

Cambria Community Services District
INVESTMENT POLICY
September 2002

The purpose of this document is to specify the policies and procedures that support a prudent and systematic program for the investment of funds.

REFERENCE

1. State of California Government Code Section 53601 et seq

GENERAL POLICY STATEMENT

It is the policy of the Cambria Community Services District to invest public funds in a manner, which will provide adequate safety, liquidity and return on investments while conforming to all state and local statutes governing the investment of public funds.

SCOPE

This investment policy applies to all funds managed directly by the Cambria Community Services District. The District pools cash into one portfolio for investment purposes with the exception of bond reserve funds, which may be separately invested in portfolios due to arbitrage restrictions. All funds are accounted for in the District's Annual Financial Report.

OBJECTIVES

The objectives, in priority order, of the Cambria Community Services District investment activities shall be:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments of the District shall be made in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will endeavor to mitigate credit and market risk.

2. Liquidity

The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements, which might be reasonably anticipated. This will be achieved through maturity diversification and purchases of securities with an established secondary market.

3. Return on Investments

The District's investment portfolio shall be designed with the objective of obtaining, throughout the budgetary and economic cycles, a rate of return commensurate with its investment risk constraints and the cash flow characteristics of the portfolio.

STANDARDS OF CARE

Prudence

The Cambria Community Services District adheres to the guidance provided by the "prudent person" standard to insure that:

"...investments shall be made with the exercise of that degree of judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their own capital as well as the probable income to be derived." (GC 53600.3.)

This standard of prudence is to be used the treasury staff and shall be applied in the context of managing the overall portfolio.

Delegation of Authority

The Cambria Community Services District Municipal Code assigns treasury responsibilities, which includes investment of funds to the General Manager who serves as the District Treasurer. The authority to invest District funds rests with the General Manager and his / her designated staff. No person may engage in an investment transaction except as provided for under the terms of this policy.

The General Manager shall be responsible for all transactions undertaken and will direct and regulate the activities of subordinate officials.

Investment Management Committee

An investment management committee shall be appointed by the District General Manager for the purpose of determining investment strategies and to monitor performance. This committee will include the District General Manger, the Assistant District General Manager, and the Finance Officer. The committee will make recommendations regarding portfolio diversification, economic outlook and overall risk management.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interests that could be related to the performance of the District's investment portfolio.

Internal Control

The General Manager shall establish procedures that separate the internal responsibility for management and accounting of the investment portfolio. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity and compliance with policies and procedures.

Reporting

Under the provisions of Section 53646 of the California Government Code, the Assistant Executive Director shall render a monthly report to the District General Manager and District Board showing the type of investment, institutions, rate of interest, maturity date, amount of deposit and current market value of securities with maturity in excess of twelve months. Quarterly the market value of all investments shall be reported.

GASB 31

The Government Accounting Standards Board (GASB) Statement No. 31 requires that governmental entities report all investments with a maturity in excess of one-year at fair market value in the balance sheet or other statement of financial condition as of the end of the annual reporting cycle. Market value declines are recognized by booking the variation against earnings at year-end. This book loss would be realized by way of a reduction in reserves, reducing monies available for appropriation. An Investment Policy has been developed and is attached as Exhibit A. This policy specifies that District investment objectives shall be (in order of priority): 1) Safety of principal; 2) Liquidity; and, 3) Return

Authorized Financial Dealers and Institutions

A primary bank is selected every five years through a Request for Proposal to banks with offices within the District. The District Council shall approve the Banking Services contract. The General Manager may approve and execute subsequent contracts for banking services not covered by the primary banking service contract. Broker dealers should be primary dealers regularly reporting to the New York Federal Reserve Bank, or regional broker dealers certified by the California State Treasurer and registered with the National Association of Securities Dealers. Preference will be given to those firms that can provide other municipal references and demonstrate a working knowledge of California Government Code Sections 53601 et sec and 53635.

Authorized Investments

The District shall use as its guideline for permissible investments, those securities specified in sections 53601 et sec of the Government Code of the State of California. The District recognizes that risk can result from issuer defaults, market price changes or various technical impediments leading to diminished liquidity or loss of capital. Portfolio risk management and diversification are employed as a way to minimize the risks inherent in investing. Within the limits authorized by Section 53601 et sec of the Government Code, the following investment types are authorized.

A. *United States Treasury Bills, Bonds and Notes* or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable.

B. *Federal Agency Securities*, which consist of debt securities issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Association (FHLMC). There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable. Investments detailed in Items C through H are further restricted to percentage of the cost value of the portfolio in any one-issuer name to a maximum of 10%. The total value invested in any one issuer shall not exceed 5% of the issuers net worth. The five year maximum maturity limitation is applicable.

C. *Negotiable Certificates of Deposit* issued by a nationally or state chartered bank or state or federal savings institutions. Purchase of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable.

D. *Local Agency Investment Fund (LAIF)*, which is a State of California managed investment pool; and the San Luis Obispo County Pooled Fund managed by the San Luis Obispo County Treasurer may be used up to the maximum permitted by State Law. However, at no time shall deposits in the County Pool exceed 10% of the total portfolio.

Prohibited Investments

Purchase of common stocks, long-term notes and bonds (maturity exceeding five years), reverse repurchase agreements, asset backed securities and derivative securities are specifically prohibited.

Derivatives refer to a financial instrument created from, or whole value depends on (is derived from) the value of one or more underlying assets or indexes of asset values. Examples are collateral mortgage obligations (CMO's) interest only (IO's) and principal only (PO's) notes, futures currency and interest rate swaps, inverse floaters and range notes.

Credit/Issuer Risk

The District will seek to mitigate credit risk by requiring that issuers and broker dealers meet specific qualifying criteria. The following guidelines will be used to determine the distribution of funds between issuers.

For medium term corporate notes and negotiable certificates of deposit, issuers must possess an acceptable long term senior debt rating by two of the nationally recognized

ratings services, i.e. Moodys, Standard and Poors, Fitch or Duff & Phelps, as detailed below:

1. For maturities of two years or less, a minimum rating of "A" or better.
2. For maturities of two to four years, a minimum rating of "AA" or better.
3. For maturities of four to five years, a minimum rating of "AAA" or better.

In the event that an issuer is downgraded to below "A", staff will prepare an analysis of the exposure to the District and will make a recommendation regarding possible sale.

