

mini-NEWS

Dedicated to Excellence in Municipal Financial Management

December 1998

President's Message

Howard L. Longballa, Finance Director, City of Placentia

Hopefully by now your local Chapter has or is in the process of finalizing the selection of next year's Chapter Chairperson. This very important position plays a major role in the overall success of CSMFO. If your chapter is having difficulty in recruiting yearly chairpersons may I suggest challenging them with the following benefits of chapter leadership:

- 1) A chance to "give back" some of the many benefits they have received from CSMFO membership and local informational meeting
- 2) An opportunity for further professional development of leadership, presentation, and organizational skills
- 3) Exposure to the CSMFO structure—most CSMFO Presidents (if not all) served as chapter chairs at the local level
- 4) Develop life-long professional networking and friendship relationships
- 5) "Hands on" involvement in a professional organization adds great benefit to their resume for future advancement

At the 1998 Annual Seminar the membership approved an important

change to encourage broader chapter chair participation. Article IV-Section C now allows active or government associate members to be chapter chairs which opens chapter leadership opportunities to your special districts, county government members, etc. Also two years ago the "active member" classification [Article II-1(a)] was expanded to include up to four (4) key city finance personnel. Consequently any active member may serve as chapter chairperson, not just the chief financial officer.

I hope the above assists you in recruiting quality chapter leaders and/

**CAFR Deadline:
December 10th**

**CSMFO would like to wish
all of you a Merry Christmas**

or encourage those of you asked to serve in that capacity. Also the position of CSMFO President-Elect is specifically assigned the responsibility of Chapter coordination, orientation and encouragement.

I look forward to seeing you at the League Financial Management Seminar in San Diego on December 3 & 4.

I hope you had a great Thanksgiving and may the Christmas season bring you much happiness and peace.

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California Society of Municipal Finance Officers

www.csmfo.org

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Chapter Corner: Peninsula

Uma Chokkalingam, Finance Director, Menlo Park
Chair, Peninsula Chapter

Peninsula Division covers San Francisco, San Mateo and Santa Clara Counties. On a normal basis the chapter holds combined meetings with East Bay, North Bay and California Municipal Treasurer's Association (CMTA) Divisions 4, 5, and 7. Usually, the agenda consists of two items, one on municipal finance and another on treasury. In many instances the Finance Director has the responsibility for treasury functions. Therefore, the combined meetings seem to be more efficient and serve a broader based interest group. Our next combined meeting is on December 16, 1998, the annual holiday luncheon with the guest speaker from Wells Fargo Bank presenting the Economic Outlook for 1999.

On a monthly basis the cities of San Mateo County (SAMFOG, San Mateo Finance Officer's Group) hold meetings where there is representation from the County. These meetings are very informative, address local issues and current events. It provides the opportunity for the County and cities to work in partnership.

The November monthly meeting was held in Menlo Park. The core topic of the agenda was a presentation by ICMA Retirement Corporation on legislative changes to the 457 Deferred Compensation Plan that should be adopted before January 1, 1999. The following are the 457 Plan Changes per Small Business Job Protection Act (SBJPA) of 1996:

- 1) 457 assets must be used for exclusive benefit of plan participants/ beneficiaries (trust provision)
- 2) Participant loans may be made available
- 3) Original \$7,500 (currently \$8,000) contribution maximum indexed to CPI
- 4) Beginning pay-out date elections may be postponed one time
- 5) Employer or participant initiated distributions of inactive accounts of \$5,000 or less (de minimis) are permitted

Even though, the law changed in 1996 many cities postponed the implementation of it until the last minutes because of the ambiguity in the trust provision. The information that ICMA provided in that meeting indicates that in order to achieve "exclusive benefit provision" employers must establish trust or similar vehicle to ensure plan assets are protected from employer's creditors and from uses other than financing of retirement benefits. The change in law requires naming a trustee for the plan. An employer assumes the fiduciary responsibility when it establishes the plan regardless of whether or not the employer is named trustee. Therefore, to accommodate the change in law most of the cities

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Chapter Corner: Sacramento Valley

Ray Berzins, Assistant Finance
Director/Deputy Treasurer,
Folsom
Chair, Sacramento Valley
Chapter

The Sacramento Valley chapter covers a large area of Northern California, that includes Sacramento, Yolo, Yuba, Sutter, Placer, Tehama, Amador, Butte, Colusa, El Dorado, Glenn, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra and Siskiyou counties. This is a challenge to hold quarterly chapter meetings that everyone can attend.

