned check fee (NSF fee), must be made as soon as possible in cash, money order, cashier’s check or credit card. The notice also informs the check signer that the NSF check will be forwarded to the District Attorney’s Bad Check Enforcement Unit for restitution if payment is not collected and that the check signer should call and advise the Administration Department of the date that payment will be made.
* **Second Notice:** If repayment has not been made within 30 days of the first notice, a second notice will be sent notifying the check signer that repayment, plus the $25.00 NSF Fee, must be received within 10 days of the date of this second notice or the returned check will be forwarded to the District Attorney’s Bad Check Enforcement Unit for restitution.
* **Third and Final Notice:** If repayment has not been made within the 10-day time frame given in the second notice, a third and final notice will be sent informing the check signer of the date the NSF check will be forwarded to the District Attorney’s Bad Check Enforcement Unit for restitution. Repayment will be accepted up to the date the NSF check is to be forwarded to the District Attorney’s Office.

**Payment Process:** Payments, including the $25.00 NSF Fee, may be made at the TVRPD District Office, 490 West D Street. Payments will be accepted in the form of cash, money order, cashier’s check, or by credit card.

**District Attorney’s Bad Check Enforcement Unit:** If funds are not received in full by the expiration date provided in the third and final notice, the NSF check will be forwarded to the District Attorney’s Bad Check Enforcement Unit for restitution.

**Future Participation in TVRPD Programs:** The NSF check signer will not be eligible to register in future TVRPD programs until restitution has been made.



 Chapter 6-600: Petty Cash Processes

A petty cash fund may be established for one of the following purposes:

* **Petty Cash “Reimbursement” Fund:** To make cash available for expenditures or reimbursements for supplies and services where the estimated costs will be small or infrequent.
* **Petty Cash “Change” Fund:** To make change available for necessary site operations. A change fund should not be used for expenditures or reimbursements. A Change fund may be maintained in perpetuity.
* **Petty Cash “Event” Fund:** To make change available for necessary on-site event-specific operations. An Event fund should not be used for expenditures or reimbursements. An Event fund must be returned immediately following event for which it was distributed.

**Responsibility for Administration of District Petty Cash Funds**

Responsibility for overseeing all petty cash funds will reside with the Administration Department.

**Employee Request for Reimbursement**

A Petty Cash Reimbursement Fund is maintained only in the District Office.

When requesting a petty cash reimbursement (if employee used his or her own cash to purchase District goods or services with prior authorization from the District Manager or Administration Department), an employee must complete the “Employee Reimbursement Form.” The form must be signed by the employee and his/her supervisor, submitted to the fund custodian and include the following:

* Date of the expenditure;
* Vendor name;
* Description/justification of purchase;
* Dollar amount of the expenditure;
* A sales receipt is required to document the purchase.

**Monthly Verification of District Petty Cash Funds**

Each month, the District Office will verify the petty cash fund and any change funds. Petty Cash Event funds are reconciled immediately following each event (on the first business day following the event closure).

**Audit of District Petty Cash Funds**

Petty cash funds are subject to audit at any time.

**To Request a Petty Cash Change Fund**

A Request for Change or Event Fund form for the opening of a Petty Cash Change fund must be submitted to the District Office stating the nature of the fund, the reason it is needed, the amount requested, the denominations needed, and the name of the fund custodian.

The amount of the Change cash fund request should be a conservative estimate of need.

The Administration Department will audit the request to ensure that proper documentation has been provided and provide change fund to custodian for ongoing use.

**Responsibility of Petty Cash Change Fund Custodian:**

* Maintain fund and receipts in a secure area.
* Notify Administration Department of any theft.
* Notify Administration Department weekly if denominations of fund need to be adjusted.
* Notify Administration Department if change fund amount is determined to be insufficient or too generous so appropriate adjustment can be made.

**To Request a Petty Cash Event Fund**

A Request for Change or Event Fund form for the opening of a Petty Cash Event fund must be submitted to the District Office stating the nature of the fund, the reason it is needed, the amount requested, the denominations needed, and the name of the fund custodian.

The amount of the Change or Event cash fund request should be a conservative estimate of need.

The Administration Department will audit the request to ensure that proper documentation has been provided.

**Responsibility of Petty Cash Event Fund Custodian:**

* Maintain fund and receipts in a secure area.
* Notify Administration Department of any theft.
* Return the entire Petty Cash Event Fund, along with cash income, to the Administration Department as soon as possible (and no later than the first business day) following the end of the event.

Chapter 6-700: Payroll Process

The payroll policy provides guidelines for the processing and accounting of employee pay. These payroll policies and procedures apply to all District units.

Two primary purposes of the Payroll Process are:

* The timely and accurate processing of pay authorization documents that produce payroll checks; and
* The distribution of payroll checks according to employee instructions.

Payroll processes abide by all state and federal laws and the policies of

Tehachapi Valley Recreation and Park District Recreation and Park District.

**General Payroll Information**

**Non-Exempt Timekeeping Requirements:** All non-exempt employees are required to record time worked on a time card for payroll purposes. Employees’ time must be recorded and employees must sign their time cards. Changes on the time card must be initialed by the supervisor.

**Exempt Timekeeping Requirements:** All exempt employees are required to record sick or vacation time using the timecard.

**Schedule – Timecard Due Dates and Pay Dates**

Timecard Schedules are published each fiscal year and include the following information:

* Pay Period Number
* Pay Period Start Date
* Pay Period End Date
* Payday

Timecard Schedules are available at the TVRPD District Office

**Pay Periods:** The District operates under a bi-weekly payroll system. Each bi-weekly payroll period begins at 12:01 a.m. on Saturday and ends two weeks later on Friday at 12:00 midnight.

**Paydays:** Paydays occur bi-weekly on Tuesdays, nine days following the end of the pay period. If a payday falls on a holiday, employees will be paid on Monday preceding the normal Tuesday payday.

**Pay Delivery Options:** Two pay delivery options are available: Direct Deposit or Mail.

* **Direct Deposit:** Direct Deposit is the most convenient and secure way to be paid. The employee’s net pay is sent via electronic funds transfer directly to the checking or savings account assigned by the employee. The employee’s pay becomes available at his or her financial institution after 12:01 a.m. on payday. Employees have Internet access to their pay stubs; in the event that an employee does not have Internet access, s/he may request a “bank draft” paper earnings statement detailing the employee’s gross pay, deductions, and net pay to be sent to the employee’s home via U.S. mail.

**Responsibility of Employee in the Payroll Process**

* Complete all new-hire paperwork as designated by the District Office.
* Accurately record time worked on a TVRPD timecard each bi-weekly pay period.
* Include a Request for Leave form for all leave taken during the bi-weekly pay period.
* On timecard, certify hours worked by signing the time card.
* Timecards must be signed by the employee in order to be processed.
* Submit each timecard to your supervisor at the end of the last shift of the pay period.
* Report promptly to the Administration Department any discrepancies between the time worked and pay.
* Notify the Administration Department when changes to name, address or phone number occur.

If opting to receive paychecks through direct deposit, notify the Administration Department of bank account changes that would affect the “direct deposit” process. **Responsibility of Supervisor in the Payroll Process**

* Be familiar with the District’s payroll policies regarding hours worked, meal periods, and overtime pay.
* Prior to assigning a new employee, ensure that all new hire paperwork has been completed.
* Provide new hires with appropriate training regarding completion of bi-weekly timecards, time card due dates and completion of leave slips.
* Each bi-weekly pay period, certify accuracy of employee timecards by signing time cards.
* Certify accuracy of employee leave slips.
* Ensure all timecards include employee signatures.
* Deliver timecards to Administration Department by 11am on the Monday before pay date.

**Responsibility of Administration Department in the Payroll Process**

* Prepare payroll time schedules.
* Maintain employee personnel files.
* Ensure accurate and timely processing of all phases of bi-weekly payrolls.
* Ensure that all checks are properly distributed.
* Process enrollments, changes and cancellations for various benefit programs including medical, dental, life, pension and other programs.
* Provide information to employees on payroll matters.
* Work at resolving any employee problems relative to payroll.

**Responsibility of Bookkeeper in the Payroll Process**

* Maintain accurate payroll records, tax and deduction authorizations.
* Record employee absences.
* Prepare and balance period-end reports and reconcile issued payrolls to bank statements.
* Prepare and issue W-2 forms to employees.

**Late Time Sheets**

Late or unsigned timecards will be processed with the next payroll cycle.

**Pay Advances**

Employees are not eligible to receive pay advances.