Market Risk

Market risk shall be addressed by diversification of security types and distribution either by the District directly or through a managed investment pool. Percentage limitations and maturity restrictions will comply with the State of California Government Code.

Diversification by Investment Type

Percentage limitations by investment type are outlined in Section 53601 of the Government Code. As described above the District will further diversify its portfolio by issuer, with the exception of Treasury and Agency securities, which will have no percentage limitations. No more than 10% of the portfolio will be invested in any one issuer name.

Sale of Securities

The District does not make investments for the purpose of trading or speculation, but buys with the prevalent intent to hold securities to maturity. The prohibition of speculative investment precludes pursuit of profit through unusual risk or conjectural fluctuations in market prices. However, fluctuations in market rates or changes in credit quality may produce situations where securities may be sold at a nominal loss in order to mitigate further erosion of principal or to reinvest proceeds of sale in securities that will outperform the original investment.

Safekeeping

All investment transactions will be executed on a delivery versus payment basis. A third party custodian designated by the District will hold securities in safekeeping. The custodian will be required to provide timely written or on-line confirmation of receipt and monthly position and transaction reports.

Performance Standards

The District portfolio is managed with the objective of obtaining a market rate of return, commensurate with identified risk constraints and cashflow characteristics. Because the composition of the portfolio fluctuates depending on market and credit conditions, monitoring of performance against a specific index is problematic. For purposes of evaluating portfolio performance the most relevant available benchmark currently available is the return earned by the Local Agency Investment Fund (LAIF). A goal in managing the portfolio will be to achieve a return similar to LAIF.

Wire Transfers For Purchases Of Securities

The following Governmental Officers are authorized by original signature to make wire transfers for the purpose of investments; District General Manager, Assistant District General Manager, Finance Officer. Wire transfers for the purchase of securities in excess of \$500,000 shall require two (2) original signatures.

Policy Review and Adoption

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity and return on investment, and its relevance to current law and financial and economic trends. Amendments to the policy shall be submitted to the District Board of Directors for approval. The Cambria Community Services District's Investment Policy shall be adopted by resolution of the District

Exceptions

Exceptions to this policy shall be approved and authorized by the District Board of Directors.



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

DATE: January 27, 2016
TO: CCSD EMPLOYEES
FROM: Patrick O'Reilly, Finance Manager
RE: **CASH POLICY**

This is an update of the memorandum detailing the CCSD's Cash Policy dated August 12, 2014. This memo supersedes the August 12, 2014 memo in all aspects.

For the purposes of this memorandum, "Cash" is defined as cash, checks, money orders, cashier's checks and any other form of payment received. Following are some of the more critical cash handling procedures that are required to be followed in all instances unless specifically amended by the Finance Manager, General Manager or their designee:

RECEIPTING/SAFEGUARDING AND DEPOSITING CASH

- Cash shall be submitted to the Administration Front Desk the day that it is received.
- A prenumbered receipt must be immediately written whenever cash is accepted regardless of the amount or whether or not the payer wants a receipt.
- Cash receipts will always be posted on a separate audit trail in MOMS.
- Every effort shall be made to deposit all cash, except cash held in petty cash funds, the day that it is received except in the case of Miscellaneous Accounts Receivable (Misc A/Rs) as noted below. If time does not allow for all cash to be deposited during normal business hours, it is to be brought to the Finance Manager's, or their designee, attention as soon as possible. All cash kept overnight is to be locked in a fire-proof file cabinet or fire-proof safe. The cabinet or safe used to store cash will be kept locked at all times and the key will be in the custody of the front desk clerk.
- The person who actually receives cash will never deposit that cash in the bank. Another person will verify that cash actually equals the amount of the deposit slip and personally deliver the cash to the bank.
- In no event shall cash be held by the CCSD for more than 2 business days without specific approval by the Finance Manager or their designee. At this time, the Finance Manager's designee for this Cash Handling Policy is the Administrative Technician II responsible for utility billing

(currently Stephanie Silva). If she is not available, the General Manager or District Clerk (in that order) shall be notified as should the Finance Manager or their designee at the earliest opportunity.

- All checks shall be scanned in for deposit.
- Misc A/Rs are normally to be deposited in the bank on Tuesdays and Thursdays. However, amounts of \$5,000.00 or greater, be they a result of a single check or other form of cash or multiple checks or other forms of cash totaling \$5,000.00 or greater, shall be deposited the day of their receipt unless different direction is received from the Finance Manager, or their designee. More frequent depositing of Misc A/Rs is encouraged, especially if, due to holidays or other planned office closures, cash would be held in the CCSD Office for more than 3 days due to the policy.
- No cash shall be left in public view if not under the immediate custodianship of a CCSD employee.
- No checks, money orders or cashier's checks that require changes by CCSD staff shall be accepted. Any corrections to a negotiable document must be made by the payer and initialed by the payer.
- No post-dated checks shall be accepted in the office. If a post-dated check is received via the mail, by way of a drop-box, the pharmacy or by any other method, it shall be scanned in for deposit. Further instructions may be found in the front desk manual.

INSUFFICIENT FUNDS (NSF) CHECKS

- If a check is returned by the bank due to insufficient funds, the check shall immediately be forwarded to the Billing Clerk if it is for a utility payment and to the Front Desk if it is other than a utility payment. The Billing Clerk/Front Desk employee shall post the activity to the CCSD's financial management software no later than the next business day. If the NSF check is for payment of a utility bill, the Billing Clerk will contact the customer to have the payment made whole. If the NSF check is for payment of a Miscellaneous A/R, a copy of shall be given to the CCSD employee responsible for the activity related to the payment at no later than by the next business day. For example, an NSF check related to the rental of the Vet's Hall shall be given to the employee responsible for processing Vet's Hall contracts. The responsible CCSD employee shall make immediate efforts to contact the customer to have the payment made whole. Until an NSF check is made whole, payment has not been received and all penalties that would apply for non-payment apply. No further services shall be provided to any customer until the NSF check is made whole. The proceeding sentence is not meant to override the normal processes related to delinquent utility accounts and are mainly meant to apply to Miscellaneous A/Rs. If the check is uncollectible by CCSD staff, it will be forwarded to the District Attorney's Bad Check Recovery Program unless it was post-dated.
- Any deviations or exceptions to the above must be authorized by the Finance Manager or their designee.