Our chapter conducts meetings at the Folsom Community Center. One new idea we tried was to hold a traveling chapter meeting. Tahoe City was the site selected. Overall, it turned out very well as we received good participation from those who normally are unable to attend. This traveling meeting will probably be tried again for one of our meetings next year. We have held four meetings so far this year. Our topics have ranged from an implementation meeting on GASB 31, Year 2000 problems, Yield burning controversy, and a very successful meeting that had three times the normal attendance on the topic of Land based financings that was conducted by California Debt and Investment Advisory Commission.

In December we will hold a meeting that will feature a speaker on the topic of Internet tax laws. A low cost GFOA Training class will be held in Folsom early next year as a result the interest shown by our chapter members. Local CPA's

have offered their services to teach the course. Costs will be held to a minimum. Details are still being worked out.

The Chapter would also like to acknowledge several new promotions achieved by our chapter members: Susan Badgley is the very first Finance Manager for the City of Citrus Heights, Pam Lefebvre is the new Finance Director for the City of Dixon. Robin Bertagna is the new Finance Officer for the City of Yuba City.

New Financial Statement Disclosure Required for the Year 2000 Issue

Ken Al-Iman, Conrad & Associates,
L.L.P.

In October, 1998, GASB issued *Technical Bulletin No. 98-1* that sets forth disclosure in governmental financial statements with respect to the Year 2000 issue. The disclosure addressed by this technical bulletin is applicable to local governmental financial statements issued with auditor's opinions dated after October 31, 1998. Earlier implementation is encouraged. The information to be disclosed includes:

- 1) A general description of the Year 2000 issue as it relates to the reporting local government.
- 2) The stage of Year 2000 preparedness in which the government is in as of year end.

- 3) The amount of resources committed under contract for Year 2000 corrective actions that are to be expended after the balance sheet date.

On October 22, 1998, the AICPA issued guidance to auditors strongly advising them to consider qualifying their audit opinion by including in the opinion a *scope limitation* paragraph emphasizing the difficulty in substantiating the assertions required to be included in the Year 2000 disclosure. In following the advice of the AICPA, many auditing firms will be issuing opinions that are qualified with respect to this disclosure for all governmental financial statements with audit opinions dated after October 31, 1998 (the effective date on which a year 2000 disclosure became required by GASB for a fair presentation in accordance with generally accepted accounting principles). The AICPA guidance and suggested opinion language can be obtained from the AICPA's web site at www.aicpa.org/members/y2000/gasb98-1.htm.

GFOA has indicated that a scope limitation in the auditor's opinion for this issue will have no effect on the government receiving the GFOA award for CAFR reporting. However, the failure to include a Year 2000 footnote in financial statements with audit opinions dated after October 31, 1998, may result in the denial of the GFOA award.

*Ken Al-Iman is Chair, CSCPA
Governmental
Accounting & Auditing Committee
Member, California Committee on
Municipal Accounting*

Auditing Procedures to Consider in the Evaluation of the Sufficiency of Disclosure of the Impact of Proposition 218 on the Financial Statements of a Local Government in the State of California

Published by the California Committee on Municipal Accounting (a joint committee comprised of representatives of the *League of California Cities* and the *California Society of Certified Public Accountants*)

Relevant Authoritative Literature

Paragraph 5.11 of the AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units* states:

When performing an audit in accordance with GAAS, auditors should consider the federal, state, and local laws and regulations that are generally recognized to have a direct and material effect on the determination of financial statement amounts.

In providing examples of the types of laws and regulations that may have a direct and material effect on the

determination of amounts in a governmental entity's financial statements, the Guide indicates the following example in paragraph 5.15(j):

Taxing and Debt Limitations

Certain governmental entities may be subject to laws and regulations that limit local government taxing authority, impose ceilings and other issuance criteria on debt, or limit the use of debt proceeds.

