




DATE: October 24, 2019

TO: Transportation Authority of Marin Board of Commissioners

FROM: Anne Richman, Executive Director
Li Zhang, Chief Financial Officer 

SUBJECT: Acceptance of Revisions to the TAM Financial Management and Accounting Procedures (Action) - Agenda Item No. 6f

RECOMMENDATION

The TAM Board reviews and accepts the following recommended revisions to the TAM Financial Management and Accounting Procedures (Procedure) as part of the 7th revision:

1. Update the “A. Organization Background” and “C. Governmental Funds” items under Section 1. General Information to reflect the passage of Measure AA and the addition of the Measure AA Fund – Page 1 & 2
2. Clarify when commute mileage is not required to be deducted for work travel reimbursement and when the daily or individual meal allowance should be applied – Page 5 & 6
3. Add a policy element under “C. Non-Capitalized Items” to allow an employee the option to purchase non-capitalized items, such as computer and phone equipment, that are assigned to his/her use, upon separation from the agency – Page 10

BACKGROUND

The TAM Financial Management and Accounting Procedures was originally developed and approved by the Board in June 2008. The policy has served TAM well and provided clear guidelines for all TAM financial activities. Periodic review of the policy has been conducted to ensure all components meet the requirements of current regulations/laws and to keep policies up to date with current standard practices.

DISCUSSION/ANALYSIS

Recommended Revision 1 – *Update the “A. Organization Background” and “C. Governmental Funds” items under Section 1. General Information to reflect the passage of Measure AA and the addition of the Measure AA Fund* - is required with the expiration of Measure A on March 31, 2019 and the start of Measure AA on April 1, 2019. All applicable areas in the Procedures are updated accordingly to reflect the expiration of Measure A on March 31, 2019 and the start of Measure AA on April 1, 2019. The reference of the Technical Advisory Committee (TAC) was also removed since the TAC was dissolved under Measure AA.

Recommended Revision 2 - *Clarify when commute mileage is not required to be deducted for work travel reimbursement and when the daily or individual meal allowance should be applied* - is needed to clarify a few ambiguous instances in term of how the policy should be applied. In the case where an employee is traveling for an all-day work event directly between his/her home and event location, employee will not need to deduct commute mileage from his/her mileage reimbursement request. Also, for meal reimbursement, if any meals of the day are covered by the event/conference, then reimbursements of the meals not covered are subject to the individual meal limits.

Recommend Revision 3 - *Add a policy element under "C. Non-Capitalized Items" to allow an employee the option to purchase non-capitalized items, such as computer and phone equipment, that are assigned to his/her use, upon separation from the agency* - was added upon the request of an employee who is retiring from the agency. Staff consulted County Counsel and proposes the additional policy element: For Non-Capitalized items, such as computer and phone equipment, that are assigned to an individual employee, TAM will allow an employee to purchase those items at market or preset value upon separation from the agency if he/she desires. Only items that the departing employee has been assigned for individual use can be purchased upon separation under this policy. TAM may allow employees to purchase retired non-capitalized items under this policy if the options would result in maximum return to the agency.

FISCAL CONSIDERATION

TAM expects small revenues from the sale of the used non-capitalized items, under Recommended Revision 3. Those small revenues will be used to offset a portion the purchase cost.

No fiscal impacts from the other two recommended amendments.

NEXT STEP

New revisions will be effective once approved by the TAM Board.

ATTACHMENTS

Attachment 1: Cover and Pages with Revisions Highlighted

The full Financial Management and Accounting Procedures document is available upon request.

TRANSPORTATION AUTHORITY OF MARIN

Financial Management and Accounting Procedures

Originally Adopted June 2008

1st Revision December 2010

2nd Revision June 2011

3rd Revision January 2012

4th Revision April 2016

5th Revision December 2017

6th Revision February 2019

7th Revision October 2019

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SECTION 1. GENERAL INFORMATION

A. Organization Background

On March 2, 2004, the Marin County Board of Supervisors created the Transportation Authority of Marin (TAM) by Resolution No. 2004-21, pursuant to Section 180050 of the California Public Utilities Code ("PUC"). As required by California PUC Section 180051(a) and California Government Code Section 65089(a), a majority of City and Town Councils of Marin County, representing a majority of the incorporated population of Marin, have also concurred on the membership of TAM and designated TAM as the Congestion Management Agency (CMA) for Marin County.