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

PURCHASING POLICY

I. PURPOSE

A. The Board of Directors for the Cambria Community Services District ("CCSD") adopts the overall CCSD purchasing policy and implements it through the adoption of the annual budget, which is then administered by the General Manager. This policy will be used by CCSD staff to secure supplies and equipment at the lowest possible cost commensurate with quality needed and to exercise positive financial control over purchases. In the event that the CCSD does not have an approved budget, only essential goods and services may be obtained until such time as the annual budget is adopted. The responsibility for buying materials and services is assigned to staff members skilled in negotiating cost reductions and purchasing within the budgeted funds.

B. Goals of this policy—are:

- to purchase needed items at the best possible price and at the best possible value within the required deadlines and maintain the necessary support for CCSD operations; and
- to establish procurement standards that comply with requirements contained in Federal regulations to receive grant funding.

When the best possible value conflicts with the best possible price, a detailed justification for the best possible value shall be prepared.

C. At the beginning of each fiscal year the Finance Manager will issue a complete CCSD Budget approved by the Board of Directors. This budget contains the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each CCSD

department will receive its own budget for conducting purchasing transactions. It is the responsibility of each department manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity. All CCSD department purchases will be identified with the appropriate line item account number by the requestor. All unbudgeted expenditures that are approved and paid through the system are to be tracked. The following will occur if a department must purchase an item that that is not authorized on its chart of accounts:

1. Obtain the approval from a department that is authorized to purchase the items. This will require the authorized department manager to initial the purchase order.
2. The General Manager or Administrative Services Officer approves the purchase transaction.

II. PROCUREMENT STANDARDS

A. All materials, goods and services shall be procured using one of the following five methods of procurement.

1. **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold, currently \$3,000 established in Federal Code of Regulations (§200.67). To the extent practicable, micro-purchases will be distributed equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the price is reasonable.
2. **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or property that do not cost more than the Simplified Acquisition Threshold, currently \$150,000, established in the Federal Code of Regulations. Price or rate quotations must be obtained from an adequate number of qualified sources.
3. **Procurement by sealed bids (formal advertising).** Bids for materials, goods and services will be publicly solicited and a firm fixed price contract (lump sum or unit price) will be awarded to the responsible bidder whose bid, conforming with all the material terms

and conditions of the invitation for bids is the lowest price. In order for sealed bidding to be feasible, the following conditions should be present:

- a complete, adequate and realistic specification or purchase description should be present;
- two or more responsible bidders are willing and able to compete effectively for the business; and
- the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids will be solicited from an adequate number of known suppliers;
- The invitation for bids will be publicly advertised;
- Sufficient time will be provided to allow bidders sufficient response time prior to the date set for opening the bids;
- The invitation for bids will adequately define the items or services in order for the bidders to properly respond;
- All bids will be opened publicly at the time and place prescribed in the invitation for bids;
- Any or all bids may be rejected if there is a sound documented reason; and
- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.

4. **Procurement by competitive proposals.** This method is used when conditions are not appropriate for the use of sealed bids and is normally conducted with more than one source submitting an offer and either a fixed price or cost-reimbursement type contract is awarded. The following requirements apply:

Requests for proposals which identify all evaluation factors and their relative importance will be publicized;

Proposals will be solicited from an adequate number of qualified sources;

Responders will be rated by a committee assigned by the General Manager with scores assigned for each evaluation factor;

Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors included in the evaluation factors considered; and

CCSD will use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualification are evaluated and the most qualified competitor is selected consistent with the requirements of Government Code Section 4526, subject to negotiation of fair and reasonable compensation. This method cannot be used to purchase other types of services even if A/E firms are a potential source to perform the proposed effort. (Also see Section IX, herein, relating to Professional Services Agreements)

5. **Procurement by non-competitive proposals.** Procurement through solicitation of a proposal from only one source will be used only when one or more of the following circumstances apply.

- The item is only available from a single source;
- The public exigency or emergency for the requirement will not permit a delay from competitive solicitation; or
- After solicitation of a number of sources, competition is determined inadequate.

See Section IX(E) relating to sole source contracts for professional services.

B. **Purchasing materials, goods and services from small and minority businesses, women's business enterprises, and labor surplus area firms.** It is the express intent of CCSD to award as much business as practical to small and minority businesses, women's business enterprises and labor surplus area firms. To that end, the following policies shall apply:

- Qualified small and minority businesses and women's business enterprises will be included on all solicitation lists;
- Qualified small and minority businesses and women's' business enterprises will be directly solicited whenever they are a potential source of required materials or services;

- When economically feasible, requirements will be divided into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- When feasible, delivery schedules will be established that encourage participation by small and minority businesses and women's business enterprises;
- When appropriate, the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce will be consulted concerning maximizing the participation of small and minority businesses and women's business enterprises; and
- Prime contractors will be required to take the affirmative steps listed above.

C. Procurement of recovered materials. The District will comply and will require compliance by all contractors with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, in all of its procurement solicitations and contract awards. When a purchase price exceeds \$10,000, only items designated in guidelines of the EPA (40 FR part 247) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition will be purchased. Solid waste management services will be procured in a manner that maximizes energy and resource recovery.

III. SIGNING AUTHORITY

A. The General Manager, or in his/her absence the Administrative Services Officer, is hereby authorized to sign on behalf of the CCSD the following documents:

1. Any documents necessary to conduct the general business of the CCSD that does not require prior approval of the Board of Directors.
2. Any documents necessary to conduct the general business of the CCSD requiring approval of the Board, after said documents have received approval of the Board of Directors.
3. Any agreements or other documents necessary to secure and receive state, federal, or other agency grants or loans.
4. Any agreements or documents necessary for the receipt and/or disbursement of any grant monies contracted for by the CCSD.

IV. COMMITMENT AUTHORITY

A. The General Manager and department heads identified below are responsible for conducting purchasing transactions within the guidelines and procedures set forth in this policy. Transactions involving contractual agreements must be reviewed and approved by District Counsel and are subject to Section VII.

Employee

Category

General Manager

Legal Services (at the direction of the Board).
All categories listed below.

Administrative Services Officer

Parks and recreation planning and development materials and supplies.
Human resources and training services.
Departmental operational materials and supplies for Administration. Office supplies, dues and subscriptions, and travel arrangements.

All categories listed below.

