



PROCEDURES

DATE: Revised March 28, 2012

ISSUED BY: Board of Fresno County Zoo Authority

RE: **Procedures for Approving and Administering Measure Z Funds**

PURPOSE

To provide guidelines for the authorization and administration of Measure Z funds by the Fresno County Zoo Authority (Authority).

OVERVIEW

On November 2, 2004, the voters of Fresno County approved "Measure Z," a transactions and use tax (sales tax) at the rate of 0.1%, proposed by the Fresno County Zoo Authority, to support the Chaffee Zoo. The procedures described herein apply to the management and disbursement of Measure Z funds.

Simplified, the bylaws of the Fresno County Zoo Authority provide that the tax revenue can be used for the administration of the Fresno County Zoo Authority and be allocated to "*the entity operating the Chaffee Zoo*" for on-going operations, maintenance and capital facilities projects at that location. [Note: Fresno's Chaffee Zoo Corporation (FCZC) *became* "*the entity operating the Chaffee Zoo*" on January 1, 2006.

The Fresno County Zoo Authority Board (Board) will review and approve Measure Z funded line items of FCZC's operations and capital projects budgets. Once approved by the Board, FCZC claims for reimbursement will be submitted to the Administrator for review and approval. Approved claims will then be forwarded to the Zoo Authority Treasurer (Treasurer) for accounting and payment processing.

Notes:

1) As per the intent of the AGREEMENT REGARDING PROCEDURES FOR THE DISTRIBUTION OF TAX REVENUE TO THE CHAFFEE ZOO (#05-237) between the Fresno County Zoo Authority and Fresno's Chaffee Zoo Corporation, entered into December 21, 2005, these procedures provide the method for the requests for and approval of the distribution of Measure Z funds.

2) These procedures will be reviewed with the Zoo Authority as needed for opportunity to update, amend, or edit to achieve greater efficiencies.

Staff will report to the Authority during each year on the effectiveness of the procedures described herein and, with Authority approval, may modify the procedures based on additional history, experience or changes in technology.

3) The responsibilities of the Zoo Authority Administrator specified in these procedures may be carried out by a designee, the Zoo Authority Coordinator.

4) Per AGREEMENT, the County of Fresno Auditor-Controller/Treasurer-Tax Collector or their designee serves as Treasurer for the Zoo Authority.

FINANCIAL MANAGEMENT SYSTEM

Through its approval of this procedure, the Authority has adopted a method of financial management that intends to be responsive to the needs of a small staff, while assuring payment procedures and monitoring controls that assure high accountability in the expenditure of public monies.

The Authority's financial management records will be maintained by the Treasurer in the County of Fresno's financial information system, PeopleSoft. (**Exhibit 1**)

- There are two separate funds used to track and record all Measure Z financial activity. Procedures regarding these funds are outlined in the Zoo Authority By-laws.
- Fund 4845 has been established to track and record Authority administration costs. The bylaws provide *"Up to 2% of the tax proceeds shall be allocated for administrative costs of the Authority. This administrative allocation shall be made based upon budgeted estimates of administrative costs prior to any distribution of tax revenues in any fiscal year to the Fresno's Chaffee Zoo Corporation (FCZC). "Administrative costs" shall mean actual expenses incurred by the Authority. Apportionment of any overhead and/or accounting of actual costs shall be accomplished in accordance with the standards and procedures found in the United States Office of Management and Budget Circular, OMB A-87, as amended."* Procedures regarding this fund are outlined in **Attachment A**.
- In accordance with the bylaws, the remaining annual tax proceeds will be allocated to reimburse qualifying FCZC operating and capital project claims. This Measure Z activity is tracked using fund 4850. Within this fund, two sub-classes (10000 and 42700) have been established to segregate monies available for disbursement to FCZC to be used in operations (10000) and capital facilities projects (42700). Procedures regarding this fund are outlined in **Attachment B**.
- All funds are deposited with Fresno County Treasury and earn interest.