**Overtime Pay**

It is the policy of the District that overtime work will normally be unnecessary and that the regular shift assigned will normally be sufficient time to complete assigned duties. However, occasionally, employees may be required to work overtime as necessary to meet deadlines or emergencies. All overtime work must be previously authorized by the supervisor except in extreme emergencies.

The District provides compensation for all overtime hours worked by non-exempt employees, employees that by the nature of their work are not designated as exempt and who are subject to overtime provisions of the Fair Labor Standards Act, in accordance with federal law as follows:

* All hours worked in excess of 40 hours in a workweek by non-exempt employees will be treated as overtime.
* The workweek begins each Saturday at 12:01 a.m. and ends on the following Friday at 12:00 midnight.
* With the exception of paid holidays, only actual hours worked in a given workweek will apply in calculating overtime. This includes all the time an employee is required to be on duty or on District premises or at a prescribed workplace. Sick leave, vacation and regular part-time leave are not hours worked, therefore, do not apply in calculating overtime.
* Overtime will occur in one-quarter hour increments.
* Compensation for overtime will be paid at a rate 1½ times the employee’s regular rate of pay.

Seasonal employees may not be entitled to overtime considerations beyond receiving the normal hourly rate of pay for each hour worked, depending upon position.

Exempt employees are not covered by the overtime provisions and do not receive overtime pay. Exempt employees may have to work hours beyond their normal schedules as work demands require.

**Meal Periods**

Meal periods are unpaid time off as follows:

* Employees are provided with an unpaid meal period of at least 30 minutes for every 5 hours of work, to be taken approximately in the middle of the workday.
* When a work period of not more than 6 hours completes the day’s work, the meal period may be waived by mutual consent of the District and employee.

**Rest Periods**

Employees are provided with a paid 10-minute rest period for every four hours of work or major portion thereof.

**Scheduling of Meal and Rest Periods**

Supervisors will schedule meal and rest periods.

**Accrual of Sick Leave, Vacation Leave and/or Part-Time Leave**

The Bookkeeper is responsible for recording employee accruals and uses of sick leave, vacation leave and/or part-time leave as follows:

**Sick Leave:** Sick leave accrues to regular full time employees at a rate of 4 hours per pay period.

**Seasonal Employee Sick Leave Accrual:** Seasonal employees that have been employed for 30 days or longer will accrue 1 hour of sick time for every 30 hours worked and may be taken following 90 days of employment. Unused hours will carry over the next year. The maximum number of sick hours that may be accrued is 24 hours. Tehachapi Valley Recreation and Park District is not required to provide compensation to a seasonal employee for accrued, unused paid sick days upon termination, resignation, retirement, or other separation from employment as stated in AB 1522.

**Vacation Leave:** Regular full time employees begin to accrue vacation leave from the date of active employment, however, no vacation time may be taken by an employee until he or she has completed six months of active service. Vacation leave accrues to regular full time employees as follows:

* Less than 5 years of continuous service – 4 hours per pay period
* 5 or more years of continuous service – 6 hours per pay period
* 15 of more years of continuous service – 8 hours

**Salary Adjustments**

**Merit/Performance Increases:** Annually and dependent upon availability of District funding, merit-performance increases (based upon performance) may be recommended by the employee’s supervisor and approved by the District Manager under the terms and conditions outlined in the Personnel Policies and Procedures.

**Cost of Living Increases:** From time to time and dependent upon availability of District funding, the District Manager may recommend and the TVRPD Board of Directors may approve salary range adjustments or cost of living increases.

**Processing of Salary Adjustments:** In such cases, all salary increase paperwork is initiated through the District Office. Salary increases will be calculated and processed through the District Office.

**Payment Upon Termination**

Upon termination from employment, payment of final wages will occur on the next regularly scheduled payday. Final wages will include any vacation leave accrued up to the maximum accrual allowed (for full-time employees). District property, such as keys, uniforms and equipment must be returned by the employee prior to or at the time that the final paycheck is provided.

**Payment Upon Retirement**

Upon retirement from employment, payment of final wages will include:

* For full-time employees: Any vacation leave accrued up to the maximum accrual and one-half of accumulated sick leave up to the maximum of 144 days or 1,152 hours.
* District property, such as keys, uniforms and equipment must be returned by the employee prior to or at the time that the final paycheck is provided.

**Payroll Errors**

Payroll errors may occur due to incorrect data, late paperwork, or input errors. All payroll errors should be reported to the Administration Department promptly for resolution of the issue.

**Other Errors**

Employees should notify the Administration Department immediately if an error has been made in an employee’s name, social security number, address, pay delivery, authorized deductions, tax withholding, etc. Error will be corrected on the next pay period.

**Personnel Rules and Regulations**

For additional information related to payroll, compensation and benefits, reference the Personnel Policies and Procedures in Chapter 4 of this handbook.



 Chapter 6-800: Chart of Accounts

The Chart of Accounts is a system of accounting records developed by every organization to be compatible with its particular financial structure and in agreement with the amount of detail required in its financial statements. It consists of a list of account names and numbers showing classifications and sub-classifications and serves as an index to locate a given account within the financial structure. It is used to classify, record, budget and report financial transactions.

TVRPD’s Chart of Accounts is available to TVRPD staff and budget holders on the District’s computer server or by contacting the District’s District Office.

 Chapter 6-900: Budget

The annual budget is one of the single most important financial responsibilities of local government. The annual budget should:

* Set goals and formulate a plan to achieve them;
* Establish priorities in the selection of District programs to help achieve those goals;
* Estimate the District’s income and expenditures;
* Serve as a control tool for using the District’s resources;
* Provide the public a written document that plainly describes activities and expenditures that will be undertaken during the next fiscal year;
* Serve as a short and long-term planning tool; and
* Serve as a day-to-day operations guide.

California Government Code requires that Tehachapi Valley Recreation and Park District:

* Prepare a proposed budget for Board of Directors’ consideration;
* Conduct a public hearing giving opportunity for public comment;
* Adopt an annual budget by the TVRPD Board of Directors before the first day of the fiscal year;
* Conduct financial affairs of the District in conformance with the annual budget.

**Budget Fiscal Year**

Tehachapi Valley Recreation and Park District uses a fiscal year budget that begins July 1 and ends June 30 of each year.

**Budget Format**

Tehachapi Valley Recreation and Park District uses the conventional line item budget format. The budget lists, line by line, the various items, such as salaries, materials, supplies, etc. for which the District plans to spend money during the upcoming fiscal year. The District budget is also broken down into major divisions for budgetary and managerial control.

**Budget Preparation Process**

**Goals and Objectives:** The first step in budgeting is to establish the District’s goals and objectives for the coming year. The goals and objectives are clearly conveyed to staff so that individual budget holders may develop their unit action plans in accordance with the overall goals of the District.

**Budget Responsibilities—District Manager:** The District Manager provides policy statements relating to the District’s economic outlook, budget guidelines, expenditure levels, and service emphasis.The District Manager is responsible for the preparation of the annual budget including budget planning, timelines, budget forms, revenue forecasts and collection of financial information necessary to compile the budget. The District Manager prepares preliminary and final budget documents for Board of Directors’ review and approval.

**Budget Responsibilities—Budget Holders:** In conformance with District Manager policy statements and budget guidelines, budget holders prepare service plans outlining unit goals for the upcoming fiscal year, then incorporate goals into unit budgets, providing cost estimates for goal achievement and justification and support for each request.

**Budget Responsibilities—The Board of Directors:** The role of the Board of Directors includes:

* Goal and policy reassessments;
* Evaluation of long-term program and development needs;
* Analysis of the District’s present and anticipated fiscal situation;
* Evaluating recommendations for budgetary appropriations;
* Ensuring that the process and budget are legal (including the publishing of a public hearing notice and conduct of the hearing);
* Approving preliminary and final budgets; and
* Approving budget revisions during the course of the fiscal year.

**Annual Budget Calendar**

The purpose of the calendar is to alert Board of Directors and staff to the expected completion of each phase of the budget process. The District Manager is responsible for the preparation of the budget calendar. The budget calendar lists steps and suggested timelines for completion of each step of budget development.