District Engineer

Engineering and professional consulting services. Departmental operational supplies for Water and Wastewater, and Property Management, repair, training, and maintenance materials, equipment rentals, employee clothing, fuel & oil, vehicle repair services and janitorial supplies.

Fire Chief

Departmental operational supplies, repair, training, and maintenance materials, equipment rentals, employee clothing, fuel & oil, vehicle repair services and janitorial supplies.

Finance Manager

Financial services and arrangements; audit engagements; office supplies; computer equipment.

V. APPROVAL REQUIREMENTS

- A. A system of approval limits is the next element of purchasing control. Within the authorized categories, employees may commit CCSD funds up to their maximum approval amounts. Department managers are authorized to purchase items that fall within the approved budget's amount for their department and account category. Department managers may delegate purchasing authority to any employee within his/her department as necessary.
- B. Board approval is required for all purchases of \$25,000 or more, unless the purchase is for equipment, materials or services that has been previously approved by the General Manager and is contained within the CCSD's budget. If the total price exceeds the budgeted amount by more than 5%, the General Manager's approval shall be required.
- C.
- D. A CCSD Purchase Order is required for all purchases greater than \$250.00. Exceptions to the policy are listed below. Any CCSD employee authorized by his/her department manager can sign a purchase order up to \$500.00. The department manager will provide a written list of his/her authorized employees, who can sign purchase orders, to the Finance Manager or his/her designee. The department manager will be responsible for updating the employee signatory list as needed.

Purchase Orders are not required for:

- Regular, recurring utility services.
- Payroll, including payroll vendor payments.
- Petty cash.
- Travel advances when a Travel Advance Claim form is used.
- Travel expenses when a Travel Expense Claim form is used.

- Credit card payment if related to approved travel or meeting expenses.
- E. The following intermediate supervisory or management staff, as approved by the General Manager, can initiate and authorize a purchase order up to \$5,000.00:
- FACILITIES AND RESOURCES SUPERVISOR
 - FIRE CAPTAIN
 - WASTEWATER SUPERVISOR
 - WATER SUPERVISOR

Purchases over \$5,000.00 will require the signature of a department manager.

VI. PURCHASE ORDER PREPARATION

- A. All formal purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the CCSD. The current purchase order form may be redesigned from time to time at the discretion of the General Manager, or his/her designee, whenever conditions warrant.
- B. Each purchase order shall include a purchase order number only after the appropriate approval procedures are completed. The purchase order form is used as a written order to a vendor and may be either an original order or may confirm a verbal order. This form may also serve as a written change order.
- C. Each purchase order form (Attachment P-1) shall be filled out by the CCSD employee prior to CCSD funds being obligated for a purchase and shall contain the following information:
1. Purchase order number, date, department, and who wrote it.
 2. To whom the purchase order is issued, together with a complete address.
 3. Quantity/unit and description of item(s) to be purchased.
 4. Account number to be charged.
 5. Unit price and extended amount (depending upon quantity).

6. If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.
 7. The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract amount.
 8. The total amount of the purchase order shall include charges for freight and tax, if applicable.
 9. The initial purchase order MUST have attached to it the following: the written quote or estimate or a copy of the contract, or other backup supporting documentation.
- D. The purchase order must be submitted immediately to the Finance Manager or his/her designee. The purchase order date must precede the order date.
- E. Any incomplete purchase orders will be returned to the department manager for completion.
- F. Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.
- G. When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

VII. OPEN PURCHASE ORDERS

- A. A blanket or open purchase order can be used to reduce the time consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.
- B. Open purchase orders are to be used when the CCSD will:
1. Purchase repetitive, specified services or items, or categories of items from the same vendor over a period of less than one year, or on a monthly basis.
 2. Order standard materials or maintenance supplies, which require numerous shipments.
 3. Obtain more favorable pricing through volume commitments.

- C. Open purchase orders generally should NOT be used when:
 - 1. No benefit will be derived over and above a regular purchase.
 - 2. Prices are unknown at ordering time, or subject to change later without notice.
 - 3. Quality of vendor or service is questionable.
 - 4. Control over CCSD expenditures would be weakened significantly.
- D. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.
- E. Each year during the month of June, each department manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

VIII. QUOTATION

- A. The policy of obtaining competitive quotes applies to purchase of materials and/or services with an estimated price of greater than \$100 but less than \$25,000 and not covered by a contractual agreement.
- B. Types of quotations:
 - 1. Verbal – Verbal quotations will be obtained for purchases of standard or non-complex materials with an estimated price of under \$1,000 and not covered by a contractual agreement. Prices are to be recorded on a quotation sheet that will serve as backup documentation after the order is placed and will be attached to the purchase order. The quotation sheet will be attached to the original purchase order and shall contain the name of the vendor, the person giving the quote, the date and time of the verbal quote, and the price quoted. A minimum of two (2) suppliers is acceptable for verbal requests providing the buyer is familiar with the market and prices of the materials in question.
 - 2. Written – Written requests for quotations (RFQ) will be sent to vendors under the following conditions:
 - a. Purchases estimated to exceed \$1,000, but less than a total of \$25,000.

- b. All capital equipment purchases exceeding \$1,000, but less than a total of \$25,000.
 - c. Non-standard conditions, requirements, instructions, etc.
 - d. Any occasion where more permanent documentation is advisable.
 - e. Any purchase based on best value rather than lowest price.
- D. Written requests for quotations will incorporate a clear and accurate description of the technical requirement of the material, product or service to be procured.
- 1. The description will not contain features which unduly restrict competition.
 - 2. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use.
 - 3. Detailed product specifications should be avoided if at all possible.
 - 4. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly state.
 - 5. The description will identify all requirements which the offerors must fulfill and all other factors to be used in evaluating the bids or proposals.
- E. The CCSD employee, when purchasing materials and/or services requiring written request for quotations, will solicit prices from three (3) or more vendors. After the quotations have been received and examined for completeness, a determination of the low bidder and award of the order will be made by the department manager and reviewed with the General Manager or Administrative Services Officer. The department manager or his/her designee will notify unsuccessful vendors that the quotations have been closed and the contract awarded.