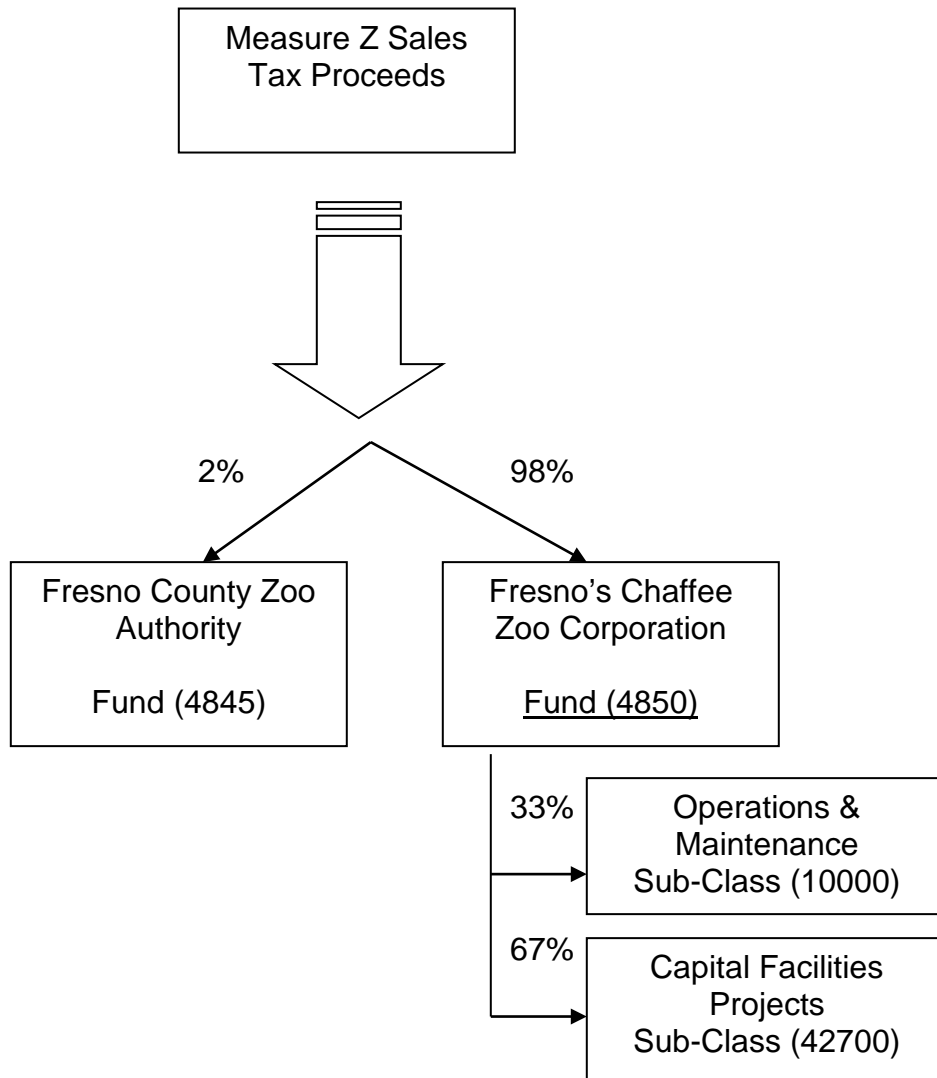
Once the funds are disbursed to FCZC, the Authority's oversight extends to request monthly financial reports, annual audited financial statements with auditor's report, and annual agreed-upon procedures report of FCZC. The audited financial statements and/or related note disclosures must provide information specific to revenue and expenditures of Measure Z dollars related to on-going operations, maintenance and capital facilities projects at the Chaffee Zoo.

Sections, in order:

Exhibit 1	Financial Management System - Cash Fund Structure
Attachment A	Zoo Authority Procedures
Exhibit 2	Zoo Authority Claims Approval Process Flow Chart
Attachment B	Disbursement of Funds to Fresno's Chaffee Zoo Corporation (FCZC)
Exhibit 3	Sample – Disbursement Claim Format
Exhibit 4	Zoo Corporation Claims Approval Process Flow Chart

Exhibit 1 – Financial Management System

Cash Fund Structure



ATTACHMENT A

ZOO AUTHORITY POLICIES AND PROCEDURES

ATTACHMENT A

ZOO AUTHORITY POLICIES AND PROCEDURES

I. Authority Annual Budget and Control Policies:

As a matter of policy, the Authority intends to maintain the flexibility necessary to administer Measure Z funds through a minimalist approach with emphasis on delivering oversight and performing due diligence in using public monies.

The Authority shall adopt an annual budget of its own administrative expenditures each fiscal year (July 1 to June 30). The adoption of the annual budget will be done during an Authority public meeting not later than one (1) day prior to the start of the next fiscal year. The Authority's proposed annual budget will be available for public inspection at least fifteen (15) days prior to the meeting. The Authority is not required to adhere to the specific requirements of the County Budget Act.

While the Authority may vary from this schedule, the anticipated timeline for the Authority to prepare and approve its own budget is as follows:

	Suggested Budget Timeline
March	Review Authority's current year spending and create forecasts for next fiscal year (Measure Z revenues, administrative 2%, and expenditures)
April	Present and discuss draft Authority Budget at own Public Meeting
May	Review and Approve Budget at own Public Meeting

The annual budget is a line item budget consisting of several categories (object level) which may include Salaries and Employee Benefits, Services and Supplies, Equipment, and Other Charges. It is the Authority's policy that revenue exceeding expenditures during the budget/fiscal year will be added to the Administrative fund balance and held there until otherwise designated by the Zoo Authority Board.

II. Contracted Staff Responsibilities

A. Auditor-Controller/Treasurer-Tax Collector:

The Auditor-Controller/Treasurer-Tax Collector (Treasurer) will provide staff to serve as accountant and treasurer for the Authority, and will exercise the fiscal responsibility to review, account for, and process payment of claims that are consistent with Authority approved budget appropriation limits at the line item level.

The Authority accepts the Treasurer's opinion on generally accepted accounting principles (GAAP) and will defer to the Treasurer on the appropriate accounting and reporting treatment for

financial transactions related to the Administration, recording, and disbursement of Measure Z funds.