The example annual budget calendar includes the following components:

|  |  |  |
| --- | --- | --- |
| **TIMELINE** | **BUDGET ACTIVITY** | **RESPONSIBLE PARTY** |
| January | Budget Calendar Preparation | District Manager |
| February Finance & Budget Committee Meeting | Preliminary Budget Discussion | Finance & Budget Committee, District Manager |
| February Management Meeting | Preliminary Budget Discussion with Management Staff | District Manager  |
| February Board Meeting | Preliminary Budget Discussion | Finance Committee Chairperson and District Manager |
| March | Property Tax Revenue Projection | District Manager |
| March Finance & Budget Committee Meeting | Preliminary Budget Workshop | Finance & Budget Committee, District Manager |
| March Board Meeting | Preliminary Budget Progress Update | Finance Committee Chairperson and District Manager |
| March Management Meeting | Presentation of District Manager Policy GuidelinesDistribution of Budget Preparation to Management Staff | District ManagerDistrict Manager |
| April | Completed Budget Requests Due to District Manager | Management Staff |
| April | District Manager Budget Hearings | District Manager andStaff |
| May Finance & Budget Committee Meeting | Budget Committee Budget Workshop with presentation of department budgets | Finance & Budget Committee, District Manager and Staff |
| May | Preliminary Budget Completed | District Manager |
| May Board Meeting | Budget Recommendation Presentation | District Manager |
| June Board Meeting | Adoption of Preliminary Prop 4 LimitAdoption of Preliminary Budget | Board of Directors |
| June | Public Hearing Notices Published for Budget and Prop 4 Limit | Board Clerk |
| July 1 | Preliminary Budget Goes Into Effect | District Manager |
| July Board Meeting | Budget Public Hearing ConductedAdoption of Annual Budget & Prop 4 Limit | Board of Directors |
| July | Approved Budget Goes Into Effect | Administrative Assistant/Bookkeeper |
| December Finance & Budget Committee Meeting | Review Midyear Budget | Finance & Budget Committee, District Manager |
| February Board Meeting | Midyear Budget Presentation | District Manager |

**Budget Document**

The District Manager publishes comprehensive preliminary and final budget documents. The budget document provides the following information:

* District Organizational Chart
* Information Relating to District Operation
* Program and Facility Information
* Facility Maps
* District Manager Introduction
* Budget Overview
* Budget Summaries
* Division Summaries
* Capital Equipment Listing
* Capital Maintenance Projects
* Capital Improvement Projects
* Level of Service for Recreation Programs
* Supplemental Information
	+ Proposed Salary Schedules
	+ Employee Training Detail
	+ Membership Dues

**Budget Entry Into Accounting System**

Upon final adoption of the budget by the Board of Directors, the budget document is entered into the District’s accounting system by the bookkeeper.

**Distribution of Budget Documents**

Copies of the adopted budget are distributed to unit budget holders and other interested parties.

**Amending the Budget After Adoption**

The District is required to expend funds in compliance with the budget, except in an emergency. The Board of Directors, however, is not prevented from making changes to the budget in the form of:

* New line items that increase the overall budget; or
* Increases to existing line items that increase the overall budget.

 Each of these actions requires Board of Directors’ approval before expenditure.

**Mid-Year Budget Review**

Each year in January, a midyear budget review is conducted by all budget holders. After reviewing budget holder requests, the District Manager recommends mid-year budget adjustments to the TVRPD Board of Directors at their February Board Meeting for their consideration and approval.

 Chapter 6-1000: Reserves

Fund balance reserves indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use. The TVRPD Board of Directors establishes fund balance reserves.

This policy establishes the level of reserves necessary for adequately providing for:

* Revolving cash, stores inventory and prepaid expenses
* Encumbrances
* Cash flow requirements
* Stable base of long-term financing for District capital projects
* Emergency maintenance of capital improvements
* Offsetting replacement costs of aging, damaged or vandalized park equipment and amenities

**Revolving Cash and Prepaid Expense Reserves**

The District maintains revolving cash and prepaid expense reserves to facilitate District operations. These account balances are equally offset by fund balance reserves, which indicate that balances do not constitute “available spendable resources,” although they are a component of net current assets.

**Encumbrance Reserves**

Contracts and other commitments for the expenditures of monies are recorded as encumbrances in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at yearend are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

**Capital Improvement Reserves**

The reserve for capital improvements has been established to provide a stable base of long-term financing for District capital projects. This amount has been legally segregated by action of the District’s Board of Directors and is not available for appropriation.

**Capital Maintenance Reserve**

The reserve for capital maintenance has been established for maintenance of capital improvements. The amount has been legally segregated by action of the District’s Board of Directors and is not available for appropriation.

**Procedure for Monitoring Reserve Levels**

The District Manager will perform a reserve analysis to be submitted to the Board of Directors. The District’s Board of Directors will review and establish reserve fund balances during the formal annual budget process. The Board of Directors will also review fund balance reserves during the midyear budget review process.

 Chapter 6-1100: Revenue Policy

The purpose of this policy is to guide the board and staff when considering existing, new or enhanced revenue sources.

* The District will attempt to continually search for new revenue as a way to diversify its revenue base and help ensure a balanced budget.
* Dependence on any one source of funding to provide services should be minimized.
* The District will follow an aggressive policy of collecting the revenues that are due.
* Nonrecurring revenues and other financing resources should not be used to finance continuing operations.
* Long-term financial commitments should be avoided unless sustained revenue growth is assured.

**Revenue Projections**

Revenue estimates will be based on reasonable expectations. When fund balances become insufficient to absorb occasional shortfalls, then more conservative estimates should be used.

**Types of Revenue Sources**

**Property Taxes:** Property tax revenues, as a portion of the 1% countywide tax, come from the assessed valuation of all commercial, residential, and mineral property within the District.

The District maintains an agreement with the County of Kern for the collection of all taxes and assessments due to the District. TVRPD’s share of property tax revenues collected by the County are allocated to the District. It is the responsibility of the District Manager to control all allocations in accordance with the approved budgetary guidelines.

**Charges For Services, Programs, and Facilities:** All fees and charges for services, programs, and facilities will be imposed for the purpose of supplementing the District’s tax revenues with the ultimate goal of expanding and improving services offered by the District.

In determining fees or charges, the District’s Board of Directors will consider the following:

* The public’s ability to pay;
* Cost of the service;
* Level of demand;
* The District’s financial circumstances; and
* Resident versus non-resident participants.

Market rates and charges levied by other public and private organizations for similar services will also be considered in establishing fees and charges.

**Scholarships:**

Scholarship programs have been established to provide a method and means for needy and lower income District residents to participate in activities through reduced or waived fees as follows: Sylvia “Sandy” Chavez Children’s Scholarship Fund for children twelve or under, or Walter A. Dye Teen Scholarship Fund for children thirteen to eighteen. District allocates funds to the scholarship funds based on budget.

**Grants:** The District aggressively pursues all grant opportunities. However, before accepting any grant, the District will consider the current and future implications of accepting or rejecting the monies. Major grants will be presented to the Board of Directors for approval before the District accepts the proposed funding or asset(s).

**Interest on Investments of Cash:** The District uses the County Treasurer’s Office for investment of cash. These funds are pooled with other County funds for short and long-term investment.

The District’s priority of investment objectives are (in order):

* Safety of invested funds;
* Maintenance of sufficient liquidity to meet cash flow needs; and
* Attainment of the maximum yield possible, consistent with the first two objectives.

**One Time Revenues:** One-time revenues should be used only for one-time expenditures. The District should avoid using temporary revenues to fund mainstream services.

**Special Fundraising Events:** Though fundraising drives cannot be solely depended upon for the financing of major District services, such activities may be authorized for supporting special projects.

Revenues derived from special fundraising events will be processed at the same time and in the same manner as charges for services, programs, and facilities. However, in this case, a sum equal to the amount collected during the fundraising drive will be earmarked for expenditure only within that program sphere for which the project was undertaken.

**Park Land Dedication Fee (Quimby Act):** Within the boundaries of Tehachapi Valley Recreation and Park District, it has been determined that the population growth resulting from residential development impacts the District’s ability to meet the park and recreation needs of the community, therefore, Park Land Dedication Fees (Quimby Act) are collected from developers. These fees provide a means of deeding land or collecting fees from residential developers that will mitigate the impact of new residential development to assist in meeting parkland requirements.

These fees are deposited with the District and are subject to certain restrictions on use. The District does not recognize these fees as revenue until expenditures for capital projects are made on a cost-reimbursement basis. These fees revert to the lot owners if unexpended or uncommitted within five years from the date of deposit.

**Park Development Fees:** A Park Development Fee is assessed to developers for each residential unit being built within the boundaries of the District. The District does not recognize these fees as **r**evenue until expenditures are made on a cost-reimbursement basis. These fees revert to the lot owners if unexpended or uncommitted within five years of the date of deposit.