FASB Statement No. 5 states as follows:

An estimated loss from a loss contingency shall be charged to income if (a) it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (b) the amount of the loss can be reasonably estimated. Disclosure is required for loss contingencies not meeting both those conditions if there is a reasonable possibility that a loss may have been incurred.

FASB Statement No. 5 defines a *loss contingency* as follows:

An existing condition, situation, or set of circumstances involving uncertainty as to possible loss.

Background

Proposition 218 was passed by voters in the State of California in November 1996. The impact of Proposition 218 upon the finances of a particular local government may be unclear because of differing interpretations of the initiative's provisions. For some governments there is a reasonable possibility that the government's ability to maintain or increase certain

of its revenue sources may be impaired to a material degree. Where the reasonably possible impact of this initiative upon the finances of a particular local government is expected to be material, disclosure should be made in the financial statements to alert the reader of this uncertainty. Proposition 62 is a previously enacted initiative that similarly restricted local government's ability to maintain or increase certain of its revenue sources. On December 11, 1995, the California Supreme Court (in the *Guardino* case) upheld the voter approval requirements of Proposition 62, which lower courts had previously declared to be unconstitutional. The application of this Supreme Court ruling to charter cities and to taxes imposed or increased between November 5, 1986 (the effective date of Proposition 62) and December 11, 1995 (the effective date of the Supreme Court ruling) is unclear.

Example Auditing Objectives and Suggested Procedures Relating to Proposition 218

In cases where the financial statement impact associated with Proposition 218 is deemed to be significant, the auditor may consider performing the following procedures in order to evaluate the sufficiency of any financial statement disclosure that might be needed to address the uncertainties created by Proposition 218:

Inquire with management as to their assessment of which specific revenues of the government are subject to Proposition 218. Where deemed appropriate by the auditor, the inquiries might include the following questions:

continued

Auditing Procedures to Consider, continued

A) Which specific revenue acts of the government have been the subject of a referendum or initiative

B) Which specific revenue acts of the government have been the subject of a notice of intention to circulate an initiative petition to reduce or repeal the revenue source

C) Which specific revenue acts have been the subject of pending litigation relating to Proposition 218 or Proposition 62

D) Which specific revenue acts will be placed on the ballot within the next fiscal year

E) Which specific revenue acts will be the subject of an assessment ballot proceeding within the next fiscal year.

2. If deemed appropriate by the auditor based on initial inquiry with management, request copies of any reports, memorandum, minutes or correspondence prepared by government staffing, or financial consultants addressing the government's exposure to Proposition 218. Read documents provided for indications of additional revenues subject to Proposition 218 and the expected financial statement impact of the Proposition.

3. Consider requesting that the attorney include in his or her response to the standard audit inquiry letter his or her assessment as to which government revenues are likely to be reduced as a result of Proposition 218.

4. Request management to consider review by the government's legal counsel, if there is a proposed note to

the financial statements regarding Proposition 218.

5. Consider including the following in the standard client representation letter obtained from the client for the annual audit: "We have identified for the auditors all revenue sources which we believe may be materially impacted by Proposition 218: *(All significant revenue sources identified should be listed)*."

6. After considering the information provided as a result of Procedures No. 1 through 5, perform other auditing procedures as considered necessary.

Any procedures or inquiries to be performed with regard to Proposition 218 are subject to the professional judgment of the auditor. In certain circumstances, it may not be possible, practical, or necessary to perform all of the procedures described above. The satisfactory completion of certain of the above described procedures depends on the cooperation of legal counsel and client management. However, information obtained from the aforementioned procedures may assist the auditor in his evaluation of the sufficiency of the client's disclosure of significant financial uncertainties associated with Proposition 218.

Example Disclosure Language

If the reasonably possible impact of Proposition 218 upon the financial statement amounts of a particular local government is expected to be material, the local government should consider appropriate disclosure, such as the language suggested below.