IX. BIDS

A. For bids estimated to exceed the Simplified Acquisition Threshold established in the Federal Code of Regulations, (\$150,000 on June 1, 2015), the following actions must be taken:

- CCSD staff must make or have made an independent estimate of the expected cost before receiving bids or proposals;
- CCSD staff must negotiate a fair and reasonable profit as a separate element of the price of the contract considering things such the complexity of the work, the risk borne by the contractor, the contractor's investment, the quality of the contractor's past performance and industry profit rates in the surrounding geographical area for similar work;
- The cost plus a percentage of cost and percentage of cost methods of contracting will not be used.
- CCSD staff will ensure contracts include administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and will specify sanctions and penalties to be applied in each circumstance;
- All contracts in excess of \$10,000 will include provisions for termination for cause and for convenience of the District including the manner by which it will be effected and the basis of settlement.

B. The CCSD may require a performance bond before entering a contract in such amount as it finds reasonably necessary to protect the interests of the CCSD. For purchasing contracts that exceed the Simplified Acquisition Threshold and for which grant funds have been received, the following minimum bonding requirements will be established:

- A bid guarantee from each bidder equivalent to five percent of the bid price consisting of a firm commitment such as a bid bond, certified check, or other negotiable instrument as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified;
- A performance bond on the part of the contractor for 100 percent of the contract price;
- A payment bond on the part of the contractor for 100 percent of the contract price to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

C. At its discretion, the Board of Directors may reject any bids presented and re-advertise.

D. The CCSD may dispense with bidding when an emergency is declared.

X. **PROFESSIONAL SERVICES AGREEMENTS**

A. The CCSD may contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, legal or administrative matters. Contracts for professional services are not subject to competitive bidding requirements. (Government Code Section 4526. Also, however, see Sections II(A)(4) and (5), herein)

B. If the CCSD is seeking the professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, special provisions apply. The selection must then be based upon the demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Government Code Section 4526 does not apply when the CCSD determines that the services are more of a technical nature and involve little professional judgment and that requiring bids would not be in the public interest. (Government Code Section 4529.)

C. It is the policy of the CCSD to conform to the preceding paragraphs in using professional and other contract services whenever it is in the CCSD's best interest. This may be when outside professionals will be less expensive than in-house staff; a project or study is of a limited duration and not warranting permanent staff; or existing staff is unavailable to undertake the project or they lack the expertise and/or ability necessary.

D. For contracts estimated to be less than \$25,000, the General Manager or department manager, or his/her designee, will solicit proposals from the qualified consultants and negotiate the fee.

E. Sole source contracts are permitted only when the product or service has limited availability and/or is proprietary (copyrighted or patented), or under emergency conditions such as those implemented with an Emergency Operations Center situation or a State or Federal Disaster Declaration. Under such emergency conditions, the General Manager, or his/her

designee, with consultation of one or more Directors, has full authority to complete sole source purchasing transactions. In such situations, every attempt shall be made to obtain the best value to the CCSD. Only the minimal amount of goods and services required to address the emergency conditions shall be obtained and normal documentation and approvals shall be obtained in a timely fashion once the emergency situation has stabilized. (Also see Section II(A)(5))

XI. PURCHASES VIA DISTRICT CREDIT CARD

- A. The primary use of a CCSD credit card is for CCSD travel. All purchases using a CCSD credit card are subject to the same procedures as outlined previously in this policy, plus the following additional requirements:
1. All CCSD credit cards shall be issued on a department basis in the name of each department manager, the on-staff District Counsel, and each Board Member. The Administrative Services Officer shall manage the administration of CCSD credit cards.
 2. Only the General Manager, Administrative Services Officer, District Engineer, department managers, or Board Members are authorized to sign credit card purchases. Department managers can allow their department employees to use the department credit card; however, they are fully responsible for its care and control.
 3. Travel on CCSD business is to be paid for via CCSD credit card. Telephone calls to the CCSD when out of town, expenses related to travel by car on CCSD business, lodging and meals when out of town on CCSD business, and CCSD approved seminars and business meetings, are expenses authorized to be paid with the CCSD credit cards.

Credit card receipts **MUST BE** obtained for these expenses and turned in immediately upon return to the Finance Manager or his/her designee. If a credit card receipt is lost or misplaced, the receipt replacement form needs to be promptly filled out by the responsible party and turned in to the Finance Manager or his/her designee.

Other purchases requiring instant payment ability must be accompanied by a purchase order.

4. The credit limit on the CCSD credit cards shall be no more than \$5,000 for each department and on-staff, \$5,000 for each Director, and \$10,000 for the General Manager.
5. Credit card purchases for orders that are made via telephone or Internet are permitted in limited circumstances (e.g., offsite internet connections while traveling, on-line registrations, manual/resource guide/book orders, etc.). A receipt or quote sheet must be obtained and turned in immediately to the Finance Manager or his/her designee.
6. Personal purchases or spending on a CCSD credit card are prohibited. Any violation of this policy will result in loss of CCSD credit card privileges and may include disciplinary action.
7. Cash advances on any CCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

XII. CHECK SIGNING PROCEDURES

- A. All checks must have two (2) authorized signatures per the current bank resolution adopted by the CCSD Board of Directors.
 1. Checks in the amount of \$100,000 and greater require two (2) handwritten signatures, one of which shall be the General Manager's or his/her designee.
 2. Checks in the amount of \$25,000-\$99,999 require one (1) handwritten signature, which shall be the General Manager's or his/her designee, and one (1) computer generated signature.
 3. Checks in the amount of \$24,999 and less require two (2) computer-generated signatures.
- B. The General Manager has the authority to authorize employee signatories.
- C. The General Manager shall review and initial all issued checks in the amount of \$5,000 - \$24,999.

XIII. INVOICE APPROVAL PROCEDURES

- A. Invoices shall be approved based on the same monetary limits as applicable to Purchase Order signatory.

- B. Invoices should only be approved for payment if all related goods and/or services have been satisfactorily received. Registrations for seminars/workshops/classes are exempt from this process as are subscriptions, membership dues, and payments to government agencies. Any other prepayments require the approval of the Finance Manager.

XIV. PETTY CASH PROCEDURES

- A. The CCSD Finance Manager or his/her designee shall maintain a petty cash fund of \$300.00.
- B. This fund will be used to purchase items costing no more than \$25.00 and must be authorized by department managers or his/her designated employee.
- C. Purchase orders should be used whenever practical and receipts are required for reimbursement. There are no exceptions to the receipt rule.
- D. The CCSD Finance Manager or his/her designee shall perform a reconciliation of the petty cash fund on a monthly basis.