**Issuance Of Bonds:** In accordance with the provisions of Section 5790 of the Public Resources Code, the Board of Directors may issue a resolution calling for an election within jurisdiction for the issuance of bonds.

It will be District policy to issue bonds only when, in the best judgment of the Board, large capital improvements in construction or acquisition would best be financed over a

long period of time. All bond issuance proposals will be accompanied by a long-range capital improvement plan indicating needs, methods, costs, and other supportive data.

In no event should the District’s bonded indebtedness exceed 10% of the assessed valuation of all taxable property. Finally, no revenues received from the issuance of bonds will be expended for purposes other than those specifically cited in the Board resolution calling for the bond election.

**Loans:** As provided by Sections 5786 and 5788 of the Public Resources Code, the District may acquire any and all necessary land, facilities, and other items essential to District operations by means of loans from either public or private entities including federal, state, and local governmental agencies, private commercial banks, savings and loans associations, and insurance companies.

The District will secure loans only when the cost of a project is greater than ordinary tax receipts and other revenues available for such purposes at the time the costs must be paid. The amount of borrowed indebtedness will not exceed two times the anticipated tax receipts for the preceding year. The conditions of the loan contract will facilitate repayment within ten years. The repayment of all loans will be calculated in the District’s annual budget.



 Chapter 6-1200: Purchasing Policy

The following Purchasing Policy has been developed to ensure proper accountability of public funds entrusted to Tehachapi Valley Recreation and Park District and to maintain those controls necessary for the District to efficiently operate. This policy ensures adequate control over budget and expenditures and adheres to legal and ethical purchasing procedures.

**General Responsibility**

Except where otherwise specified, the District Manager or his/her designee will be deemed responsible for all purchases of and contracts for materials, supplies, furnishings, equipment, miscellaneous services, and other such items required by a division or other organizational unit of Tehachapi Valley Recreation and Park District. Every purchase must be made on behalf of Tehachapi Valley Recreation and Parks District.

**Expenditure Control**

Once the annual budget is adopted, it will be the controlling document for District expenditures. All funds must be expended within the limitations allocated for each division’s budget classification.

**Responsibilities of Budget Holders**

Budget holders are responsible for:

* Operating within their approved budget;
* Scheduling adequate time to allow the purchasing process to be performed correctly;
* Adhering to the District’s purchasing policy; and
* Ensuring that all employees affected by this policy understand and adhere to the District’s purchasing policy.

**Compliance with Purchasing Policy**

Compliance with these policies and guidelines is mandatory. Abuse or non-compliance with this policy could result in disciplinary action up to and including termination.

**Purchasing Options, Guidelines and Limitations**

All purchases should be made with the goal of purchasing the highest possible quality of goods and services for the District at the lowest possible costs; therefore, budget holders must be responsible and use the same purchasing “principles” with every purchase. Purchasing transactions and rules that govern how they are managed are based upon dollar amount and type of purchase.

**Purchasing Options:** Purchasing options available to District purchasers include:

* Use of petty cash (infrequent purchases where the cost is anticipated to be small);
* Use of District established vendor credit accounts;
* Use of an TVRPD bank card; or by check
* Purchase order

**Purchases Less than $1,000:** Purchases of goods or services in amounts less than $1,000 may be made from:

* The lowest or most responsible vendor.

**Purchases Over $1,000 and Less than $5,000:** Three options are available to purchase goods or services over $1,000 and less than $5,000. These include purchases from:

* The lowest or most responsible vendor as a result of three written quotes;
* A Sole Source Vendor, or
* The District’s Preferred Vendors List.

**NOTE:**

Purchaser must complete a Request for Purchase form for these transactions. Purchases are not authorized until the Request for Purchase has been approved. Purchases from the District’s Preferred Vendors List do not require a Request for Purchase form, however, it is the responsibility of the purchaser to verify that funds are available within the appropriate budget line item to cover the purchase.

**Purchases Over $5,000 and Less than $25,000:** Two options are available to purchase goods or services over $5,000 and less than $25,000. These include purchases from:

* The lowest or most responsible vendor as a result of three written quotes; or
* A Sole Source Vendor (attach Sole Source Determination form to Request for Purchase form).

**NOTE:**

Purchaser must complete a Request for Purchase form. Purchases are not authorized until the Request for Purchase form has been approved.

**Purchases Over $25,000:** The District’s purchasing policy requires that contracts for purchasing transactions anticipated to cost in excess of $25,000 must:

* Go through the formal competitive bidding process; and
* Be approved by the District’s Board of Directors.

**NOTE:**

See Policy 6-1300, Bidding Process.

**Use of Petty Cash for Purchase of District Goods or Services**

When requesting a petty cash fund advance or reimbursement (if employee used his or her own cash to purchase District goods or services), an employee must complete the “Employee Expense Claim Form.” The form must be signed by the employee, submitted to the Administration Department or site-specific fund custodian and include the following:

* Date of the expenditure;
* Vendor name;
* Description/justification of purchase;
* Dollar amount of the expenditure; and
* If requesting reimbursement, a sales receipt is required to document the purchase. If requesting advance, the purchaser must submit a sales receipt after purchase.

**Use of District Established Vendor Credit Accounts**

The District has established vendor credit accounts for use by District budget holders.

Following a purchase from District established vendor credit accounts, the employee must return the purchase receipt. The purchase receipt must include the following information:

* Purpose of purchase;
* Total amount to be charged to the account;
* Invoice total; and
* Initials of the person authorizing the invoice.

**Use of District Credit Cards**

Credit cards have been acquired for District use. Credit cards may be used for purchases such as gasoline for District vehicles, Internet purchases requiring credit card accounts, authorized out-of-town travel costs, and emergencies. Credit cards are an alternative to normal purchasing procedures and should be used only in warranted circumstances.

The Administration Department will be responsible for the issuance, accounting, monitoring, retrieval, and general oversight of District credit cards.

The District Manager, or his or her designee, will be responsible for the authorization of new or renewed District credit card accounts, increases of credit authority, and similar changes.

**Types of Credit Cards Available:**

* Gasoline Credit Cards
* Bank Credit Cards
* Other commercial credit cards (i.e. Home Depot)

**Authorized Use of District Credit Cards:** Only those who are authorized may use District credit cards. Credit cards may only be used to purchase goods or services for the official business of Tehachapi Valley Recreation and Parks District.

**Use of District Gasoline Cards:** Employees assigned gasoline cards on an ongoing basis must turn in their gasoline receipts to the District Office promptly.

Authorized employees not assigned a gasoline card may request and sign for use of a District gasoline credit card from the District Office. The gasoline card may be used to purchase gas for District vehicles while on District business.

Following the purchase, the employee must return the gasoline credit card and receipt to the District Office. The receipt should include the District vehicle number for which gasoline was purchased or washed and the initials of the employee who made the purchase.

**District Receipt Policy:** All receipts must be turned in to the department supervisor within 24 hours of the purchase. All department supervisors must provide receipts attached to the appropriate expense form.All receipts are to be coded with the appropriate code distribution numbers, classes, and the supervisor is to sign the receipt prior to turning it in to the Administration Department. Receipts are to be turned in to the Administratoin Department within 72 hours of purchase. Receipts will not be accepted via email.

**Purchases From Sole Source Vendors**

**Sole Source Determination Form:** From time to time, it may be necessary to purchase goods or services from a sole source vendor. This means that there is only one source of supply for your purchase requirement. This should always be the exception rather than the rule. This explains the nature of the sole source purchase. Final responsibility in determining whether the purchase may be made from a sole source rests with the District Office.

If making a purchase to acquire equipment, parts, and/or services that can only be provided from a sole source (based on the categories listed below), the purchaser must complete a Request for Purchase form. The purchase of goods or services is not authorized until the Request for Purchase has been approved.

Basis for sole source determination:

* Parts/equipment/service, etc. are under restrictive patent limitations and, therefore, cannot be obtained from other than the:
	+ Original equipment manufacturer (OEM)
	+ OEM franchised dealer, distributor or licensee
* Parts/equipment/service, etc. are not interchangeable with similar parts and require OEM parts to assure equipment/machinery operability and maintenance of the OEM warranty.
* This is the only known and available equipment or service that will meet the highly specialized unique needs of this department. No other equipment or service can meet or exceed the specifications within the allotted funds available.
* Parts/equipment are required from this firm/vendor to provide standardization and parts interchangeability. No other competitive equipment is interchangeable with the current equipment on hand in the District.
* This is the only known firm that possesses the specialized professional services and technical expertise to meet the unique needs of the department.
* Parts/equipment/service, etc. is provided as part of a pre-existing contract or service agreement with the District.
* This service or equipment purchase is pre-approved by the District Manager (attach proof).
* This service or equipment is part of a state contract bid/state purchasing contract for local government.
* This service or equipment purchase is pre-approved by the Board of Directors.
* This payment is for government and utility fees.
* Price for the above is fair and reasonable (must provide documentation that the price is fair and reasonable).