B. Responsibilities of Zoo Authority Administrator (or Designated Coordinator):

The Zoo Authority Administrator (County Administrative Officer) will act as a management official of the Zoo Authority to provide full administrative support, and to ensure separation of duties for internal control purposes. The Zoo Authority Administrator, or designated coordinator, will act on behalf of the Authority to perform all of the following functions:

- 1) make allowed/authorized purchasing requests
- 2) receive, review, and gain appropriate approval for Authority administrative claims prior to submitting them to the Treasurer for payment
- 3) receive, review, and approve or deny payment of all FCZC claims based on supporting documentation submitted to substantiate each claim; ensure that claims are consistent with the Board-authorized project plan, and approved budget appropriation limits at the line item and project levels
- 4) forward approved claims to the Treasurer for payment
- 5) request for and review all documentation required by these procedures from external entities (including FCZC and the City of Fresno) to ensure compliance by FCZC. This documentation includes, but is not limited to, reports on annual audit and agreed-upon procedures engagement required of FCZC, and certification of City of Fresno funds required of FCZC and the City of Fresno. In addition, the Administrator will communicate any findings or reportable conditions identified in the review of these documents to the Zoo Authority Board.

As management for the Authority, the coordinator will have the authority (on approval by the Authority Board Chair) to request from other Authority Staff the preparation of documents that may provide additional financial information to the Board. This includes, but is not limited to, additional accounting reports from the Treasurer and legal opinions from Legal Counsel that may clarify financial matters. Such requests should be made in writing or via e-mail. Authority staff (Treasurer, Legal Counsel, etc.) should provide the requested documentation within 14 business days of the request.

III. Authority Financial Policies:

- A. In the absence of an Authority policy to the contrary, the Standards and Procedures for Counties, State of California, will be used as the Authority guide on fiscal matters.
- B. All expenditures of the Authority will be on a “claims” approval basis tracked against approved budget categories. (See *Authority Claims Approval Process/Procedures*)

IV. Authority Claims Approval Process/Procedures:

The following information pertains to payment for Authority expenses, based on the Authority’s own approved administrative budget. These adopted procedures, as part of the financial management system of the Authority, provide for a high degree of accountability, monitoring, and tracking. All expenditures must be claim based, i.e., a bill or claim for payment in writing.

Only claims for reimbursements or for payments for goods and services, acceptable in the Measure Z ordinance and Authority bylaws, will be accepted and approved by the Zoo Authority Administrator and processed for payment by the Treasurer. Timeliness is important; therefore, when possible, claims should reflect work performed or goods received during the preceding thirty (30) day period.

A. Non Fresno-County Related Expenses

- 1) All claims must be submitted to the Zoo Authority Administrator. The Treasurer will not accept any direct requests for claims of Zoo Authority administrative expenses.
- 2) The Administrator will review all claims and/or vendor invoices against the approved budget line items (i.e., funds must be in the appropriate category).
- 3) Claims submitted with insufficient/inappropriate documentation, against an unapproved budget line item, or exceeding budget limits will be rejected by the Administrator and returned to Fresno Chaffee Zoo Corporation.
- 4) Upon completion of review and approval of claims, the Administrator will forward them to the Treasurer for payment processing.
- 5) Once an Administrator-approved claim is received the Treasurer will review, account for, and process payment in a timely manner, provided the claim is within budget appropriation limits at the line item level.

- 6) If sufficient cash is not available to pay a valid claim, the Treasurer will contact the Administrator, who will seek direction from the Authority at the next public meeting by presenting the claim and a recommendation to the Authority.
- 7) Treasurer's reports will be available monthly, tracking the expenditures, the categories, the level of expenditures and the amount available for future spending.
- 8) In addition, the Administrative and Trust Funds will be reconciled and reports will be furnished to the Authority as part of the Treasurer's Report for further tracking of expenditures and reporting their status.

B. Fresno-County Related Expenses

- 1) All claims must be submitted to the Zoo Authority Administrator. The Treasurer will not accept any direct requests for claims of Zoo Authority administrative expenses.
- 2) The Administrator will review and summarize all claims monthly. The summary must be presented to the Authority for its approval prior to submitting the claims to the Treasurer for payment.
 - a) *Exception:* Where summarizing and seeking Authority approval prior to submission to Treasurer would delay payment more than sixty (60) days from the claim due date, the Administrator is authorized to submit claims of less than \$1,000 on an individual basis to the Treasurer for expeditious payment processing, and the Administrator is further directed to report the payment in arrears to the Authority.
- 3) Any claim for payment to the County of Fresno (for contracted staff services to the Zoo Authority Board) must be presented to the Authority for its approval prior to submitting the claim to the Treasurer for payment. Authority approval will be documented by a minute order authorizing the specific payment. No time element exception exists for County of Fresno invoices.
- 4) Claims will be reviewed by the Zoo Authority Administrator for their appropriateness and to ensure it is within budget appropriation limits at the line item level.
- 5) No claim for reimbursement shall be paid without formal approval of the Authority unless the approval is delegated to the Zoo Authority Administrator.
- 6) All claims formally approved by the Authority will be documented by a minute order authorizing payment.