TAM's responsibilities include the development and administration of the Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004 as Measure A, then renewed in 2018 as Measure AA. With the passage of Measure A and Measure AA, TAM ~~now~~ manages the implementation of the transportation projects and programs financed by the 1/2-cent, transportation -20-year sales tax. TAM also administers the expenditure plan for Measure B, the \$10 Vehicle Registration Fee, approved by Marin voters in 2010. As the designated CMA for Marin County, TAM also provides countywide planning and programming for transportation related needs. TAM plays a leading role in the planning, financing and implementation of transportation projects and programs in Marin County. The TAM sixteen-member governing board is comprised of representatives from each of the cities and towns in Marin County, and all five members of the County Board of Supervisors. ~~A Technical Advisory Committee (TAC), made up of Public Works staff, other local government staff and representatives of diverse public and multi-modal interests prioritize infrastructure improvements under the Major Roads element of the local transportation sales tax Measure A, as well as recommends the appropriate deployment of crossing guards under the Measure A Safe Access to Schools element.~~ A twelve-member Citizens' Oversight Committee, made up of five representatives from the five planning areas and seven representatives from diverse interest groups in Marin County, report directly to the public on all issues related to the Expenditure Plan and sales tax use. A Bicycle-Pedestrian Advisory Committee advises on the prioritization of Transportation Development Act Article 3 funds programmed to projects, as well as regional bicycle pedestrian program funds.

B. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when "measurable and available." TAM considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual are sales taxes, grants and interest revenues. Charges for services are not susceptible to accrual because they are not measurable until received in cash. Non-exchange transactions, in which TAM gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TAM may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. TAM's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

C. Governmental Funds

TAM currently has five governmental funds, as listed below:

CMA General Operating Fund

This fund accounts for revenues and expenditures for TAM's congestion management activities, primarily the local planning and programming work elements. Major revenue sources for this fund are various regional and state programmed revenues with the exception of Transportation Funds for Clean Air (TFCA).

BAAQMD/TFCA Fund

This fund accounts for revenues and expenditures for the TFCA capital grant TAM receives from the Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund capital improvements that can contribute to the improvement of air quality, and studies related to the monitoring of air quality control. A discrete amount of TFCA is available for management of the local program.

Measure A Half-Cent Transportation Sales Tax Fund

This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in TAM's Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004, and further described in the TAM Measure A Strategic Plan, initially adopted in June 2006. Revenue collection of Measure A expired on March 31, 2019.

Measure AA Half-Cent Transportation Sales Tax Fund

This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure AA Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2018, as a 30-year extension of Measure A, and further described in the TAM Measure AA Strategic Plan, initially adopted in June 2019. Revenue collection of Measure AA started on April 1, 2019.

Measure B \$10 Vehicle Registration Fee Fund

This fund accounts for revenues and expenditures for the projects and programs set forth by the

3. Printout of the MIP cash transaction as well as photocopy of the check will be channeled to the Chief Financial Officer for review.
4. If the check cannot be scanned or taken to the Bank of Marin for deposit the same day it is received, it will be locked in a safe box either in the office of the Chief Financial Officer or in a safe box in the Accounting and Administrative Specialist's work space. At no time shall cash or checks be left unattended in an unsecured location.

E2. EFT (Electronic Funds Transfer) payments

1. EFT payments received should be immediately recorded into MIP by the Accounting and Administrative Specialist once the email notification or bank transaction report is received. Correct segment codes should be assigned. Supporting documentation accompanying the EFT should be scanned and attached to the MIP transaction.
2. Printout of the MIP EFT transaction as well as photocopy of the check will be channeled to the Chief Financial Officer for review.

SECTION 3. EXPENDITURES

A. Expense Reimbursement

A1. Definitions

Eligible claimants for reimbursement of authorized expenses include TAM Board members and employees. Authorized expenses mean those expenses as described in this procedure incurred by eligible claimants directly connected with authorized TAM business, travel, meetings, conferences, and training eligible for reimbursement. Authorized TAM business, travel, conferences, meetings, and training means any activities which have received specific authorization as described in this policy.

A2. Authorized expenses

The following expenses shall be eligible for reimbursement in connection with authorized TAM business, travel, conferences, meetings and training.

1. Mileage – Mileage is defined as the use of a private automobile for TAM business, travel, offsite meetings, conferences and training. Mileage reimbursement is meant to cover only those miles incurred above and beyond the claimant's normal commute from home to his/her regular work location. Along with the mileage reimbursement, the claimant must provide a map log showing the total mileage for the trip, less the normal commute distance to and/or from work if applicable. If the travel time falls on a weekend and/or holiday, or the work event is an all day event, the mileage may be measured between the claimant's home location and the site of business travel. The rate of reimbursement shall be the rate in effect at the time as established by the Internal Revenue Service. Claimant who receives an automobile allowance from TAM or the appointing agency are not eligible for mileage reimbursement.

All claimants using a private automobile for authorized TAM business are required to have automobile insurance in compliance with State law. Employee's or official's own insurance company shall be responsible for responding to any claim made against the claimant in connection with the driving of a private automobile on TAM business.