**Processing of Request for Purchase Forms**

A Request for Purchase form is the document used by the District to request purchase of goods or services for the following types of purchasing transactions:

* All purchases in excess of $1,000;
* Purchases under $1,000 where the vendor requests a Purchase Order prior to purchase;
* Purchases under $1,000 where a check is required prior to purchase.
* Note: Purchases from the Preferred Vendor List do not require a Request for Purchase form.

Purchasers must complete the Request for Purchase form, including documentation relating to the goods or services being purchased and required quotes, sole source forms, etc. The Request for Purchase form must be signed by the preparer and division head and forwarded to the District Office.

Upon receipt of the Request for Purchase form, the District Office will verify required purchasing documentation and check availability of funds. Upon approval of the Request for Purchase form, a Purchase Order or check will be issued, based upon payment authorization.

A purchase is not authorized until the Request for Purchase has been approved.

**Miscellaneous Issues Relating to Purchasing**

**Splitting Purchases:** Purchasing transactions are not to be artificially divided or fragmented in order to meet the lesser requirements of lower dollar transactions.

**Confidentiality of Price and Other Information:** Employees involved in the purchasing process must not share price and other confidential information provided by vendors with competitors vying for the same purchase.

**Prepayment for Goods or Services:** The District provides prepayments only for very limited types of purchases. These include, but are not limited to, prepayment of subscriptions, dues, memberships, deposits for travel-related expenses and certain maintenance and license fees.

Prepayment for standard goods or services is not generally allowed. Exceptions are to be made only in those situations in which no other source for the goods or services is available and no other arrangements can be made.

Justification must be provided to the business director who must approve all special prepayments.

**Purchases Made with Grant Funding**

Purchases made with grant funding will follow the grant agency guidelines. The responsibility for advising the District Office of any grant-related purchasing restrictions or requirements will remain with the requesting division and grant awardee.

**Cooperative and Joint Purchasing Agreements**

The District is authorized to utilize various cooperative and joint purchase contracts for the procurement of goods, equipment and services.

These agreements are negotiated on behalf of groups of governmental subdivisions. The District, however, reserves the right to obtain the best possible price and quality.

**Emergency Expenditures**

The District Manager or designee may make or authorize others to make emergency purchases of equipment, goods, or services.

This will only be in instances of a true emergency where there exists a threat to the safety, health, or welfare of participants, staff, or the public. In such instances, price competition is less important than the quick and safe resolution to the emergency. The normal process may be waived.

Full back-up materials and justification must be provided to the District Office as soon as possible to substantiate the purchase and the District Manager must approve all emergency expenditures. This information will be made a part of the file.

**Standard Purchasing Forms**

The District Office is responsible for the purchasing and payables function of the District. The following forms, available in the District Office, are standard forms used for the purchasing of goods and services.

**Bid Forms:** Various bid forms are available for use to document telephone or written quotes.

**Monthly Petty Cash Reimbursement Worksheet:** Used monthly by each petty cash custodian to reconcile petty cash funds. This form must accompany requests by the petty cash custodian for reimbursement of petty cash funds.

**Request for Purchase Form:** Used to request approval to purchase goods and services for District use. A completed *Request for Purchase* form*,* along with backup documentation, provides the necessary information to determine approval status and to enable the District Office to generate a *Purchase Order* or vendor payment. The *Request for Purchase* form is generally used for purchases over $1,000.

 Chapter 6-1300: Bidding Process

As per California Public Contract Code 20815.1, all contracts estimated to cost in excess of $25,000 shall be let to the lowest responsible bidder after competitive bidding.

Tehachapi Valley Recreation and Park District has established a policy that states that all contracts estimated to cost in excess of $25,000 shall be let to the lowest responsible bidder after competitive bidding and following successful interview process.

**Invitations to Bid versus Requests for Proposals**

Two options are available when competitively purchasing goods or services. One option is an Invitation to Bid. The award is made to the lowest responsible bidder. This is the preferred method of public procurement. The Invitation to Bid is most advantageous when clear, understandable specifications are available. An Invitation to Bid addresses primarily dollar amount. Invitations to Bid are usually used when the purchaser knows exactly what he or she wants and is looking only to how much it costs.

The other option is a Request for Proposal. Requests for Proposals generally include contracts involving the obtaining of professional or specialized services such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized consultants.

Requests for Proposals address and award criteria points for numerous requirements in addition to dollar amount and best value. With a Request for Proposal, the award is made to the responsible vendor whose proposal is determined to be the most advantageous to the District taking into consideration the evaluation factors set forth in the Request for Proposal.

**Exceptions to the Bid Process:** The restrictions and provisions of the bidding requirements will not apply:

* When it is more advantageous to the District to procure goods or services using another public entity’s award of a bid or proposal (often referred to as “Piggyback” bids).
* To contracts involving the obtaining of professional or specialized services and advice in financial, economic, accounting, engineering, legal or administrative matters if such persons are specially trained and experienced and competent to perform the special services required (Government Code 53060).
* Where calling for bids on a competitive basis in the opinion of the District Manager is impracticable, unavailing, or impossible.
* Where the District’s requirements can be met solely by a single patented article or process.
* For placement of insurance coverage.
* When the District performs public work with its own employees.
* When an emergency requires that an order be placed with the nearest available source of supply, or when the commodity can be obtained from only one vendor.

**Option to Award Line Item Bid**

If the District Manager determines that it is in the best interest of the public to award a project by individual item or service rather than in its entirety, such information will be included in the invitation to bid. Bidders may then bid on the entire projects and separately on each individual item or service. The Board of Directors may then accept a bid on the entire project or bids for individual items or services. If the Board accepts bids on individual items or service, one vendor may be awarded the contracts of more than one item or service on which the vendor bid.

**Bidders Lists**

Certain Divisions maintain bidders lists of vendors by category. This list is updated with vendor names, addresses, phone numbers and categories on an ongoing basis. The bidders lists are utilized to notify vendors of Invitations to Bid and Requests for Proposals on various goods and services.

Prospective vendors may request to be added to the bid list by returning a completed questionnaire form to the appropriate division. The form outlines the company name, address and phone number as well as the categories of services or goods that they have to offer.

In those categories in which there are no vendors on a bid list or a very limited number, the buyer will be responsible for researching and creating a list of potential sources. Consultants, directors of supplies and trade journals and publications are some of the sources available to provide this information.

**Invitations to Bid**

**Preparation of Bid Documents:** Bid documents should include the following:

* Bid advertisement
* Bid preparation instructions
* Bid bond (if applicable)
* Contract
* General conditions
* Special conditions
* General specifications
* Detailed specifications
* State or Federal guidelines (if applicable)

**Bid Advertisement:** The bid advertisement must be published at least one week in advance of the bid due date, in a newspaper of general circulation printed and published within TVRPD. Additionally, vendors may be informed via telephone, mail and notices posted on public bulletin boards, as deemed desirable to inform all those vendors requesting notice. The bid advertisement must specify: 1) the general description of the goods or services; 2) the location where bidding forms and specifications may be obtained; 3) the closing date for receiving bids; and 4) the time and place at which the bids will be publicly opened. Bids must be sealed, identified as bids on the envelope and submitted at the place and time specified in the public notice.

**Bidder Submissions:** The Invitations to Bid must provide a form or format in which the bidder will include the bid price and in which the bidder will sign and submit with all other necessary submissions. Telephone, fax or electronic mail transmissions are not acceptable for sealed bidding purposes.

**Pre-Bid Conferences:** Pre-bid meetings may be conducted to explain the bid requirements. They will be announced to all prospective bidders known to have received an Invitation to Bid. The conference will be held long enough after the announcement has been issued to allow bidders to become familiar with the document, but sufficiently before bid opening to allow consideration of the conference results in preparing their bid.

Generally, the bid due date will be no sooner than seven calendar days after the pre-bid conference. The District Manager must grant any exceptions in writing. Nothing stated at the conference will change the Invitation to Bid unless a change is made by written amendment.