- 7) Where approval is delegated to the Zoo Authority Administrator, authorization to pay claims is derived from an approved budget.
- 8) Claims for reimbursement or payment of administration expenses on behalf of the Authority shall include the signature of the Zoo Authority Administrator, or designee, reference to the source of the authorizing approved budget (specifically, the account to be charged), and be submitted to the Treasurer in writing.
- 9) Records of all claims paid will be kept in accordance with the County of Fresno records retention policy and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.

V. Authority Purchasing Policies:

The Authority may contract with any department or agency of the United States, with any public agency, including but not limited to, the County of Fresno, or any county, city or district, with any vendor or with any person upon any terms and conditions that the Authority finds in its best interest.

With the exception of the contract with the County of Fresno for staff services, contracts for the purchase of services, supplies, equipment, and materials in excess of ten thousand dollars (\$10,000.00) shall be awarded through competitive bidding processes, except in an emergency declared by the Authority, or by an executive committee to which the Authority has delegated responsibility to make that declaration.

If after rejecting bids received under the above, the Authority determines and declares that, in its opinion, the services, supplies, equipment or materials may be purchased at a lower price on the open market, the Authority may proceed to purchase these services, supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisements.

The Authority may use the purchasing/bidding capabilities of the County where timely application and the combining with its larger volume purchasing abilities would be advantageous to the Authority.

Wherever feasible, the Authority will establish contracts that are negotiated and created on a not to exceed basis with a delineation of the goods and/or services to be provided.

VI. Authority Contract Policies:

The Zoo Authority Administrator is authorized on behalf of the Authority to enter into agreements and contracts or purchases for services and supplies up to a maximum amount of \$5,000 per vendor per year, or for multi year contracts up to a maximum of \$5,000, in accordance with an approved budget.

Contracts or purchases with vendors exceeding \$5,000 limit must be presented to the Zoo Authority Board for approval. Any contract with the County of Fresno (for contracted staff services) must be presented to the Zoo Authority Board for approval.

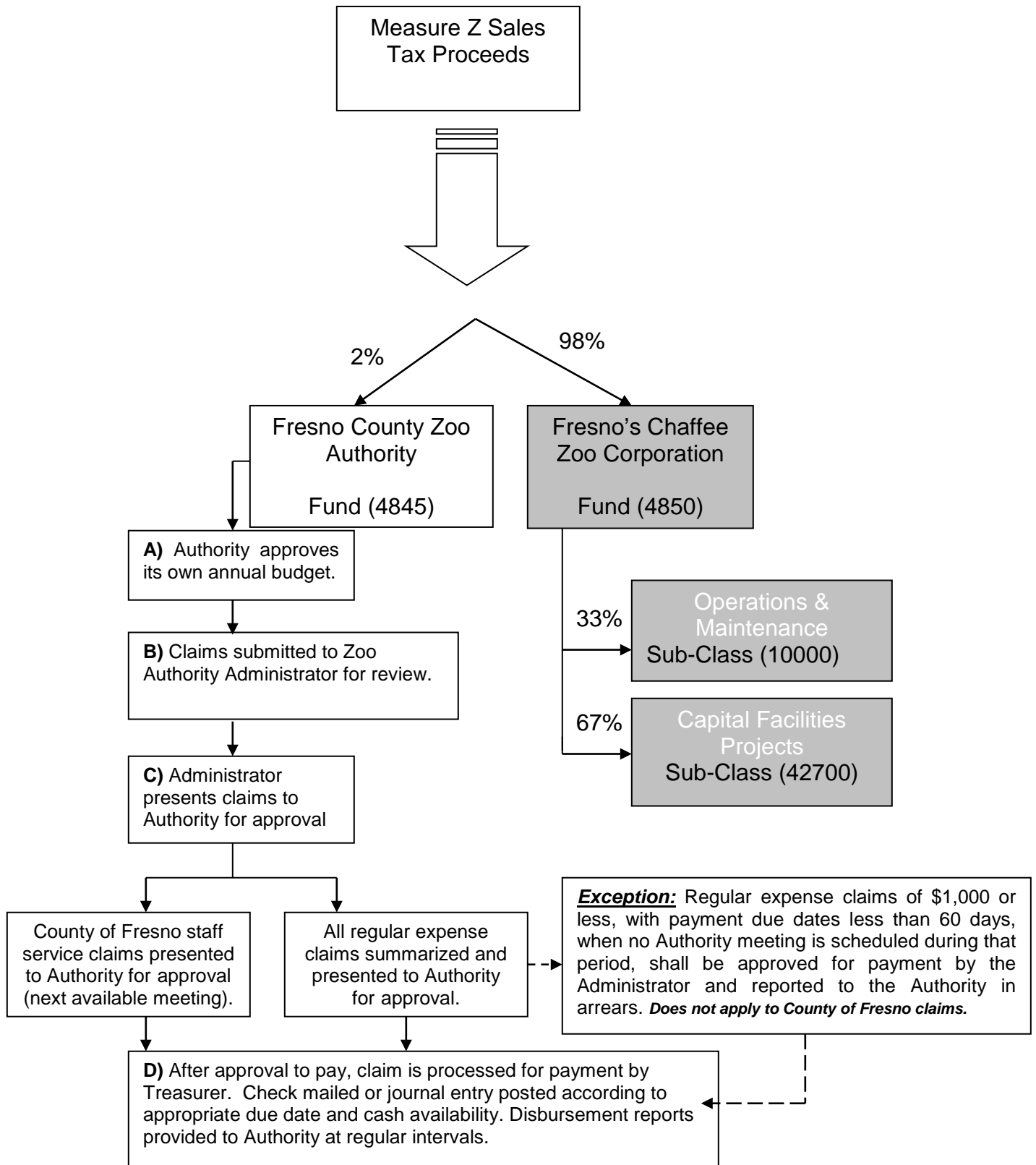
VII. Authority Financial Reporting and Audits:

The office of the Auditor/Controller – Treasurer/Tax Collector will prepare the Authority's Financial Statements at the end of each fiscal year. These financial statements will be audited by an external certified public accountant or firm (independent auditor) as selected by the Zoo Authority Board or committee appointed by the Board. The annual audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The report issued by the independent auditor as well as the related financial statements will be presented to the Zoo Authority Board and the general public at an Authority publicly noticed meeting. Notice of this presentation will be communicated to the public via the Authority's website at least 15 days prior to the meeting.

Inquiries Related to these Policies and Procedures:

Questions regarding these policies and procedures should be directed to the Administrator or may be raised during public comment at any Authority publicly noticed meeting.

Exhibit 2 – Zoo Authority Claims Approval Process Flow Chart



ATTACHMENT B

ZOO AUTHORITY POLICIES AND PROCEDURES FOR APPROVAL AND DISBURSEMENT OF FUNDS TO FRESNO'S CHAFFEE ZOO CORPORATION (FCZC)

ATTACHMENT B

ZOO AUTHORITY POLICY AND PROCEDURES FOR APPROVAL AND DISBURSEMENT OF FUNDS TO FRESNO'S CHAFFEE ZOO CORPORATION (FCZC)

This policy applies to approval and subsequent authorization to disburse Measure Z Funds to FCZC for Operations and Capital Projects

I. Operations

A. *Operations Budget*

- 1) Each year, FCZC shall present *operations* budget line items (accounts) to be funded by Measure Z for approval by the Zoo Authority Board. The segregated line items shall be specifically identified in the FCZC budget and shall be funded 100% (up to the budget amount) with Measure Z operations funds.
- 2) When the FCZC *operations* budget has been presented and Measure Z funded line items have been approved by the Authority, and as long as all other funding criteria as specified in the bylaws and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release funds to FCZC in accordance with the Administrator's signed approval and Board approved budget limits.

B. *Disbursement of Measure Z Funds for Operations*

- 1) FCZC shall submit a monthly operations claim separately for each month of the year within 60 days after the end of the month, with the exception of the first claim of the year which shall be submitted within 90 days after the end of the month.
- 2) The claim template at Exhibit 3 should be used by FCZC. This template may be modified as mutually agreed by the Authority and FCZC.
- 3) Reimbursement may only be requested for incurred expenses. No prepaid expenses or deposits on goods/services will be reimbursed, unless authorized through an Authority Board action at a public meeting.
- 4) Each operations claim may only contain expenses incurred during the current budget year. Reimbursement will not be processed for expenses incurred in prior years, unless authorized through an Authority Board action at a public meeting.

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- 5) Claims submitted shall have supporting documentation for expenses, including copies of the general ledger and/or other financial reports extracted from the FCZC official accounting system, invoices and vendor contracts.
- 6) In general, disbursements to FCZC will be equal to or greater than \$100,000 at a time.
- 7) Subsequent to approval of the FCZC Measure Z funded budget line items, the Authority does not need to take action for each disbursement or release of funds. The Administrator is granted standing authority to approve claims submitted by FCZC. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with budget limits for Measure Z funded line items, when the Treasurer receives the approved claim from the Administrator. The Treasurer will not accept claims directly from FCZC.
- 8) All disbursement claims shall be submitted to the attention of the Administrator. The disbursement request may be submitted to the Administrator as a “hard copy” (on paper with a manual signature) or “soft copy” (preferred - received electronically from a specific authorized approver’s email address).

Annually or when changes in personnel occur, the FCZC shall affirmatively confirm for Zoo Authority personnel which FCZC personnel are authorized to approve and submit claims for disbursement of Measure Z funds.

- a) Hard copy disbursement claims shall be sent to: County of Fresno, Department of Public Works and Planning, Attn: Zoo Authority Coordinator, 2220 Tulare Street, 6th Floor, Mail Stop #214, Fresno, CA 93721.
 - b) Soft copy disbursement claims shall be emailed to the Zoo Authority Coordinator, with a carbon copy to the Treasurer.
- 9) Disbursement claims shall reference the source of the authorizing approved budget (operations, capital facilities project) and specify how the funds are to be disbursed (check, wire transfer). (Sample as **Exhibit 3**)

Any disbursement request that would exceed the budgeted amount of a particular Measure Z funded line item shall include explanations by FCZC’s management and details of variances of 25% or \$25,000 (whichever is less) per month.