2. Air travel – Air travel is defined as air transportation in connection with authorized TAM business, travel, meetings, conferences and training. Governmental or group rates offered by the meeting or conference organizers shall be used when possible. In all other cases, economy or coach fares will be the rate eligible for reimbursement.

3. Lodging – Lodging is defined as overnight lodging in connection with authorized TAM business, travel, out-of-region meetings, conferences and training. Where the conference, training, or out-of-region business meeting is held in a hotel, the group rate at the establishment, when available, shall be eligible for reimbursement. In other instances, claimants shall seek reasonable, economical, comfortable, safe and secure lodging, which shall be eligible for reimbursement. Government rates shall be utilized when available. The Executive Director or his/her designee reserves the right to determine which lodging is reasonable, economical, comfortable, safe and secure, following guidelines of the U.S. General Services Administration (GSA).

3. Meals – Meals are defined as those meals in connection with authorized TAM business, meetings, conferences and training. Reimbursement shall be for actual expenditures in an amount not to exceed \$70 for three meals in a day, with \$15.00 for breakfast, \$20.00 for lunch and \$35.00 for dinner. In the case that employee is eligible for reimbursement for all three meals during the day, the reimbursement is only subject to the daily limit. If any meals of the day are covered by the event/conference, then reimbursements of the meals not covered are subject to the individual meal limits. Receipts are required for all meal reimbursements and alcohol consumptions are not allowed. Reimbursement for expenses higher than the established rates for banquet meals at authorized conferences, professional meetings or training, or special events or functions may be eligible for reimbursement, to be determined on a case-by-case basis. Expenses associated with the consumption of alcohol are not eligible for reimbursement.

5. Conference and Training Fees – Defined as fees required for registration and related costs for authorized TAM conferences and training.

6. Miscellaneous – The following miscellaneous expenses are also eligible for reimbursement:

- Transit fares, bridge tolls (in excess of daily commute rate when applicable), travel to and from the airports or conference/meetings and parking for authorized TAM business, travel, meetings, conferences and training.
- Claimant can also claim up to \$5 without receipt for all services fees/tips, including but not limited to baggage carriers, bellhops, skycaps, hotel maids, waiters/waitresses, taxi and limousine drivers.
- Food, beverages (non-alcoholic) and kitchen supplies in support of authorized TAM business or meetings;
- TAM business related Internet access charges and printing and copying charges incurred while at an authorized TAM meeting (off-site), conference,

SECTION 7. BUDGET ADMINISTRATION

A. Annual Budget, Notice, Hearing, and Adoption

Each year no later than the Authority's June meeting, the Board shall adopt by motion the Annual Budget(s) for the ensuing fiscal year. Approval of a majority of the Commissioners shall be required for adoption of the Annual Budget thereto. In accordance with the California Utilities Code Section 180108, notice of the time and place of a public hearing on the adoption of the Annual Budget shall be published pursuant to Section 6061 of the California Government Code not later than the 15th day prior to the date of the hearing. A preliminary proposed annual budget shall be available for public inspection at least 30 days prior to adoption.

B. Program/Project Budgets

In addition to the Annual Budget, the Board may, by motion, establish Program budgets at any time for the study, implementation, or construction of any program/project or any portion thereof authorized as a program/project pursuant to the Expenditure Plan and Ordinance. Each program/project budget shall include all program/project costs specifically defined, including but not limited to the following:

- B1. *Estimated administrative expenses (in excess of those budgeted in the Annual Budget) allocated to the Program during planning and construction;*
- B2. *Estimated costs of studies and planning for the project or program;*
- B3. *Estimated project cost, including the estimated costs of the engineering, right of way acquisition, utility relocation, and permits, and construction or implementation of the program/project*

C. Budget Amendment

In the event that overall total expenditures for the annual budget have to increase due to special circumstances, prior approval from the Board is required. The Executive Director shall submit a detailed request and justification to the Board. The request shall include supporting documentation and recommendations regarding the means for financing.

In the event that total expenditures within one or more category(ies) (Administration, Professional Services, etc.) are projected to be greater than the budgetary authority, a transfer of budgeted funds may be processed as long as sufficient savings can be identified for transfers to the category(ies) in need. The Executive Director shall be authorized to approve budget transfers among categories if the dollar amount is equal or less than 5% of the total budget authority of the category from which funds will be reduced. Any transfer among categories that is greater than 5% of the total budget authority of the category from which funds will be reduced must receive prior approval from the Board. The Executive Director shall be authorized to approve all budget transfers among line items within the same category. Any transfer related to Measure A and/or Measure AA funding, which is generally treated as a loan ~~between among Strategies or Categories or Sub-Strategies~~ shall be effectuated according to the Policy and Procedures specified in the Measure A and Measure AA Expenditure Plans and currently adopted Strategic Plans.

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