

ID #	BRD-031
Rev	06
Date	09/08/2016
Reso	16-58

Cash Management Policy

INTRODUCTION

The purpose of the Santa Clara Valley Open Space Authority (OSA) Cash Management Policy is to ensure accountability, fiscal responsibility, and prudent use of OSA financial resources and compliance with all required governmental accounting standards. The General Manager is responsible for assigning the duties and defining the scope of Staff authority under this policy.

REVENUE AND OTHER CASH RECEIPTS

Revenue

All tax and assessment revenue is collected by Santa Clara County and deposited directly to the Santa Clara County Investment Pool and may be invested as otherwise permitted in the OSA Investment Policy. Funds from Measure Q, which was passed by the voters on November 4, 2014, shall be deposited in a special account created for the purposes of holding these revenues.

Matching Grants

Matching Grants are generally received for specific projects and will not generally be invested long term. Deposits of grants may be maintained in the OSA Operating Account as specified below.

Endowment(s) All endowment contracts require Board approval. Endowment funds, and the earnings thereon, shall be invested in accordance with the terms of the endowment and the OSA Investment Policy.

Direct Receipts

All cash and checks received directly shall be recorded by the Receptionist/Office Assistant in a Receipts Log. Cash and checks, which shall be endorsed for deposit only, shall be stored in a secure locked cabinet until deposited. All direct receipts shall be deposited in the OSA's operating account as soon as administratively feasible.

CASH TRANSFERS

Operating Funds Transfers shall be made from Investment Accounts to the OSA Operating Account as needed in amounts sufficient to generally provide for operating expenses for the OSA of not less than that required for one month, and not more than that required for three months. Matching Grants may also be maintained in the OSA Operating Account until used for the specific project designated by such grants. Transfer requests from any Investment Account (e.g., the Santa Clara County Investment Pool) shall be made on a Request for Funds Transfer form authorized with the signature of two of the following: the General Manager, the Board Chairperson and or the Board Vice-chairperson. The

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Assistant General Manager may sign on behalf of the General Manager in the absence of the General Manager and when given the authority to do so by the General Manager.

ACQUISITIONS, CONTRACTS AND PURCHASING GOODS

This Policy shall be coordinated with the requirements of the OSA Contract Approval Policy. The Board approved Annual Budget shall serve as a guide for all OSA purchases.

Real Estate Transactions

Board approval is required for real estate transactions of any kind and in any amount, including land acquisitions or sales.

Contracts Not Involving Real Estate

Pursuant to the OSA's Enabling Act and the OSA's Contract Policy, Board approval is required for all contracts in amounts exceeding \$25,000. The General Manager is authorized to approve all contracts not exceeding \$25,000. To assist in implementing this authority, the General Manager may authorize the Assistant General Manager to approve contracts not exceeding \$25,000, may authorize the Director of Administration and Finances, External Affairs Manager, Planning Manager or Field Operations Manager to approve contracts not exceeding \$10,000 for their respective departments, and may authorize the Clerk of the Board, Office and HR Administrator, and Supervising Open Space Technician to approve contracts not exceeding \$5,000.

Purchasing Authority

Purchase authorization must be obtained for all purchases not exceeding \$25,000. All purchase authorizations, including Purchase Order Forms and Petty Cash Reimbursement Forms, must be authorized by the appropriate personnel, as indicated by their signature on the form, as follows:

- (1) Purchases not exceeding \$25,000 may be authorized by the General Manager;
- (2) Purchases not exceeding \$25,000 may be authorized by the Assistant General Manager in the absence of the General Manager and when given the authority to do so by the General Manager;
- (3) Purchases not exceeding \$10,000 may be authorized by the Assistant General Manager; and,
- (4) Purchases not exceeding \$10,000 may be authorized by the Director of Administration and Finance, External Affairs Manager, Planning Manager, or Field Operations Manager for their respective departments.
- (5) Purchases not exceeding \$5,000 may be authorized by the Clerk of the Board, Office and HR Administrator, or Supervising Open Space Technician.

