



Chico Area Recreation and Park District “Helping People Play”

Finance Policy

Purpose

The Finance Policies of the Chico Area Recreation and Park District (CARD) are established to ensure the integrity and preservation of the District’s assets. The Finance Department under the direction of the General Manager is responsible for preparing and monitoring procedures to carry out these policies in compliance with all applicable federal, state, and local laws and regulations.

Accounting

The Finance Department under the direction of the General Manager shall maintain a double-entry set of fund accounting records. Funds will include the General Fund and may include various assessment and impact fee funds. Accounting includes all records of disbursements, receipts, reconciliations, and other documentation required to comply with all applicable laws and regulations. The records must provide adequate information to prepare timely financial information to management and the Board of Directors (Board). Monthly financial statements shall be prepared and provided to the Board. An annual financial statement will be provided under the annual audit guidelines.

County of Butte

The CARD acknowledges a special relationship with the County of Butte (County). The County provides limited oversight over District financial procedures in conjunction with the laws of the State of California. As may be further defined in this document, the County may provide the following services:

- Invoice and collect property taxes for CARD
- Act as a depository for CARD revenues
- Facilitate disbursements of funds
- Invest excess cash under the County Investment Strategy
- Provide monthly and annual accountings
- Provide other services as needed

Annual Audit

CARD shall have an annual financial statement audit conducted under generally accepted accounting principals (GAAP). The audit must be conducted by a qualified certified public accountant as approved by the Board. The annual audit and findings will be presented to the Board and/or a Board designated committee.

Bank Accounts

CARD will maintain bank accounts with the County. The County will issue procedures for operation of those accounts. The Board will approve and recommend signers on the accounts. The County must also approve the signers.

A clearing account will be established by the Board whereby daily cash receipts will be deposited and then forwarded to the County bank accounts on a monthly basis. The signers on these accounts would be the same as the County accounts. The clearing account will be with an FDIC insured bank.

Budgets

In accordance with the laws of the State of California, the District shall prepare an annual budget. The budget will be used as the guiding financial planning document of the District. Annually, the Board of Directors shall approve a budget calendar. The calendar will designate the dates for the budget process to follow until a final budget is approved by the Board. The budget process should provide for insight from CARD staff, the Board and community. Upon final budget approval, it may be revised from time-to-time upon Board approval.

During the budget process, the Board may establish an appropriation for contingencies. The appropriation is limited to 15% of the budgeted expenditures from the respective fund exclusive of the amount of the appropriation for contingencies. It may only be available and utilized for current expenditures upon a 4/5 approval of the Board.

Capitalization of Fixed Assets

Fixed assets or capital projects in excess of \$5,000 will be capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). See the Capital Assets and Projects Policy for additional information.

Purchasing

In accordance with Government Code Sections 54202 and 54204, the Board shall create purchasing policies for the District. The Finance Department, under the direction of the General Manager, shall maintain adequate internal controls and procedures to restrict access to unauthorized purchases. See the Purchasing Policy for additional information.

Credit Cards

CARD may issue purchase credit cards to employees. Credit cardholders must be approved by the General Manager. Purchases are limited to budgeted expenditure items only. See the Credit Card Policy for additional information.

Professional Services

Professional services may be contracted with under general procedures established by the State of California.

Personnel

Employee compensation shall be based on salary or wage schedules approved annually by the Board through the budget process. Staff is initially employed under Step 1 of the applicable pay schedule. Upon the General Manager’s approval, a potential new employee may be employed at Step 2 or 3 if it is deemed the new employee has qualifications and/or experience that would necessitate the pay increase. New employees may be employed at an elevated step above Step 3 upon Board approval.

Payroll

The District shall pay all employees on a bi-weekly basis. Employees will be paid every other Friday by 10:00 am. If the CARD office is closed on the normal payday Friday, the payday will be moved forward by one day until the next open office day (i.e. Thursday).

Payroll shall be documented by applicable timesheets, instructor pay sheets, timeclocks or other documentation. All documentation will be approved by the employee’s supervisor and/or Department Manager before being processed by the Finance Department. Payment may be made by direct deposit or check.

The Finance Department shall properly deposit and pay all related payroll taxes in a timely fashion in accordance with all applicable federal and state guidelines. All quarterly and annual payroll tax returns will be filed timely.

The District will timely comply with all applicable compensation reporting guidelines and requirements established by the State of California’s Controller’s Office.

Revenue Receipts

CARD will provide various services and programs to the community. These services may be fee based and result in the collection of receipt payments. Payments for services may come in many forms including: cash, check, credit/debit cards and ACH direct deposit. The Finance Department shall maintain procedures that safeguard these payments and timely deposit into a Board approved FDIC insured depository bank.

Property tax payment receipts shall be invoiced and collected by the County of Butte (County) in conjunction with the laws of California. These receipts will be deposited into an appropriate District bank account monitored by the County in trust for CARD. The County shall provide monthly accountings to CARD regarding property taxes and interest income allocations.

State Controller’s Report

The District will prepare and timely file the State Controller’s Special District Financial Transaction Report and Government Compensation in California Report.

Use Tax

The District will prepare and timely file the annual Use Tax Return with the California Department of Tax and Fee Administration.