Unless extraordinary circumstances require faster or slower processing of the request, total processing time from Administrator’s receipt of a complete claim should not exceed 13 business days. Claims will be processed in the order received.

Through each step in the claim process, the Administrator, Treasurer and FCZC will maintain communication by email to track the claim, anticipate and manage any problems, and minimize delays.

- 10) The Administrator will work directly with FCZC to ensure all required documentation to support the claim is provided, and to verify that the claim request is within approved budget limits at the line item level. Disbursement claims submitted with incorrect, improper, or insufficient supporting documentation will be returned by email to FCZC for revision and re-submittal, and the Treasurer notified.
- 11) FCZC disbursement claims will be reviewed and approved, or returned to FCZC by the Administrator within three (3) business days, unless extraordinary circumstances require faster or slower processing of the request.
- 12) Once approved, the Administrator will notify FCZC and forward the claim by email to the Treasurer for payment processing.
- 13) The Treasurer will review the claim for accounting form to ensure disbursement is in compliance with the approved budget limits, and accounting principles generally accepted in the United States.

If sufficient cash is not available to pay a valid disbursement claim, the Treasurer will seek direction from the Authority at the next regularly scheduled public meeting, or specially requested meeting, by presenting the claim and a recommendation to the Authority.

Payment of the claim will be processed as expeditiously as possible, within a maximum ten (10) business days from receipt of a complete Administrator-approved claim: six (6) days for Treasurer review, a 3-day Board response waiting period, and one (1) day for treasury processing and wire transfer, unless extraordinary circumstances require faster or slower processing of the request.

- 14) Upon the completion of review of the FCZC disbursement claim, the Treasurer will email the claim to the Administrator. –The Administrator will then forward the claim to–all members of the Zoo Authority Board and notify FCZC.
 - a. Any Authority Board recipient who wishes to question or object to the claim must contact the Chair and Administrator, within 72 hours or 3 business days (whichever is greater) of the date and time of the claim email, and request a special meeting be arranged.
 - b. The Chair will notify the Zoo Authority Administrator to call a meeting for discussion and approval of the FCZC disbursement claim. The special meeting called by the Chair shall be held as soon as it can be reasonably arranged for a quorum to be present at said meeting.

Note: No discussion of the disbursement claim or approval/denial can happen among Board members via email. Discussion and action must be taken during a public meeting.

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- c. Claim approval by the Authority Board will be assumed by the Treasurer if no request for a special meeting is received by the expiration of the timeframe specified in section 14b above. The Treasurer will then direct payment for the claim to be processed expeditiously.

15) Disbursement of Funds:

- a. The Treasurer will forward wire confirmation or other record of disbursement to the Administrator and FCZC. The Administrator will then post the claim to the Zoo Authority website.
- b. Claims will be paid by check and held for pick up at no cost to FCZC unless otherwise requested.
- c. The disbursement claim check will be available for pick up at the Auditor's Office – Special Accounting Division located in Room 104 of the Hall of Records Building, 2281 Tulare Ave., Fresno, CA 93715.
- d. The FCZC authorized person picking up the check must be listed on the authorized signer's form filed with the Auditor/Controller's office and must present identification.
- e. Disbursement claims requesting funds be wired or sent electronically will be honored at the current County of Fresno wire fee rate published in the annual master schedule of fees. For wire or EFT, the disbursement claim must reference the appropriate banking information.

II. Capital Projects

A. *Capital Projects Budget and Plan*

- 1) For each capital project, the FCZC shall provide a *capital projects* budget and executed project contract(s) to the Treasurer for review at least 30 days before requesting approval by the Zoo Authority Board. The budget shall include segregated line items (accounts) and related request amounts. Information on planned projects and related estimated costs shall be included in the budget request. The Zoo Authority Board may request additional information from FCZC on the planned projects prior to approving them along with the budget.
- 2) Budget amounts requested for a specific major project may be requested in one lump sum, but will only be approved at the discretion of the Authority Board. In the event that a budget is approved for an entire project which will be constructed over a period of time exceeding one (1) fiscal year, any unexpended appropriations will be encumbered (rolled over) at year end. The encumbered appropriations will be available to pay for the project construction in progress for a period not to exceed two (2) fiscal years or (24 months). Encumbered appropriations will lapse within 2 fiscal years. In order for FCZC to be reimbursed past that period of time, FCZC will be required to take an agenda item to the Authority Board for approval of the re-appropriation.
- 3) FCZC shall present to the Zoo Authority Board an annual Capital Projects Plan in addition to *capital projects* budget requests. This plan should specify major planned projects and the estimated cost of each project for the budget year. This plan may include a contingency amount for emergency projects unknown to FCZC management at the time the Projects Plan is prepared; however, no expenses will be processed against the budgeted contingency amount.