Recent developments, including the voters' enactment of Proposition 218 in November 1996, have affected the manner in which local governments may impose, extend, or increase certain taxes, assessments and property-related fees. The more significant changes which may impact local government revenue streams are as follows:

continued

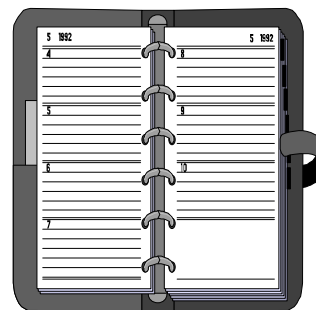
Upcoming Events

CSMFO Annual Conference

February 28-March 2, 1999
DoubleTree Monterey

CMTA Annual Conference

April 19-23, 1999
Brea



CSMFO Mini-News

1400 K Street, Suite 400
Sacramento, CA 95814
(916) 658-8210
Fax: (916) 658-8240
www.csmfo.org

Auditing Procedures to Consider, continued

1. If there is a majority protest against an assessment, the assessment cannot be imposed. This means that increasing an assessment requires majority voter approval.
2. Certain fees are defined to be property-related. Some property-related fees require voter approval at an election, others allow for a majority protest but do not require an election. Property-related fees must comply with certain substantive provisions of Proposition 218, which generally limit the amount of the fees.
3. Generally, local taxes, assessments, fees, and charges are subject to reduction or repeal by initiatives.

Uncertainty exists as to the scope and impact of these developments on local government revenue streams. Future legislation and litigation may resolve some of these uncertainties.

The above wording is an example only and should be tailored to reflect the circumstances applicable to each government. For certain governments, no disclosure will be necessary because of the amount of revenue subject to reduction as a result of Proposition 218, or because of other factors applicable to that government.

1999 Annual Conference Update

Due to the response to the article in the November newsletter, there has been such a last minute response regarding the exhibits that the conference committee made a decision to waive the late fee for companies in order to accommodate

the exhibitors' registration. In addition to the companies that were listed in the last newsletter, the following companies have registered for the exhibits since then:

Bank of New York Western Trust Company
 Dai Ichi Kangyo Bank of California
 Dreyfus
 Kinsell, O'Neal, Newcomb & DeDios, Inc.
 MBIA Muni Financial
 Municipal Finance Corporation
 Public Employees Benefit Services Corp (PEBSO)
 State Street Bank
 Union Bank of California
and more are on the way.

During the exhibits, a light lunch will be available for early arrivals and refreshments will be served throughout the afternoon. The Welcoming Reception will be held in the exhibit hall from 6:00PM-8:00PM. In addition, after checking in at the registration desk (located directly across from the entrance to the exhibit hall) conference attendees may pick up conference packets from the CSMFO booth, located in the exhibit hall. This will allow all conference participants to have an opportunity to visit the exhibits.

The tentative program schedule has been updated and can be viewed on the conference web site. It has evolved into a very interesting program.

Please feel free to contact the conference planning committee at (831) 646-3940, fax (831) 646-3726, e-mail gonzalez@ci.monterey.ca.us or visit the conference web site at www.monterey.org/csmfo99.

Weekend Seminar an Overwhelming Success

The 1998 Weekend Seminar received rave reviews from the 35 participants attending this year's session who received a wealth of information on such topics as legislative updates, bond financing, investing and managing public funds, budgeting and financial reporting, long-range financial analysis and planning, and information technology.

This session provided an excellent opportunity to learn valuable technical skills as well as to develop and expand each participant's professional network.

The following is a sampling of the feedback received from participants:

- 1) Very useful and engaging 2 days; the materials included several excellent sample reports that I can use in my jurisdiction as templates
- 2) Good value not only in knowledge and ideas learned and shared, but also in the contacts made
- 3) I would highly recommend this [workshop] to my peers
- 4) The speakers were passionate about their topics
- 5) Good hands-on information; great speakers; extremely reasonable cost; and I had fun while learning
- 6) It was a wonderful learning opportunity; great reference materials; lots of practical and realistic suggestions that I can bring back to my organization

continued on the next page

Investment Training Scheduled

If you missed the highly successful investment training session in Riverside in October, you have another opportunity to receive this valuable information. Jerry Rogers, Finance Director, City of Riverside, will present this three hour session on Friday, January 15th at 8:00 A.M. in the San Luis Obispo City/County library.

Topics to be covered include legal issues, investment policies, cash flow modeling, investment alternatives, and the process and risks of investing. This seminar is a great brush-up for finance professionals with investing responsibilities and an excellent introduction for those new to the exciting world of investments.