XV. CONFLICT OF INTEREST

- A. Employees must recuse themselves from all purchasing activities when a real or apparent economic conflict of interest exists. CCSD employees may not perform services for the CCSD on a contractual basis. Employees may not economically benefit from their employment within the CCSD except as related to their approved salary and benefits.
- B. Employees shall not use their employment status with the CCSD to obtain discounts or any other advantage for personal purchases. Unsolicited discounts offered by vendors for all CCSD employees are exempt.
- C. Failure of any employee to adhere to the provisions of this Section may be subject to disciplinary action in accordance with the CCSD's Personnel Policy, Procedures and Rules.

XVI. ADDITIONAL PURCHASING POLICIES AND PROCEDURES

- A. It is important for the CCSD to evaluate materials, equipment, and services of all current suppliers. Suppliers with a low rating can be viewed as costing the CCSD time and money, and, therefore, should be terminated upon documentation.
- B. In an effort to obtain the best prices possible, vendors contacted for quotes and/or bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.
- C. Documentation associated with procurements exceeding the micro-purchase threshold, currently \$3,000 established in Federal Code of Regulations (§200.67) shall be maintained for auditing purposes for at least ten years. As a minimum, the following will be maintained:
- Technical specifications on procurements to ensure that the item or service specified is the one being proposed for acquisition;
 - Requests for proposals, invitation for bids, and/or independent cost estimates;
 - Any proposed or actual contract modifications that change the scope of the contract;
- D. All contracts exceeding micro-purchase threshold must include the equal opportunity clause provided under 41 CFR 60-1.4(b),
- E. All contracts in excess of \$2,000 will include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144 and 3146-3148) as supplemented. Contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. A contract will not be issued unless the contractor accepts the wage determination. CCSD will report all suspected or reported violations to the Federal Awarding Agency.
- F. All contracts in excess of \$2,000 will include a provision for compliance with the Copeland Anti-Kickback Act (40 U.S.C. 3145)
- G. All contracts in excess of \$100,000 that involve the employment of mechanics or laborers will comply with 40 U.S.C. 3702 and 3704 requiring that work in excess of the standard work week will be compensated at a rate of not less than one and a half times the basic rate of pay and further requiring that no laborer or mechanic may be required to work in

surroundings or under working conditions which are unsanitary, hazardous or dangerous.

- H. All contracts in excess of \$150,000 will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations will be reported to the Federal awarding agency (if grant funds are involved) and to the Regional Office of the Environmental Protection Agency (EPA).
- I. Contracts will not be awarded to parties listed on the government wide exclusions in the System for Award Management (SAM).
- J. Contractors that apply or bid for an award exceeding \$100,000 will file the required certifications under the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) certifying that it has not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.

XVII. REVIEW

This policy should be reviewed on an annual basis and changed where deemed appropriate to reflect changes in the CCSD's operations. The General Manager, acting with the Board of Directors, may at any time make changes to this policy to facilitate a more efficient purchasing process for the CCSD.

Attachment: Purchase Order Form

CAMBRIA COMMUNITY SERVICES DISTRICT FUND BALANCE CASH RESERVE POLICY

PURPOSE

Cambria Community Services District provides public service through three independent financial funds:

- the General Fund,
- the Water Fund, and
- the Wastewater Fund.

Essential components of a prudent fiscal policy for the District include formal provisions for managing cash reserve policies and managing rate volatility. This policy is to allow the District to weather economic uncertainty and unexpected situations such as natural disasters, to provide sufficient cash flow to avoid the need for short-term borrowing, and to provide financial resources to minimize the impact on rates of significant capital projects. This policy establishes the appropriate level of reserves which the District will try to maintain in the General Fund, Water Fund and Wastewater Fund balances; how the target fund balances will be funded; and the conditions under which fund balances can be used.

For purposes of this Policy, the definition of "reserves" is limited to the portion of fund balance that is unreserved. Unreserved is to mean not set aside for existing legal obligations of the District.

AMOUNTS HELD IN RESERVE

General Fund Cash Balance. The District will strive to hold the amounts listed below in the General Fund Cash Balance. The amounts will be expressed as a percentage of the District's annual operating expenditures of the General Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

- Budget Stabilization Reserve 10-15% to provide for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.

Water Fund Cash Balance. The District will strive to hold the amounts listed below in the Water Fund Cash Balance. The Budget Stabilization, Liability Contingency/Emergency Disaster and Working Capital Reserves will be expressed as a percentage of the annual operating expenditures of the Water Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

The Rate Stabilization Reserve will be expressed as a fixed amount based on the projected costs of expected impacts that will be mitigated with these funds.

- Budget Stabilization Reserve: 10-15% for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.
- Rate Stabilization Reserve: To help minimize the impact of potentially significant rate increases necessitated by the need to fund future planned capital improvement projects.

Wastewater Fund Cash Balance. The District will strive to hold the amounts listed below in the Wastewater Fund Cash Balance. The Budget Stabilization, Liability Contingency/Emergency Disaster and Working Capital Reserves will be expressed as a percentage of the annual operating expenditures of the Wastewater Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

The Rate Stabilization Reserve will be expressed as a fixed amount based on the projected costs of expected impacts that will be mitigated with these funds.

- Budget Stabilization Reserve: 10-15% for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.
- Rate Stabilization Reserve: To help minimize the impact of potentially significant rate increases necessitated by the need to fund future planned capital improvement projects.

FUNDING TARGET FUND CASH BALANCES

General Fund. Funding of General Fund cash balance targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- GASB 45 unfunded post-employment benefits other than pensions (retiree health-care)

Water Fund. Funding of Water Fund Budget Stabilization, Liability Contingency/Emergency Disaster, and Working Capital Reserve targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- Rate Stabilization Reserves

The funding for Water Fund Rate Stabilization Reserves will come from Connection Fee Revenues and specifically designated fees included as part of the normal operating fees charged each bi-monthly billing period.

Wastewater Fund. Funding of Wastewater Fund Budget Stabilization, Liability Contingency/Emergency Disaster, and Working Capital Reserve targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- Rate Stabilization Reserves

The funding for Wastewater Fund Rate Stabilization Reserves will come from Connection Fee Revenues and specifically designated fees included as part of the normal operating fees charged each bi-monthly billing period.

CONDITIONS FOR USE OF RESERVES

The use of Budget Stabilization and Emergency Disaster reserves shall be limited to unanticipated, non-recurring needs, or anticipated future obligations. These Cash Reserves shall not be used for normal or recurring annual operating expenditures. The use of these reserves shall require approval by a majority of the CCSD board of Directors.