**Amendments to Invitations to Bid:** Amendments to Invitations to Bid will be sent to all bidders. Amendments will be issued within a reasonable amount of time for potential bidders to consider them in the preparation of their bids. If the time and date set does not permit sufficient time for bid preparation, the date and time of the bid opening will be extended either in the addendums or by telephone, fax or electronic mail.

**Withdrawal and Modification of Bids:** A bidder may modify or withdraw its bid at any time before bid opening if the modification or withdrawal is received before the time and date set for bid opening. All documentation relating to a withdrawal or modification of a bid will be kept as part of the bid file.

**Receipt of Bids:** Bids and bid modifications will be received by appropriate staff, time stamped with the date and time of receipt and stored unopened in a secure location, until the bid opening.

Bids will be opened publicly at the time, date, and location advertised in the bid document. The name of each bidder, the bid price and other pertinent information will be read aloud and recorded. Only after formal award of the bid, will the bids be made available for public inspection.

**Late Bids:** A bid, withdrawal of a bid, or modification of a bid is late if it is received at the designated location of the bid opening after the time and date of bid opening. A late bid, late withdrawal of a bid, or late modification of a bid will be rejected. Bidders submitting bids that are rejected as late will be notified as soon as practical. All documents concerning a late bid will be retained in the bid file.

**Bid Evaluation and Award:** The bid will be awarded to the lowest responsive and responsible bidder whose bid meets, in all material respects, the requirements and criteria as defined in the Invitation to Bid.

**District Manager Authority**

The District Manager will be authorized to approve purchases not exceeding $25,000 to sign all purchase orders and contracts and award same, for purchase of goods and services.

**Board of Directors Authority**

The Board of Directors must approve all purchases in excess of $25,000. The Board of Directors may authorize the District Manager to sign all purchase orders and contracts and execute said contracts related to the bid on behalf of the Board.

The District’s Board of Directors reserves the right to accept, reject or negotiate any or all bids, to waive or not waive informalities or irregularities in bids or bidding procedures and to accept any bid determined by the District to be in the best interest of the District, whether a bid is lowest or not.

The District Board of Directors may reject all bids and re-advertise, or by a four-fifths vote may elect to purchase materials or supplies in the open market. **Request for Proposal Process**

Requests for Proposals are generally used for contracts estimated to costs in excess of $25,000 and that involve the obtaining of professional or specialized services such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized consultants.

Requests for Proposals address and award criteria points for numerous requirements in addition to dollar amount and best value. The award of a Request for Proposal is made to the responsible vendor whose proposal is determined to be the most advantageous to the District taking into consideration the evaluation factors set forth in the Request for Proposal.

The Request for Proposal process is the same as the Invitation to Bid process with the following exceptions:

**Receipt of Proposals:** Proposals and proposal modifications will be received by appropriate staff, time stamped with the date and time of receipt and stored in a secure location.

**Award of Proposals:** The award of a Request for Proposal is made to the responsible vendor whose proposal is determined to be the most advantageous to the District taking into consideration the evaluation factors set forth in the Request for Proposal.

 Chapter 6-1400:TVRPD Schedule of Insurance

One of the functions of risk management is the coordination of insurance policies to protect the District from liability. There are several insurance policies that cover various exposures at Tehachapi Valley Recreation and Park District.

**Coverage Provided by California Association for Park and Recreation Indemnity**

Many coverages are provided through a Joint Powers Authority. TVRPD entered into a Joint Powers Agreement (JPA), together with other recreation and park districts, in order to collectively self-insure for losses and to jointly purchase insurance and administrative services in connection with a joint protection program. The Joint Powers Agreement is known as the California Association for Park and Recreation Indemnity (CAPRI).

Coverage provided by the CAPRI includes Physical Property Loss, Liability and Workers’ Compensation.

Physical loss coverage includes:

* All-risk buildings, contents and equipment existing on TVRPD property with a District deductible.
* Property loss coverage for earthquake and flood with a District deductible.
* Boiler and machinery comprehensive coverage with a District deductible.

Liability coverage includes:

* General liability and auto liability with coverage limits provided by the CAPRI Joint Powers Authority.

Worker’s Compensation coverage includes:

* State statutory limits.

Other coverage provided by CAPRI includes:

* Financial Loss coverage includes a fidelity bond covering forgery, alterations, and employee fraudulent acts.

**Insurance Requirements From Outside Groups or Vendors**

The following is a list of outside groups or vendors that must provide liability insurance:

* Construction vendors working by contract with TVRPD.
* Consultants or Licensed Specialists, i.e. architects, engineers, etc. (also require such errors-and-omissions insurance as may be reasonably based on current market availability).
* Vendors involved in major TVRPD maintenance projects.
* Vendors who place equipment on TVRPD property.
* Groups who use TVRPD facilities.
* Certain facility reservations (see Park and Facility Reservation Policy, chapter 9-200 of this policy manual).

A Certificate of Liability Insurance for Public Liability and Property Damage in an amount not less than $2,000,000 per occurrence with no per-person sub limits is required. A separate endorsement naming Tehachapi Valley Recreation and Park District as additional insured is also required. Along with the COI and additional insured endorsement there should be two other endorsements received as well. These are the Primary and Noncontributory Endorsement and the Waiver of Transfer of Rights of Recovery Endorsement. The first one make it so the user group’s insurance is the primary insurance that will pay for a claim and the second one is once they pay a claim then they waive their rights of recovery against your District.

In addition to the above standard policies, TVRPD reserves the right to require any combination of insurance necessary due to the specific conditions of a particular contract or event.

**Special Event Liability Group Insurance**

If an individual or group desires to use TVRPD facilities for special events but is unable to provide the appropriate liability insurance, the individual or group may request purchase of a certificate of liability insurance through HUB International Insurance Company.

 Chapter 6-1500: Fixed Asset Inventory Control

Fixed assets play an important role in the success of Tehachapi Valley Recreation and Park District and represent a significant investment of resources entrusted to TVRPD. The purpose of this policy is to ensure that assets are inventoried, safeguarded, maintained, and controlled.

**Inventory**

An accounting, or inventory, of all fixed assets will be conducted on an annual basis by the responsible supervisor. At the conclusion of the inventory, the responsible supervisor will certify its completeness.

Applicable purchases for inclusion in this accounting or inventory will be as follows:

* Furnishings, equipment, tools, and vehicles that individually have an original total cost of more than $500 and a life span of at least one year;
* At the request of the responsible supervisor, equipment that has a useful life of one year or more with a cost less than $500 that is of a sensitive nature, portable and highly susceptible to being lost or stolen may be inventoried. Examples include small computerized equipment, digital cameras, video equipment, projectors and related equipment, radio communication equipment, etc.

**Identification of Fixed Asset**

Upon receipt of the invoice for an equipment purchase of an item with a cost of more than $$500 and a life span of at least one year, the responsible supervisor should:

* Mark the invoice for accounting purposes as required by the bookkeeper;
* Attach a copy of the invoice properly coded from the chart of accounts; and
* Forward the invoice to the Administration Department.

The Operations Manager is responsible for recording all purchases into inventory. A current completed copy of the inventory form is to be submitted to the District Manager annually for the audit or as requested.

Example Inventory Form:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| I.D. # | Description | Serial # | Date Acquired | Date Sold | Cost | Location |
| 1 | DeWalt SDS Hammer Drill | 123ABC | 5/1/13 |  | $246.14 | Shop |

**Recordkeeping**

Permanent inventory records will be maintained in both a paper file and electronic (computer database) format by the Administration Department. Records will be updated whenever a change in the status of a particular fixed asset occurs (e.g., sale, destruction, loss, theft, etc.).

Information to be maintained in inventory records will include at least the following:

|  |  |
| --- | --- |
| * Asset Name
 | * Original Cost
 |
| * Make/Model
 | * Acquisition Date
 |
| * Serial No.
 | * Vendor
 |
| * Asset Description
 | * Account Code
 |

**Stewardship**

Supervisors and staff are responsible for the stewardship of fixed assets. Fixed assets must:

* Be utilized in the manner for which they are intended and with care and consideration;
* Be utilized in support of District business. Use of assets in support of a personal business or commercial enterprise is expressly forbidden;
* Reported to the responsible supervisor immediately upon discovering that the asset has been lost, stolen, missing, or malfunctioning; and
* Receive appropriate approval from the District Manager before removing assets from the District.

**Disposition of Property**

**No Longer Functional:** The depreciation/asset list will be reviewed by management staff yearly during the annual audit.

