

Policy Regarding the Authorizing & Controlling of Deficit Cash Balances Within the County Treasury

POLICY NUMBER: 211
DATE ADOPTED: June 29, 2010
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The Colusa County Treasury is the depository for a number of County Operating Funds, Special Revenue Funds, Capital Projects Funds, Internal Service Funds, Trust and Agency Funds (such as Special Districts, School Districts, and Courts). All cash on deposit within the County Treasury is co-mingled for investment purposes, unless special conditions exist. Cash balances for each Fund are maintained in the County accounting system within the general ledgers.

Establishment of a new Fund for deposit into the Colusa County Treasury requires the completion of a "New Fund Request" form provided by County Auditor-Controller. Information on form includes, but is not limited to:

- Fund Number (Assigned by County Auditor-Controller)
- Department Number(s) (Assigned by County Auditor-Controller)
- Fund Title
- Responsible Department Head or Agency Representative
- Contact Information for Responsible Party
- Purpose of Fund
- Negative Cash Balance Acceptable (Yes or No)
- Rationale for Negative Cash Balance if Allowable
- Interest Bearing Fund (Yes or No)
- Designated Fund to Receive Interest Earned
- Date of New Fund Establishment
- Signature of Responsible Party

The Board of Supervisors is informed when a new Fund is established, including the rationale for a negative cash balance if allowable.

On a monthly basis, the County Treasurer and County Auditor-Controller reconcile Fund cash balances in the accounting system with the Treasurer's Cash and cash on deposit with financial institutions. Detailed Cash Reports for Funds are provided to the Board of Supervisors on a monthly basis for review. Monthly Cash Reports are also reviewed by County Auditor-Controller.

In the event that a Fund has an unexpected, or unallowable, negative cash balance for an extended period (as determined by County Auditor-Controller and/or Board of Supervisors) discussions with the Responsible Party will occur. Reasons for negative cash balance will be determined, and a plan for reducing and eliminating the negative cash balance will be developed. Negative Fund cash balances will be monitored, plans revised as necessary, and the Board of Supervisors will be kept apprised of the situation.

Co-mingled interest earned on investments held by the Colusa County Treasury is allocated to all Funds based on daily cash balances and distributed to the Funds on a quarterly basis. Consequently, Funds with negative cash balances on any particular day receive a negative interest allocation for that day, which will ensure all Funds with positive cash balances are allocated the correct interest earned.

HISTORY

First Adopted: 6/29/10

COUNTY OF COLUSA
NEW FUND REQUEST FORM

Fund Title: _____
(25 spaces maximum for Title)

Purpose of Fund: _____

Date of New Fund Establishment: _____

Interest Bearing Fund: Yes No

If a Non-Interest Bearing Fund, Designate Fund Name and Fund Number to Receive Interest Earned: _____

Rationale for Negative Cash Balance if Allowable: _____

Responsible Department Head or Agency Representative: _____

Address of Responsible Party: _____

Phone Number of Responsible Party: _____

E-Mail Address of Responsible Party: _____

Signature of Responsible Party: _____

- Auditor-Controller Use Only -

Fund Number: _____ Department Number: _____

Negative Cash Balance Acceptable: Yes No

Interest Posted to *(Fund / Dept / Acct)*: _____

Approved by Auditor-Controller: _____

Fund Set Up in System *(Date and Initials)*: _____