The Working Capital Reserve will be used to fund normal or recurring annual operating expenditures in the General Fund when budgeted taxes have not yet been received during a fiscal year. They will be replenished when the taxes are received. The use of these reserves can be authorized by the General Manager.

Rate Stabilization Reserves will be used to minimize the impact to citizens of potentially significant rate increases due to necessary expenditures on capital projects. The use of these reserves shall require approval by a majority of the CCSD board of Directors.

The District General Manager is authorized to make recommendations to the District Board of Directors for use of reserves. Any recommendation shall be accompanied by a proposal for the replenishment of the reserves.

REVIEW

This policy should be reviewed on an annual basis and changed where deemed appropriate to reflect changes in the CCSD's operations. The Board of Directors may at any time make changes to this policy to reflect current CCSD operations.



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

CAPITALIZATION POLICY

PURPOSE

This capitalization policy provides guidelines for whether a purchase will be capitalized as an asset and depreciated, or expensed as an operating expenditure.

DEFINITION

Capitalization is the process by which a purchase is recorded as an asset in the accounting records that then becomes subject to depreciation over a determined useful life.

The following guidelines dictate whether a purchase will be set up as an asset and depreciated, or included in a department's operating budget as an operating expense.

A. FIXED ASSETS

1. A single item purchased that costs \$5,000 or more and has a useful life of two (2) years or more is a fixed asset.

Compare with a purchase made of similar items that individually cost less than \$5,000, however, the aggregate purchase is over \$5,000; this purchase is outside the capitalization policy. For example, the purchase of five new computer setups at \$1,200 each, total purchase = \$6,000.00, is outside the policy and expensed.

2. The total cost of the item to include freight, sales tax and installation. It will not include District staff time and expense involved in the purchase and operation.

B. SOFTWARE PACKAGES

This refers to programs developed in house, off-the-shelf packages, or software designed by an outside consultant.

1. Follow the same criteria as **Fixed Assets** and will be amortized over a time span of four (4) years.
2. Enhancements or upgrades to existing software will be capitalized if the original installation was capitalized.

C. EXISTING INFRASTRUCTURE

1. A purchase that costs \$25,000.00 or more and either adds to the useful life of the asset repaired or enables the repaired asset to live its intended useful life. The judgment of Water and Wastewater personnel would be used to determine useful life extension.
2. Purchase cost to include taxes, freight and installation. Cost also includes the services of a licensed professional needed to acquire or install.

For example, a generator part costs \$15,000 and related acquisition and installation costs push the cost over \$25,000. It falls within this policy.

D. WIP (WORK IN PROGRESS)

These are projects in process of becoming operational infrastructure components. The project is not at the point where it contributes a benefit to the District.

1. A general rule is any cost associated with the project regardless of cost.
2. The exception to the general rule is a cost under \$50 per invoice. Examples would be sporadic printing, postage, or travel costs.
3. Any professional service fee regardless of cost is included in the project cost.
4. Project lead person determines the moment the project is operational

E. SENSITIVE ITEMS UNDER \$5,000

Examples are as follows: Computers and computer accessories, laptops, field tools, office equipment (copy and fax machines), and office furniture. These items generally are less than \$5,000 per item. When purchased they will be recorded and inventoried by department and position.

F. TRACKING

The District's method of tracking assets is an EXCEL spreadsheet. Copies of the invoice and check voucher will be made for backup when the payment is processed.



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

TRAVEL POLICY

I. PURPOSE

- A. It is the policy of the Board of Directors for the Cambria Community Services District ("CCSD") to limit travel for only those purposes that enhance the efficient and effective operation of the CCSD. Employees traveling on CCSD business shall do so by the most economical means available. Employees are expected to travel together if they are attending the same function unless a business reason exists to do otherwise.
- B. Authority to travel, and reimbursements for incurred costs of travel, including meals, transportation, registration, lodging, parking, and other such direct costs, shall be in accordance with this policy.

II. TRAVEL AUTHORIZATION

- A. A completed Employee Travel Request form (attached as Exhibit T-1) reflecting estimated costs associated with a given trip shall be submitted for all employees out of CCSD travel requiring overnight accommodations and/or incurring cost to the CCSD. Department managers may authorize travel for their respective employees in cases involving in-County travel and out-of-County travel not requiring overnight accommodations. Out-of-county travel requiring overnight accommodations requires the approval of the General Manager or Assistant General Manager as well as the department manager.
- B. If applicable, a completed Employee Travel Request form shall be submitted to the General Manager or Assistant General Manager, as far in advance as possible of the anticipated date of travel, but in no case less than ten (10) days prior to the employee's anticipated travel. All Employee Travel Requests shall be approved by the department head or his/her designee, in advance of presentation to the General Manager or Assistant General Manager.
- C. The General Manager or Assistant General Manager may approve, deny, or modify the property Employee Travel Request.
- D. If an emergency condition exists requiring the authorization of travel, a department head shall immediately notify the General Manager or Assistant General Manager.

During their unavailability or in their absence, the department manager may authorize such travel provided notification is given to the General Manager or Assistant General Manager on the next available workday. A lack of planning shall not create an emergency.

- E. If an Employee Travel Request is approved and for some reason the travel arrangements are canceled, the department manager should state the reason on the approved Employee Travel Request and return it to the Finance Manager, or his/her designee. The department manager should seek recovery of any advance registration fees paid, and cancel all related hotel/motel reservations. The department manager should note any cancellation fees or charges to which the CCSD may be subject on the approved Employee Travel Request.
- F. The current Employee Travel Request form (Exhibit T-1) may be redesigned, modified, or revised at the discretion of the General Manager or his/her designee, whenever conditions warrant.
- G. If the cost incurred exceeds the approved amount by the lesser of 20% or \$50, a revised Employee Travel Request with an accompanying explanation for the increase is required. All signatures required for the original Employee Travel Request would be required for the revised Employee Travel Request. Reimbursement to the employee for the costs above the originally approved amount will not be made until the revised Employee Travel Request is completely processed.