**Surplus Property Disposal:** The responsible supervisor must receive approval from the District Manager if in possession of surplus assets (assets that are still functional but are no longer needed for business use in its current location). District staff must receive appropriate approval from the District Manager before removing the asset from the District and from the District’s Inventory Form. Surplus assets will be disposed of as follows:

* Relocated to an alternate District site, based upon need, for continued business use; or
* Surplus assets no longer needed for business use by the District will be sent to auction for public sale or otherwise disposed of.

Disposition of assets with a current value in excess of $500must be approved by the District Manager.

**Theft or Loss of Property:**

* Theft or loss of property must be reported immediately to the responsible supervisor in charge of the asset who will then complete a Property Loss and Damage Report and, if applicable, a police report which must be forwarded to the Administration Department, noting the theft or loss.
* The District Office will determine if a claim for the loss or theft must be filed with the District’s insurance carrier.

**Capital Assets**

A capital asset is real or personal property that has a cost equal to or greater than $500 and an estimated useful life extending beyond one year. Capital Asset categories include land, buildings, furniture, equipment and site improvements.

Capital assets are included and inventoried within the fixed asset inventory control. Capital assets also require reporting and accounting responsibilities beyond the Fixed Asset Inventory Control Policy (See Capital Assets Accounting Policy, Chapter 6-1600).

 Chapter 6-1600: Capital Asset Accounting Policy

The goal of the Capital Asset Accounting Policy is to provide control and accountability over Tehachapi Valley Recreation and Park District’s capital assets.

**Capital Asset Defined**

A capital asset is real or personal property that has a cost equal to or greater than $500and an estimated useful life extending beyond one year.

Tehachapi Valley Recreation and Park District reports capital assets under the following categories:

* Land
* Buildings
* Buildings (portable and modular)
* Furniture and Equipment
* Site Improvements

Although fixed assets costing less than $500 do not meet the District’s capitalization policy, they are considered assets for purposes of marking and identification, record keeping and tracking (see Fixed Asset Inventory Control Policy).

**Reporting Capital Assets**

* Capital assets are reported at historical cost, including ancillary charges necessary to place the asset into its intended location and condition of use, i.e. freight, taxes, etc.
* When the historical cost of a capital asset is not practicably determinable, the estimated historical cost will be used.
* Donated assets are reported at fair market value as of the date received.
* Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**Depreciating Capital Assets**

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives in accordance with the current IRS publication 946:

Straight-Line Depreciation

**Inventory Control of Capital Assets**

Capital Assets are added to the inventory control system and are subject to the rules and regulations included in the Fixed Asset Inventory Control Policy relating to the following:

* New Asset Purchase
* Identification
* Record Keeping
* Stewardship
* Relocation
* Disposition
* Theft or Loss



 Chapter 6-1700: Records Retention Policy

The purpose of this policy is to:

* Provide guidelines to staff regarding the retention or disposal of Tehachapi Valley Recreation and Park District records;
* Provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business;
* Ensure prompt and accurate retrieval of records; and
* Ensure compliance with legal and regulatory requirements.

**Vital and Important Records**

Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

**Authorization to Interpret Policy**

The District Manager is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below.

**Retention and Disposal of Records**

Pursuant to the provisions of California Government Code Sections 60200 through 60203 and the guidelines prepared by the State Controller’s Office and the Controller’s Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of Tehachapi Valley Recreation and Park District.

**Duplicate Records:** Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization or copying to photographic or electronic media.

**Original of Records:** Originals of records, papers and documents more than seven (7) years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media.

**Continuing Need for Records:** In no instances are records, papers or documents to be destroyed where there is a continuing need for records for such matters as pending litigation, special projects, etc.

**Records, Papers Or Documents Not Expressly Required By Law To Be Filed And Preserved:** Records, papers or documents that are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

* The record, paper or document is photographed, microphotographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standards, or copied to an approved electronic media;
* The device used to reproduce such record, paper or document on film, or retrieves and prints the document from the electronic media, is one which accurately reproduces the original thereof in all details; and
* The photographs, microphotographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for preserving, examining, and using the same, together with documents stored via electronic media.

**Accounting Records:** Any accounting record except the journals and ledgers which are more than seven (7) years old and which were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

* There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc.; and
* There exists in a permanent file, an audit report or reports covering the inclusive period of said record; and
* That said audit report or reports were prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements; and
* That said audit or audits contain the expression of an unqualified opinion.

Any accounting record created for a specific event or action may be destroyed upon authorization seven (7) years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction seven (7) years from the end of the fiscal period to which it applies. The following may be destroyed at any time:

* Duplicate records (original-subject to aforementioned requirements).
* Rough drafts, notes or working papers (except audit).
* Cards, listings, non-permanent indices, other papers used for controlling work or transitory files.

**Payroll and Personnel Records:** All payroll and personnel records shall be retained for seven years (7). Originals may upon authorization be destroyed after seven years retention, pursuant to the provisions of California Government Code Sections 60200 through 60203 and the guidelines prepared by the State Controller’s Office and the Controller’s Advisory Committee for Special Districts.

**Assessing Records:** All assessing records may upon authorization be destroyed after seven (7) years retention from lien date pursuant to the provisions of California Government Code Sections 60200 through 60203 and the guidelines prepared by the State Controller’s Office and the Controller’s Advisory Committee for Special Districts.

**Long-Term Debt, Bonds, Warrants, Loans, Etc.:** Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc. after issuance or execution may be destroyed pursuant to the provisions of California Government Code Sections 60200 through 60203 and the guidelines prepared by the State Controller’s Office and the Controller’s Advisory Committee for Special Districts. Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for ten years.

**Minutes Of Meetings Of The Board Of Directors:** Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may upon authorization be destroyed pursuant to the provisions of California Government Code Sections 60200 through 60203 and the guidelines prepared by the State Controller’s Office and the Controller’s Advisory Committee for Special Districts. Recording tapes (or other media) of Board Meetings will be kept for a period of one year from the date of the recorded meeting, after which they will be destroyed.

* Construction records, such as bids, correspondence, change orders, etc., shall not be kept in excess of seven years unless they pertain to a project which includes a guarantee or grant and, in that event, they shall be kept for the life of the guarantee or grant plus seven years. As-built plans for any public facility or works shall be retained as long as said facility is in existence.
* Contracts should be retained for its life plus seven years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work that is more than two years old may be destroyed.
* Property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

**Definitions for Records Retention and Disposal Policy**

1. AUTHORIZATION. Approval from the District Manager, as authorized by the District’s Board of Directors.
2. ACCOUNTING RECORDS. Include but are not limited to the following:

SOURCE DOCUMENTS

* Warrants
* Invoices
* Requisitions/Purchase Orders (attached to invoices)
* Cash Receipts
* Claims (attached to warrants in place of invoices)
* Bank Statements
* Bank Deposits
* Checks
* Bills
* Various accounting authorizations taken from Board minutes, resolutions or contracts.

JOURNALS

* Cash Receipts
* Accounts Receivable or Payable Register
* Check or Warrant (payables)
* General Journal
* Payroll Journal

LEDGERS

* Expenditure
* Revenue
* Accounts Payable or Receivable Ledger
* Construction
* General Ledger
* Assets/Depreciation

TRIAL BALANCE

STATEMENTS (Interim or Certified – Individual or All Fund)

* Balance Sheet
* Analysis of Changes in Available Fund Balance
* Cash Receipts and Disbursements
* Inventory of Fixed Assets (Purchasing)

JOURNAL ENTRIES

1. PAYROLL AND PERSONNEL RECORDS. Include but are not limited to the following:
* Accident Reports, Injury Claims and Settlements
* Applications, Changes or Terminations of Employees
* Earnings Records and Summaries
* Fidelity Bonds
* Garnishments
* Insurance Records of Employees
* Job Descriptions
* Medical Histories
* Retirements
* Time Cards
1. OTHER RECORDS. Include but are not limited to the following:
* Inventory Records (Purchasing)
* Capital Asset Records (Purchasing)
* Depreciation Schedule
* Cost Accounting Records
1. LIFE. The inclusive or operational or valid dates of a document.
2. RECORD. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, , or other document, issued by or received in a department, and maintained and used as information in the conduct of its operations.
3. RECORD COPY. The official District copy of a document or file.
4. RECORD SERIES: A group of records, generally filed together, and having the same reference and retention value.
5. RECORDS DISPOSAL. The authorized destruction of records pursuant to the approved Records Retention Schedule.
6. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.
7. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:
* The resumption and/or continuation of operations;
* The recreation of legal and financial status of the District, in case of a disaster;
* The fulfillment of obligations to bondholders, customers, and employees.