This seminar is brought to you by the Career Development Committee as part of CSMFO's commitment to deliver low-cost training opportunities to the membership. A registration fee of \$15 will be charged to cover the cost of printed material and refreshments.

Reservations should be made by January 8, 1999. Use the enclosed registration form (please see attachment) and mail a check payable to the City of San Luis Obispo.

Spkr: Jennifer Dreyer
Vice President
Tamayo & Associates

Topic: This month CSMFO and CMTA are pleased to present Jennifer Dreyer from Tamayo & Associates. Ms. Dreyer will be speaking on the topic "The Time of Your Life"

Rsrv: Joanne Hancock
City of La Mesa
(619) 667-1125
by December 14th

Next Meeting

Date: Thursday, January 21, 1999

Time: 11:30 A.M. (Mix & Mingle)
12:00 P.M. Luncheon

Place: Marriott La Jolla
4240 La Jolla Village Drive
La Jolla

Spkr: Mr. Luke C. Mazur
High Mark Capital

Topic: "1999 Economic Forecast"

Weekend Seminar, continued

- 7) A great bargain
- 8) The best [training] we have participated in; good materials and good instructors
- 9) I met people that I can call to discuss problems and solutions with
- 10) It was a power packed weekend; I enjoyed it very much
- 11) This is one of the best values and worthwhile training available
- 12) Great information and insights into issues we face today

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Meetings



San Diego County Chapter

Date: Thurs., December 17, 1998
Time: 11:30 A.M. (Mix & Mingle)
12:00 P.M. Luncheon
Place: Marriott La Jolla
4240 La Jolla Village Drive
La Jolla

Coachella Valley Chapter

Date: Friday, December 11, 1998
Time: 11:30 A.M. to 1:30 P.M.
(Please register by 11:45 at the Tram Station, as we will all be taking the tram ride up to the restaurant at 12:00. Last tram ride for CSMFO attendees is at 12:15)

Place: Palm Springs Aerial Tramway
1 Tramway Road
Palm Springs, CA 92262

Topic: "Tramway of the Future"

Spkr: Robert Leo
General Manager

Rsrv: Analiz Ellis
(760) 325-1449
No later than Wednesday,
December 9th

continued

Meetings, continued

Next Meeting

January 15, 1999
City of of Rancho Mirage

Sacramento Valley Chapter**Date:** Friday, December 18, 1998**Time:** 10:00 A.M.**Place:** City of Folsom Community Center

Activities Room
52 Natoma Street
Folsom, CA 95630

Spkr: Doug Jensen
Municipal Resource Consultants**Topic:** "Internet Tax Freedom Impact and other tax laws"**Rsrv:** Ray Berzins
(916) 355-7297
by December 15, 1998**Orange County Chapter****Date:** Tuesday, December 22, 1998**Time:** 11:30 A.M.**Place:** Turnip Rose**Spkr:** Neil Gruber**Topic:** Orange County Property Tax Update**Rsrv:** Nancy Grulkowski
(714) 990-7676**Next Meeting****Date:** January 28, 1998**Time:** 11:30 A.M.**Place:** Turnip Rose

CSMFO Member Pass GFOA Exam

Nita McKay
Controller, San Clemente

Up the Ladder

ACCOUNTANT II: City of Fullerton, CA \$3,354-\$4,821/mo plus benefits. Under limited supervision, performs a variety of professional accounting and auditing duties, prepares financial reports, statements and analysis and performs related work as required. Requires BA/BS in finance or accounting or a closely related field and two years of professional accounting experience. Governmental accounting experience is preferred. Filing deadline 12/23/98, (714) 738-6378, EOE.

INTERNAL AUDITOR: City of Ontario, \$3,757-\$4,586 per mo plus City paid PERS. Conducts internal audits of both inter- and intra-departmental fiscal affairs, systems and procedures to determine compliance with City financial control and sound management practices and to ascertain the reliability and quality of accounting and other data developed with the established reporting systems. BA/BS degree in business or public administration, accounting or a closely related field; 3 years of auditing experience with knowledge of advanced accounting and auditing procedures and techniques; and Class C CA driver's license required. MA degree and Certified Internal Auditor designation are desirable. Apply by 11-27-98. No postmarks accepted. Apply at Ontario Personnel Department, 303 East B St., Ontario, CA 91764. (909) 391-2580. AA/ADA/EOE.

