



RURAL NORTH VACAVILLE WATER DISTRICT

POLICY TITLE: Financial
POLICY NUMBER: 2100
ADOPTION: November 12, 2013
REVISIONS: June 8, 2021, August 8, 2023

Accounting and Financial Reporting

Policy: The District adopts a system of accounting and financial condition reporting that adheres to generally accepted accounting principles.

Procedures:

- The District adopts an accrual base of accounting
- The District adopts the accounting standards and procedures per California Government Codes Section 53891 and 53901.
- The District shall maintain a system of accounting that completely and accurately reports the District's financial condition for all funds.
- The District Treasurer will submit, at a minimum, quarterly financial condition reports to the District Board of Directors using generally accepted accounting principles. For each fund, the financial condition reports include a statement of receipts and disbursements (income statement) and a balance sheet. The income statement will report actual to budget results.
- A Statement of Cash Flows is not required reporting on interim financial reports.
- The District Treasurer will provide his/her signature on the financial reports and submit to the District President of the Board.
- A copy of the annual Board approved budget will be filed with the county auditor of Solano County within 60 days after the beginning of the fiscal period per California Government Code Section 53901. /
- As required by California state regulations, the District will file a Financial Transactions Report annually with the State Controller's office within seven months after the close of the fiscal year.

Accounts Payables

Policy: The General Manager is responsible for approval and payment of District expenditures in a timely manner.

Check Writing Signature Requirement

Policy: All District checks over \$7,500 require Board President signature approval.

Procedure:

- Checks requiring one signature will be signed by the General Manager/District Treasurer. These expenditures must be contained within the approved annual operating budget.
- All authorized signatures, President and GM, are recorded with the banks. The District Treasurer is responsible for keeping bank signature cards current.
- All checks submitted for signature will be supported with supporting documentation and classification of the expenditure.

Capital Purchases

Policy: A capital purchase is any purchase over \$5,000 with an asset life of over one year that adds to the assets of the District. Capital purchases are monitored for depreciation and financial control; any purchase of capital assets must receive the approval of the Board of Directors prior to purchase.

Procedure:

- Capital assets are accounted for at cost. Donated capital assets are recorded at their estimated fair market value when received.
- Depreciation is recorded using the straight line method.

Compensation of General Manager/ District Treasurer

Policy: The Board of Directors shall set the annual compensation for the General Manager/ District Treasurer. The Board of Directors will complete regular compensation reviews to ensure that compensation is just and reasonable.

Conflict of Interest

Policy: All board members, officers and key employees (including contracted management) of the District shall file an Annual Conflict of Interest Disclosure Statement - Form 700.

Contracts

Policy: The General Manager may engage third parties in the normal course of business; however, the contracts may not exceed \$7,500 without RNVWD Board of Director approval. The GM shall draft and/or negotiate contracts over the \$7,500 limit for the President's signature upon Board approval.

Delinquent Accounts to Tax Rolls

GOVERNMENT CODE - GOV
TITLE 6. DISTRICTS [58000 - 62262]
(Title 6 added by Stats. 1951, Ch. 331.)

DIVISION 3. COMMUNITY SERVICES DISTRICTS [61000 - 61250]
(Division 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

PART 3. PURPOSES, SERVICES, AND FACILITIES [61100 - 61226.5]
(Part 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

CHAPTER 2. Finance [61110 - 61119]
(Chapter 2 repealed and added by Stats. 2005, Ch. 249, Sec. 3.)

61115.

(a) The board of directors may, by resolution or ordinance, do the following:

(1) Establish rates or other charges for services and facilities that the district provides.

(2) Provide for the collection and enforcement of those rates or other charges.

(3) Among the permissible methods for collection and enforcement are:

(A) To provide that the charges for any of these services and facilities may be collected with the rates or charges for any other services and facilities provided by the district, and that all charges may be billed on the same bill and collected as one item.

(B) To provide that if all or part of a bill is not paid, the district may discontinue any or all services.

(C) To provide for a basic penalty for the nonpayment of charges of not more than 10 percent, plus an additional penalty of not more than 1 percent per month for the nonpayment of the charges and the basic penalty. The board of directors may provide for the collection of these penalties.

The board of directors may provide that any charges and penalties may be collected on the tax roll in the same manner as property taxes. The general manager shall prepare and file with the board of directors a report that describes each affected parcel of real property and the amount of charges and delinquencies for each affected parcel for the year. The general manager shall

give notice of the filing of the report and of the time and place for a public hearing by publishing the notice pursuant to Section 6066 in a newspaper of general circulation, and by mailing the notice to the owner of each affected parcel. At the public hearing, the board of directors shall hear and consider any objections or protests to the report. At the conclusion of the public hearing, the board of directors may adopt or revise the charges and penalties. The board of directors shall make its determination on each affected parcel and its determinations shall be final. On or before August 10 of each year following these determinations, the general manager shall file with the county auditor a copy of the final report adopted by the board of directors. The county auditor shall enter the amount of the charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

(b) The board of directors may recover any charges and penalties by recording in the office of the county recorder of the county in which the affected parcel is located, a certificate declaring the amount of the charges and penalties due, the name and last known address of the person liable for those charges and penalties. From the time of recordation of the certificate, the amount of the charges and penalties constitutes a lien against all real property of the delinquent property owner in that county. This lien shall have the force, effect, and priority of a judgment lien. Within 30 days of receipt of payment for all amounts due, including the recordation.