Vital records include but are not limited to the following:

* Agreements
* As-built drawings
* Audits
* Contract drawings
* Customer statements
* Deeds
* Depreciation schedule
* Disposal of surplus and excess property
* Disposal of scrap materials
* District insurance records
* District water rights
* Employee accident reports, injury claims and settlements
* Employee earning records
* Employee fidelity bonds
* Employee insurance records
* Encroachment permits (by others)
* Encroachment permits (by District)
* Facility improvement plans
* Improvement districts
* Individual water rights
* Individual claims/settlements
* Inventory
* Journal vouchers
* Ledgers
* Licenses and permits (to operate)
* Loans & grants
* Maps
* Minutes of Board Meetings
* Payroll register
* Policies, rules & regulations
* Purchase orders and requisitions
* Restricted materials permits
* Rights of ways and easements
* Spray permits
* Statement of Economic Interest
* State surplus acquisitions
* Warrant/Voucher register
* Warrants (with backups)
* Water rights history

**Government Code 60200 through 60203**

**60200.**

The legislative body of any special district may authorize at any time the destruction or disposition of any duplicate record, paper, or document, the original or a permanent photographic record of which is in the files of any officer or department of the district.

**60201.**

* + - * 1. For purposes of this section, “record” means any record consisting of a “writing”, as defined by subdivision (f) of Section 6252.
				2. The legislative body of a district may destroy or dispose of any record that is not expressly required by law to be filed and preserved through either of the following procedures:
1. The legislative body may authorize the destruction or disposition of any category of records if it does both of the following:
	1. Adopts a resolution finding that destruction or disposition of this category of records will not adversely affect any interest of the district or of the public.
	2. Maintains a list, by category, of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category.
2. The legislative body may, by resolution, adopt and comply with a records retention schedule that complies with guidelines provided by the Secretary of State pursuant to Section 12236, that classifies all of the district’s records by category, and that establishes a standard protocol for destruction or disposition of records.
3. A district is not required to photograph, reproduce, or, or make a copy of any record that is destroyed or disposed of pursuant to this section.
4. Notwithstanding any other provision of this section or other provision of law, a district may not destroy or dispose of any record that is any of the following:
	1. Relates to formation, change of organization, or reorganization of the district.
	2. An ordinance adopted by the district. However, an ordinance that has been repealed or is otherwise invalid or unenforceable may be destroyed or disposed of pursuant to this section five years after it was repealed or became invalid or unenforceable.
	3. Minutes of any meeting of the legislative body of the District.
	4. Relates to any pending claim or litigation or any settlement or other disposition of litigation within the past two years.
	5. Is the subject of any pending request made pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 650) of Division 7 of Title 1), whether or not the district maintains that the record is exempt from disclosure, until the request has been granted or two years have elapsed since the district provided written notice to the requester that the request has been denied.
	6. Relates to any pending construction that the district has not accepted or as to which a stop notice claim legally may be presented.
	7. Relates to any non-discharged debt of the district.
	8. Relates to the title to real property in which the district has an interest.
	9. Relates to any non-discharged contract to which the district is a party.
	10. Has not fulfilled the administrative, fiscal, or legal purpose for which it was created or received.
	11. Is an unaccepted bid or proposal, which is less than two years old, for the construction or installation of any building, structure, or other public work.
	12. Specifies the amount of compensation paid to district employees or officers or to independent contractors providing personal or professional services to the district, or relates to expense reimbursement to district officers or employees or to the use of district paid credit cards or any travel compensation mechanism. However, a record described in this paragraph may be destroyed or disposed of pursuant to this section seven years after the date of payment.

**60203.**

1. Notwithstanding Section 60201, the legislative body of a district may authorize the destruction of any record, paper, or document that is not expressly required by law to be filed and preserved if all of the following conditions are complied with:
2. The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data processing system, recorded on optical disk, reproduced on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with Section 12168.7 for recording of permanent records or nonpermanent records.
3. The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one that accurately reproduces the original thereof in all details and that does not permit additions, deletions, or changes to the original document images.
4. The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.
5. For the purposes of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

 Chapter 6-1800: Auditing

The audit is an independent examination of the District’s financial operations by a certified public accountant in order to assess the adequacy of system controls, to ensure compliance with established policies and operational procedures, and to recommend necessary changes in controls, policies, or procedures.

**Audit Requirements**

Section 26909 of the California Government Code requires that Tehachapi Valley Recreation and Park District conduct an annual audit of its fiscal operations.

An additional set of standards may guide audits when the District receives or expends certain Federal funds. These audits are conducted in accordance with the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**Board of Director and Management Responsibility**

District Directors and management are entrusted as stewards of the financial resources provided by taxpayers and customers. The development of a strong system of internal financial controls assists the District in providing assurances that its accounting system and financial data are reliable. As such, the District will strive to develop a financial control framework that:

* Provides a reasonable control environment
* Provides for continuing assessment of risk
* Provides for the design, implementation and maintenance of effective control-related policies and procedures
* Provides for the effective communication of information
* Provides for the ongoing monitoring of the effectiveness of control policies and procedures, as well as the resolution of potential problems identified by controls.

**The Independent Auditor**

The District will contract with a reputable accounting firm for professional service in the preparation of the audit. The TVRPD Board of Directors will invite qualified independent certified public accountants to submit proposals to perform a financial and compliance audit for fiscal year(s) beginning July 1 and ending June 30.

The award will be based upon:

* Qualifications of the firm
* Staff to be assigned to the audit
* Experience auditing local governments
* Knowledge of federal compliance requirements
* Fee
* Audit scope and approach
* Audit schedule

The award of contract will be approved by the TVRPD Board of Directors. Contracts will be awarded for a three-year period. Upon expiration of the contract, the TVRPD Board of Directors may approve a renewal contract or call for proposals for audit services.

**Generally Accepting Auditing Standards**

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards issued by the Comptroller General. The independent auditor plans and performs the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

**Minimum Standards for Financial Reporting**

The District implements governmental financial reporting models established by the Governmental Accounting Standards Board (GASB). The GASB is the primary source of generally accepted accounting principles (GAAP) for state and local governments.

GAAP represents the conventions, rules and procedures established to ensure the basic financial information is available to assess an entity’s finances.

The GASB issued Statement No. 34 revising financial reporting requirements, and requiring supplemental information regarding the District’s financial performance in a new report section titled Management’s Discussion and Analysis (MD&A). The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions.

The financial statements should thoroughly present the District’s assets, liabilities and net assets; revenues, expenses and changes in net assets; and the sources and uses of cash flow.

The key components of financial statements include:

* Management Discussion and Analysis (MD&A)
* Basic Financial Statements
* Required Supplemental Information (RSI)

The purpose of the MD&A is to provide a narrative introduction and overview that can be used to interpret the basic financial statements. The financial statements should fairly present the financial operations of the District to the governing board and residents.

**Conduct of Audit**

In an effort to assure that the financial statements fairly present, in material respects, the financial position, the results of operations, and cash flows of the District, the independent auditor may use a variety of methods to obtain the evidence needed to determine whether the District’s financial statements are fairly presented.

These methods may include: 1) inspection of relevant documentation; 2) observations of employee performance; 3) inquiries concerning policies, procedures, transactions and events of the district; 4) confirmation of balances and transactions with outside parties; and 5) performance of analytical procedures to determine the reasonableness of transactions and balances.

**The Audit Report**

The independent auditor’s responsibility in completing the audit report is to express an opinion on the District’s financial statements based on the audit. The audit report contains an opinion as to whether the financial statements present fairly, in all material respects, the District’s financial position, results of operations, and cash flows in accordance with Generally Accepted Accounting Principles. This opinion is based on the auditor’s judgment as to whether:

* The accounting principles selected and applied have general acceptance.
* The accounting principles are appropriate in the circumstances.
* The financial statements, including the related footnotes, are informative of matters that may affect their use, understanding, and interpretation.
* The information presented in the financial statements is classified and summarized in a reasonable manner.
* The financial statements reflect the underlying transactions and events in a manner that presents the financial position, results of operations, and cash flows stated within a range of acceptable limits; i.e. limits that are reasonable and practicable to attain in financial statements.

Additionally, the auditor may separately identify any problems encountered during the audit, such as significant deficiencies in internal control (typically communicated in a management letter), or violations of laws or regulations, and errors or fraud.

**Presentation of the Audit Report**

Upon completion of the audit, the independent auditor presents audit findings at a public meeting of the Board of Directors.

**Filing of Audit**

The completed audit report must be filed with the State Controller and the county auditor.