III. TRAVEL REIMBURSEMENT

- A. Unless otherwise specifically stated or provided by law, mileage reimbursement for authorized travel, where an employee uses his/her own personal vehicle shall be at the current Internal Revenue Service (IRS) mileage rate. Reimbursement will only be made for actual miles driven. Trips should be planned so that the shortest distance possible is driven, although it is acceptable to take driving time into consideration. This may result in insignificant additional miles being driven so as to save time.
- B. Travel outside of the CCSD involving overnight lodging shall be reimbursed at actual lodging costs. To be eligible for the lodging reimbursement, the employee must be authorized to travel to the designated area and must furnish a commercial lodging receipt (indicating the location of the lodging) for the day(s) of travel.
- C. Meal reimbursement shall be for actual and reasonable costs provided detailed receipts are submitted, or at the following per diem rates:
 - 1. Breakfast – TEN AND NO/100 DOLLARS (\$10.00);
 - 2. Lunch – FIFTEEN AND NO/100 DOLLARS (\$15.00);
 - 3. Dinner – TWENTY-FIVE AND NO/100 DOLLARS (\$25.00); OR

4. Daily Rate – FIFTY AND NO/100 DOLLARS (\$50.00).

The above rates apply to 24-hour periods. For less than 24-hour periods, breakfast will be reimbursed if travel began no later than 7:00 a.m.; lunch will be reimbursed if the travel began no later than 12:00 p.m.; and dinner will be reimbursed if the travel began no later than 6:00 p.m.

No reimbursement will be made for any meal that is included and paid for by the CCSD within a registration fee.

- D. All reasonable telephone calls made by CCSD employees while traveling or away on CCSD business to their home or office, or for extenuating circumstances (e.g., family emergency), or as approved by the General Manager, are permitted and reimbursable.
- E. The following items shall NOT be eligible for travel reimbursement:
 - 1. Alcohol that is not part of a meal.
 - 2. In-room services not covered under the general room rate (e.g., laundry and dry cleaning services, liquor bar, snacks, video and premium television services, etc.).
 - 3. Sport/fitness facility fees not covered by the room rate.
 - 4. Such other costs as determined by the General Manager or Assistant General Manager not directly relating to the purpose of the travel.
 - 5. Any costs of individuals not on official CCSD business.

IV. TRAVEL ADVANCE

- A. Employees requesting an advance for travel shall complete and sign the appropriate sections of the Employee Travel Request form and obtain the department manager's and General Manager's or Assistant General Manager's signatures. The completed and approved Employee Travel Request form must be received by the Finance Department at least ten (10) days prior to the anticipated travel.
- B. Travel advance requests may include advance payment for registration, lodging, meals, and/or transportation and shall not be less than FIFTY AND NO/100 DOLLARS (\$50.00).
- C. Employees requesting a travel advance may be made up to one hundred percent (100%) of the allowable costs associated with the travel, as approved by the General Manager or Assistant General Manager.
- D. Employees requesting a travel advance must file a Travel Expense Claim reconciling the actual travel expenses with the Finance Manager, or his/her designee, within ten (10) days of their return from traveling. Failure by an employee to submit a claim for

travel in a timely manner may result in the CCSD deducting the amount advanced from the employee's next payroll check.

V. TRAVEL EXPENSE CLAIM

- A. Within ten (10) days upon return from traveling, employees are required to complete a Travel Expense Claim (attached as Exhibit T-2) reflecting expenses of the travel. It must be signed by the employee and approved by his/her department manager or designee.
- B. All receipts associated with travel MUST be turned in with the completed Travel Expense Claim.
- C. Return the completed Travel Expense Claim with attached receipts to the Finance Manager or his/her designee.
- D. The employee will receive a CCSD check for the balance due, if any, to him/her within ten (10) days of receipt by the Finance Department.
- E. The employee must submit any amount that may be due to the CCSD by personal check, cash, or money order with the completed Travel Expense Claim form.
- F. In situations where a travel advance has been issued, if the Travel Expense Claim form is not submitted to the Finance Department within thirty (30) days from the last day of related travel, the amount of the travel advance will be deducted from the employee's next paycheck. Exemptions must be approved by the General Manager or his/her designee prior to the expiration of the 30-day period.
- G. No reimbursement for any travel expenses will be made if the Travel Expense Claim form is not submitted to the Finance Department within ninety (90) days from the last day of related travel. Exemptions must be approved by the General Manager or his/her designee prior to the expiration of the 90-day period.

VI. VEHICLE USAGE

- A. All CCSD employees are required to have and maintain a valid California Driver's License, including the minimum insurance required by California law for any privately owned vehicle used during the course of official CCSD business. The employee's insurance represents the primary coverage for privately owned vehicles. Privately owned vehicles used on CCSD business shall be maintained in a manner to meet all applicable safety requirements. Employees shall follow all laws, rules, and regulations of all jurisdictions while operating a vehicle on CCSD business.
- B. Individuals not employed by the CCSD or working for the CCSD as a private contractor shall not travel in CCSD vehicles or privately owned vehicles being used on CCSD business unless approved by the General Manager. Individuals not

employed by the CCSD shall never operate CCSD vehicles except for individuals performing approved maintenance/repair services on the vehicle.

- C. If a motor vehicle accident occurs while on CCSD business, regardless if in a CCSD vehicle or a privately owned vehicle being used for CCSD business, the appropriate law enforcement agency shall be contacted immediately and every attempt shall be made to have a report completed. If the law enforcement agency declines to prepare a report, the employee shall record the name of the party contacted at the law enforcement agency, the time that they were contacted, and a written report of the facts and circumstances surrounding the accident shall be completed by the employee at the earliest opportunity. The employee's report will include the contact information of all parties involved in the accident, including vehicle descriptions, and insurance coverage. The employee's supervisor shall be notified of the accident at the earliest opportunity, but in any event no later than by the next business day.

VII. REIMBURSEMENT FOR AUTHORIZED COURSES

- A. An employee enrolled in accredited classes or courses that are a benefit to the employee's position with the CCSD may be entitled to reimbursement of the cost of tuition and instructional materials.
- B. An employee must make a written request to the General Manager which includes the following: A course outline or description; an itemized listing of costs, including receipts; and proof of successful completion of the class or course, with a grade of "C" or better.
- C. The General Manager or Assistant General Manager may approve, deny or modify the request based on the information provided.
- D. No reimbursement shall be made under this section for employee salary and benefits, travel time or transportation costs, meals, or any other costs not identified in sub-section "A" hereinabove.

Attachment: Employee Travel Request
 Travel Expense Claim