All purchase request and authorization forms shall include account code numbers in accordance with approved budgeted line items. Confirmation of receipt of items purchased and/or completion of the order shall be indicated on these forms.

EMPLOYEE EXPENSE REIMBURSEMENT

Requests for reimbursement of business expenses incurred by employees, including Board Members, shall be processed as soon as possible. Employees shall seek pre-authorization from the General Manager, or the Assistant General Manager. Alternatively, the Director of Administration and Finance, the External Affairs Manager, the Planning Manager, the Field Operations Manager, the Supervising

Open Space Technician, the Clerk of the Board and the Office and HR Administrator may pre-authorize business expenses for their respective departments. Reimbursement requests shall include the location and business purpose. Additional requirements apply to the following reimbursements:

- 1) Mileage reimbursements are made at the Internal Revenue Service standard mileage rate in effect at the time the mileage expense was incurred. A mileage reimbursement form provided by OSA shall be used for this purpose.

- 2) An employee may complete and submit an application to the General Manager for approval of a stipend for the business use of a personally owned cell phone, if the employee's position requires the regular use of a cell for OSA business and the employee does not have an OSA-issued cell phone for work. The amount of the stipend shall be calculated to reasonably approximate the typical business usage of the phone by the employee. Approved cell phone stipends are taxable income and, as such, shall be paid through payroll.

Purchases by Credit Card: The General Manager may authorize the issuance of a credit card for OSA purchases to any employee. The General Manager may impose any purchasing limitation for any card issued. Purchases made by credit card shall follow the same preauthorization requirements outlined for reimbursements above.

PAYMENTS

All payments shall generally be made by check, drawn on the OSA operating account, or by credit card if an employee is so authorized. Fixed and contractual expenses, including payroll, may be made by electronic funds transfer. Land purchases and other similarly large amount transactions shall be made by wire transfer whenever possible. All payments, excluding payroll and petty cash reimbursements, shall be processed through Accounts Payable. Accounts Payable shall review all payments requests and documentation for accuracy and completeness. Payments of approved and reviewed requests shall be made as soon as administratively possible.

Payment authorization signatures, checks, wire transfer requests and electronic funds transfer requests (excluding payroll payments) issued in amounts of \$25,000 or more shall require two signatures from the following: the General Manager, and the Board Chairperson or the Board Vice Chairperson. Checks, transfer requests and or electronic funds transfer requests that do not exceed \$25,000 shall require only the General Manager's signature. If the General Manager is unavailable, the General Manager may authorize the Assistant General Manager to sign checks not exceeding \$25,000. If the General Manager and Assistant General Manager are not available then checks require a signature from either the Board Chairperson or the Board Vice Chairperson, or the signatures of two managers pre-authorized for this purpose by the General Manager. The Assistant General Manager, Director of Administration and Finance, External Affairs Manager, Planning Manager and Field Operations Manager are also authorized to sign checks, transfer requests and or electronic funds transfer requests not exceeding \$10,000, and the Clerk of the Board, Office and HR Administrator, and Supervising Open Space Technician are authorized to do the same for requests not exceeding \$5,000.

The Board shall approve staff payroll in conjunction with the approval of the annual budget. Contracted employment arrangements, such as that with the General Manager, are made by separate Board approval. Staff payroll shall be processed bi-weekly upon receipt of time cards, signed by each employee and approved by the General Manager. In the event that the General Manager is unavailable, the Assistant General Manager may approve the timesheets, or the Director of Administration and

Finance, the External Affairs Manager, Planning Manager or the Field Operations Manager may approve the timesheets for their respective departments. Board members' payroll will be processed once per quarter.

BANK AND INVESTMENT ACCOUNTS RECONCILIATIONS

Staff shall reconcile each bank and investment account statement to the general ledger each month as they are received. Under the direction of the Director of Administration and Finance or General Manager, the OSA Bookkeeper or Accounting/Finance Analyst shall review cancelled checks and shall review and sign bank and investment accounts reconciliations.

Policy Approval History

ID #	BRD-031
Rev	05
Date	4/23/2015
Reso	15-17