Use of the miscellaneous spending authority will occur only after the FCZC identifies an appropriate capital project for which the funds can be used (and the Zoo Authority approves spending on the project). Upon approval, the project amount will be moved from the contingency line item to a line item associated with the project identified (i.e. amount will be moved either to supplement an ongoing capital project or to a new capital project line item).

The Projects Plan may be modified for large project changes at the request of FCZC and approval of the Zoo Authority Board during the year. Upon review, the Board can elect to approve or modify the projects plan and the capital projects budget simultaneously.

- 4) When FCZC *capital projects* budgets and a Projects Plan have been approved by the Authority, and as long as all other funding criteria as specified in the bylaws, financial procedures, and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release

funds to FCZC in accordance with the Administrator's signed approval and Board approved budget limits.

B. Capital Projects Policy

The Measure Z Capital Projects Policy (below) was adopted June 24, 2009. All capital project claims submitted by FCZC for reimbursement shall be in accordance with this policy.

Purpose:

The purpose of this policy is to define the criteria of capital projects that qualify for reimbursement of Measure Z Capital Project Funds. In addition to meeting the requirements of this policy, the project and related budget must have been previously approved by the Zoo Authority Board (as required by Ordinance 2004-1) either through the Master Plan or Annual Capital Projects Plan and an adopted capital projects budget.

Measure Z-funded capital improvement projects must meet one of the conditions 1-3.

1. The construction or purchase of a Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit), that has a useful operational life of 5 years or longer, and a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the construction or purchase of the asset may be included at the discretion of the Zoo Authority Board.

OR

2. A major renovation, expansion, or replacement of a current Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit) that extends the useful operational life of the asset by 5 years or more, or expands the capacity of an existing asset, and has a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the renovation, expansion, or replacement of the asset may be included at the discretion of the Zoo Authority Board.

OR

3. Cost required for the acquisition and safe transport of animals that would have a useful life to the Fresno Chaffee Zoo of at least 5 years, including transportation, travel, and health expenses during such transportation and travel.

C. Disbursement of Measure Z Funds for Capital Projects

*Section I.B (procedures 1 through 15) presented at pages 15 through 18 shall apply to disbursement of Measure Z funds for **Capital Projects** with the following substitutions to procedures 5, 7, 9, 11, and 13.*

- 5) Claims submitted shall include supporting documentation for expenses. Supporting documentation should include copies of the general ledger and/or other financial reports extracted from the FCZC official accounting system and vendor contracts. Copies of invoices for payments to vendors of \$1,000 or more shall also be included. Vendor invoices shall be properly itemized as requested by the Authority Coordinator and/or Treasurer. Additional supporting documentation including, but not limited to invoices below \$1,000 may be requested of FCZC at the discretion of the Authority Board and/or Staff.
- 7) Subsequent to approval of the FCZC Measure Z capital projects budget and plan, the Authority does not need to take action for each disbursement or release of funds. The Administrator is granted standing authority to approve claims submitted by FCZC based on the approved budget, project plan, and capital projects policy. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with budget limits for Measure Z funded line items when it receives the approved claim from the Administrator. The Treasurer will not accept claims directly from FCZC.
- 9) Unless extraordinary circumstances require faster or slower processing of the request, total processing time from Administrator's receipt of a complete claim should not exceed 15 business days.
- 11) FCZC disbursement claims will be reviewed and approved, or returned to FCZC by the Administrator within four (4) business days, unless extraordinary circumstances require faster or slower processing of the request.
- 13) Payment of the claim will be processed as expeditiously as possible, within a maximum eleven (11) business days from receipt of a complete Administrator-approved claim seven (7) days for Treasurer review, a 3-day Board response waiting period, and one (1) day for treasury processing and wire transfer, unless extraordinary circumstances require faster or slower processing of the request.

III. Authority Staff Accounting Records and Reporting:

- A. At time of approval, Measure Z funded line items (estimated expenditures and/or disbursements), and estimated sales tax revenue information from the FCZC budgets will be loaded into the County's PeopleSoft financial system.
- B. FCZC disbursements will be tracked against those Measure Z related line items.

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- C. At each Board meeting staff will present monthly reports to the Authority regarding Measure Z funds and disbursements to FCZC.
- D. Records of all claims paid will be kept in accordance with the County of Fresno's records retention policies and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.
- E. Each uniquely identifiable Capital Project will be assigned a project number in PeopleSoft which will be used to track the project budget as well as transactions to date and to facilitate project level reporting to the Board, FCZC, or public.

IV. FCZC Accounting Records and Reporting:

- A. To ensure expenses for claims submitted are not also being reimbursed by a third party (such as the City of Fresno), FCZC must track expenses for a single project to be reimbursed by multiple entities on separate general ledger accounts (i.e., Improvements-Measure Z, separate from Improvements-City of Fresno).
- B. At least on a monthly basis, FCZC shall present a financial report including variance analysis against budget to the Zoo Authority Board. This report shall consist at a minimum of a Profit & Loss Statement (P&L) and shall specifically identify Measure Z funded expenditures line items and shall include explanations and details of any line item variances. FCZC shall have a representative at each of the Authority Board meetings who shall be prepared to answer questions from the Board and/or public related to its financial report.
- C. Reports of disbursed amounts tracking the expenditures, categories, the level of expenditures, and the amount available for future spending will be generated by FCZC in accordance with Authority requests or other agreements.

