



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 063
For Agenda Of: 3/08/2016
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Bob Geis, CPA – Auditor Controller

Contact Info: Katie Roth – 568-2141

SUBJECT: Resolutions Authorizing Certain Expenditures and Use of Departmental Credit Cards

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- a) Adopt a Resolution of the Board titled “In the Matter of Authorizing Certain Expenditures not Exceeding \$3,500, which is the Current Federal Micro-Purchase Threshold” which supersedes the 1992 Resolution 92-584; and
- b) Adopt a Resolution of the Board entitled “Authorizing County Departmental Credit Cards for Micro Purchases of Equipment, Materials, Supplies, Business Travel, Training Expenditures and Services” raising the credit card per transaction limit from \$999 to \$3,500 and superseding 2002 Resolution 02-185; and
- c) Adopt a Resolution of the Board titled “In the Matter of Authorizing Certain Specified Expenditures” to authorize expenditures for utilities, disposal services, postage, and other specified charges; and
- d) Determine that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to Sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines, because it consists of fiscal, organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

These resolutions are being brought before your Board to update the policies and procedures that due to the passage of time are outdated and inefficient. The current thresholds were established in 1992 and 2002 and have not been adjusted for cost increases, CPI, or the recent changes at the federal level. These resolutions will reduce workload in General Services Purchasing Division; allowing them to focus on other priorities. Additionally, the update establishes a micro-purchase threshold that is consistent with the current federal micro-purchase threshold, which streamlines compliance for departments that receive federal funding.

Background:

Cal. Govt. Code Section 29471(b) allows the Auditor to “allow or reject claims” for expenditures when the Board of Supervisors has authorized the expenditure by “contract, ordinance, resolution, or order of the Board.” By utilizing expenditure approval via resolution, the process is streamlined for expenditures that meet the Federal definition of micro-purchases (currently \$3,500), providing efficiencies in Departments as well as the Purchasing Agent. Additionally, the related credit card resolution must be updated as it is the mechanism to make the majority of these expenditures. Departmental and Auditor credit card use and accounting policies will still apply along with intent that purchases are not divided into smaller amounts in order to utilize this purchasing method.

Future increases to the federal micro-purchase limit will not automatically adjust the amount for expenditures authorized by the resolutions or the amount established in Purchasing or Auditor-Controller policies, procedures, and limits. If the federal micro-purchase threshold is increased in the future, the Auditor-Controller may, but is not required to, return to the Board for an increase in the amount authorized for expenditures.

The internal review and approval process within the departments, compliance with Auditor Accounting Policies and Procedures, as well as the Auditor review of claims (payments) will remain unchanged. These resolutions remove the requirement to obtain approval from the Purchasing Agent for amounts under \$3,500 or for other specifically identified items. This reduction in workflow (an estimated 400 to 500 documents) will allow General Services to focus on other priorities, such as negotiating County-wide contracts for services that apply to multiple departments, and to effectuate cost savings through competitive procurement opportunities.

The “Authorizing Certain Specified Expenditures” resolution authorizes payment for the following list of charges (List I).

List I - Payment Types - Gov’t Code Section 29741(b)
Postage
Memberships/Publications
Utility charges (communications, telephone, electricity, water, solar, and natural gas)
Relocation of public utility service connections (relocating power boxes, gas lines, etc.),
Disposal Services (provided by a public agency or a franchisee of a public agency)
Revolving Fund (petty cash) Replenishment
Tuition and/or Educational Reimbursements
Notary Renewals

Currently Department Heads have approval authority under Government Code sections for other types of expenditures. For clarification and reminder of items that do not need resolution by the Board but are approved by Department Heads without the Purchasing Agent, we have included List II and List III and notation of the Government Code granting the authority. List II identifies the commonly used county charges referenced in Government Code Section 29741(d), specifically sections commencing at 29600. Cal. Govt. Code Section 29471(d) identifies additional code sections that grant authority for specific types of expenditures to be presented to the Auditor without Purchasing Agent approval and without Board Resolution.

List II - Payment Types	Authority
Various Legal Expenditures (County Counsel, Public Defender, Sheriff, District Attorney)	CA Gov't 29601, 29602
District Attorney and Sheriff travel charges incurred in criminal cases, charges in detection of a crime, and prosecution of criminal cases	CA Gov't Code 29601
Expenses incurred when returning a fugitive	CA Gov't Code 29601.5
Medical Care for Inmates	CA Gov't Code 29602
District Attorney Witness Fees and Expenditures	CA Gov't Code 29603
Charges incurred by the Coroner for such services	CA Gov't Code 29604
Medical Care for Individuals (the necessary expenses incurred in the support of the county hospitals, almshouses, and the indigent sick and otherwise dependent poor, whose support is chargeable to the county, are county charges.)	CA Gov't Code 29606
When authorized by the board of supervisors, expenses incurred by county authorities pursuant to Section 1451.5 of the Health and Safety Code or for temporary, emergency, or extended care or treatment of indigent patients	CA Gov't Code 29607
The premiums on official bonds of county officers	CA Gov't Code 29609
The necessary expenses, incurred by the auditor and treasurer in the defense and prosecution of any action brought by or against them to test the validity or constitutionality of any act of the Legislature or of the board of supervisors or of any order providing for the payment of any funds held in the county treasury	CA Gov't Code 29611
Search and rescue expenses	CA Gov't Code 29612
Expenses incurred in the preparation of plans for meeting an emergency caused by a natural disaster	CA Gov't Code 29613
Expenses incurred in drafting a county charter	CA Gov't Code 29618

List III identifies charges referenced in other Government, Revenue and Tax, or County Code Sections (as referenced) that provide authority for approval for these types of claims without participation of the Purchasing Agent.

List III - Payment Types	Authority
Travel Expenditures and Registration Fees (subject to Travel Policies and Procedures)	CA Gov't Code 935/905(c), County Code Sec. 27-13
Uniform Allowances	CA Gov't Code 935/905(c)
Property Tax refunds	CA Gov't Code 935/905(a), CA Rev & Tax Code 5097
Claims in connection with the filing of a notice of lien, statement of claim	CA Gov't Code 935/905(b)
Workers compensation claims	CA Gov't Code 935/905(d)
Public assistance payments	CA Gov't Code 935/905(e)
Claims for money under a public retirement system	CA Gov't Code 935/905(f)
Claims for principal or interest upon bonds, notes, warrants, or other indebtedness	CA Gov't Code 935/905(g)
Claims by the state or by a state department or by another local public entity or judicial branch entity	CA Gov't Code 935/905(i)
Claims arising under any provision of the Unemployment Insurance Code	CA Gov't Code 935/905(j)
Civil payments	CA Gov't Code 935/905(n)
Public Administrator expenditures for fees and charges where estates are insufficient	CA Gov't Code 29461

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

N/A

Key Contract Risks:

N/A

Staffing Impacts:

None

Special Instructions:

None

Attachments:

Resolution: In the Matter of Authorizing Certain Expenditures not Exceeding \$3,500, which is the Federal Micro-Purchase Threshold

Resolution: Authorizing County Departmental Credit Cards for Micro Purchases of Equipment, Materials, Supplies, Business Travel, Training Expenditures and Services

Resolution: In the Matter of Authorizing Certain Specified Expenditures

Authored by:

Katie Roth, CPA