V. Additional Documentation:

- A. Before any disbursement requests are honored, FCZC will provide to the Treasurer a completed "Request for Taxpayer Identification Number and Certification" (IRS form W-9) and a list of persons authorized to approve funding requests on behalf of FCZC.
- B. At least annually, FCZC will re-affirm or update the list of authorized approvers to the Treasurer. The list of authorized approvers will be in writing, on paper, noting:
 - 1. the authorized person's name and title,
 - 2. the authorized person's actual ink signature,
 - 3. the authorized person's email address.

VI. FCZC Financial Reporting and Audits:

- A. The Fresno's Chaffee Zoo Corporation (FCZC) shall provide the Zoo Authority with audited financial statements and an audit report for each fiscal year. The audit of these financial statements shall be performed by an external certified public accountant or firm (Independent Auditor) and shall be conducted in accordance with auditing standards generally accepted in the United States of America. As a specific requirement of the Zoo Authority, the audited financial statements shall disclose "separately" (on a Measure Z Tax footnote) all financial activity related to the revenue and expenditures of Measure Z funds by FCZC, as well as any reserves of unspent Measure Z funds. Operations expenses should be segregated by account name, while capital project expenses should be segregated by both account name and project.
- B. FCZC shall also provide to the Zoo Authority with an "Independent Accountant's Report on Applied Agreed-Upon Procedures" to be performed by FCZC's external auditor. As part of these Agreed-Upon Procedures, FCZC's external auditor must at a minimum, perform the following procedures: (1) review all (100%) reimbursements to FCZC for Measure Z funded expense line items paid by "all other entities or third parties (other than the Authority)", for purposes of determining if any operating and/or capital project expenses reimbursed by the Zoo Authority (Measure Z funds) were also reimbursed by a different entity or third party, and (2) review a sample (at least 75% population coverage) of Measure Z claims submitted by FCZC for operations and capital projects, to determine if Measure Z-funded expenses were accounted for separately by FCZC.
- C. Both the audit report (along with the related financial statements) as well the "Independent Accountant's Report on Agreed-Upon Procedures" issued by the independent auditor shall be presented to the Zoo Authority Board and the general public at an Authority publicly noticed meeting, no later than June 30th of the year following the end of FCZC's fiscal year. Notice of this presentation shall be communicated to the Authority Administrator by FCZC at least 25 days prior to the report presentation date to allow sufficient time for the Authority to communicate it to the public via its website at least 15 days prior to the meeting.
- D. FCZC shall maintain inventory of all capital improvements purchased with Measure Z capital projects funds regardless of whether the improvements are capitalized or not. FCZC management shall present an annual report of capital assets inventory including additions and deletions. The inventory report shall cover a full calendar year (January-December) utilizing the accrual basis of accounting, and should be certified/attested to by the FCZC external auditor (in writing). The report shall be presented to the Zoo Authority Board during a regular public meeting no later than June 30th of each year.

Inquiries of FCZC's Financial Position:

Questions related to the financial position of the Fresno's Chaffee Zoo Corporation (FCZC) should be directed to the organization directly.

Inquiries Related to these Policies and Procedures:


Questions regarding these policies and procedures should be directed to the Administrator or may be raised during public comment at any publicly noticed meeting of the Authority.

Exhibit 3

Disbursement Claim Format –Page 1

Disbursement Claim for Measure Z Funds

Please remit to:
Fresno's Chaffee Zoo Corporation
894 W. Belmont
Fresno, California 93728

	_____ Disburse via Wire Transfer
ABA #	_____
Account #	_____
Account Title	_____

Disbursement Claim #: _____ Claim Submission Date: _____

Unless specified, a check will be available for pick up by an authorized FCZC employee within thirteen (13) business days for Operations Claims, or fifteen (15) days for Capital Projects Claims. To follow up on the status of this disbursement request, please contact the Office of the Auditor/Controller-Treasurer/Tax Collector, Financial Reporting & Audits Division, (559) 600-1373.

☐ Check here if this disbursement request is being submitted to the Administrator electronically.

FCZC Approval Signature

ZA Administrator/Coordinator Approval Signature

Exhibit 3

Disbursement Claim Format –Page 2

Disbursement Claim for Measure Z Funds

Disbursement Claim #: _____ Claim Submission Date: _____

Request Details

Invoice Date or Date Range (if multiple invoices)	Approved Monthly Budget Covering Invoiced Month(s)	Variance Explanation	General Ledger Account No. and Description	Amount Requested
				\$
				\$
				\$
			Wire Fee	\$
			TOTAL AMOUNT REQUESTED	\$

Exhibit 4 – Zoo Corporation Claims Approval Process Flow Chart