SENIOR ACCOUNTANT: City of Big Bear Lake (DOQ + Benefits). This is a mid-management position which includes responsibilities for providing a full-range of professional accounting duties to the City. Primary areas of responsibility include: budget preparation and administration, general ledger accounting, and oversight of payroll, revenue accounts, and accounts payable functions. Requirements: 4 years experience as an accountant for a public sector organization is required. Bachelor's degree in Accounting, Finance, or related field is required. A Master's degree in a related field is preferred. Apply immediately: open until filled. Please send resumes to: City of Big Bear Lake, att: Human Resources, P.O. Box 10000, 39707 Big Bear Blvd., Big Bear Lake, CA 92315 (909) 866-5831 EOE/ADA. The work environment is drug, alcohol, and smoke free.

CITY TREASURER: City of Redding, CA. Salary: up to \$5,288 monthly plus excellent benefit package. This position actually fills two separate positions — the elected City Treasurer and the appointed Administrator — Office of the City Treasurer. Due to the pending retirement of our current Treasurer, the City Council is planning to appoint a successor to serve the remainder of her City Treasurer term (through April 2000). The selected individual will also be appointed by the City Manager to the position of Administrator. To continue in the position, the appointed candidate will need to successfully run for the City Treasurer office in the April 2000 municipal election. The City Treasurer/Administrator is responsible for the receipt and safekeeping of City funds; the legal payment of funds; submitting monthly reports to the City council & City Clerk of all receipts, disbursements & fund balances; & the investment of all City funds, managing the Office, supervising staff of 5 and preparing & managing dept. budget. 7 years related work exper. & AA required, BA/BS strongly preferred. For applications materials, call 24 hr. job line at (530) 225-4069 or www.ci.redding.ca.us. Closing date 12/18/98.

FINANCE OFFICER/TOWN TREASURER: Town of Yountville, California (Salary range negotiable, DOQ + excellent benefits package). Located in the heart of the beautiful Napa Valley wine country, the Town of Yountville, a small rural community (population 3,500) is seeking a Finance Officer. The Finance Officer is a department head position responsible for managing and supervising all finance operations and functions including record keeping and reporting; financial planning; accounting; budgeting; developing and administering fiscal policies; payroll; accounts payable; purchasing; utility billing; risk management; investments; computer/telecommunications; and customer service; serve as financial advisor to the Town Administrator and Town Council. The total Town budget is \$6.2 million. The ideal candidate is an innovative, "hands-on" manager with a strong background in municipal finance and effective communication, problem solving and computer skills. Equivalent to a Bachelor's Degree in accounting, finance or related field with five years of increasing responsible experience in public accounting or municipal finance including at least two years of administrative/supervisory responsibility.

continued

Up the Ladder, continued

Please call (707) 944-8851 to request a Town application and brochure. Submit resume and application by December 11, 1998, 4:00 PM, to Town of Yountville, 6550 Yount Street, Yountville, CA 94599. EOE.

MANAGER OF FINANCE AND ADMINISTRATION:

Alameda County Water District, \$97,425-\$124,509. Located in Fremont, California, ACWD desires a strong leader, team player, "big picture" person to manage a department of 41 staff and assume responsibility for budgeting, general accounting, cash and investment management, rates and charges, information systems, purchasing and general services, customer service, and capital improvement financing for a progressive, financially sound district. ACWD has 74,000 accounts and serves over 300,000 people in three cities with 193 employees and a budget of \$97 million. The successful candidate will have a strong customer service and strategic focus to support business process needs throughout the organization. BS degree in relevant field (Master's preferred) plus substantial pertinent experience. Excellent benefits including PERS 2% @ 55. File by January 8 at Shannon Associates, 1601 Response Road, Sacto, CA. Tel: (916) 567-4280; Fax: (916) 567-1220; Email: resumes@shannonassoc.com. Include resume, cover letter, current salary and three work-related references.

Here's how to advertise your city's vacant position in the CSMFO Mini-News: Please fax your announcement to (916) 658-8240, attention Mai Nguyen, CSMFO Customer Services Representative. Your announcement should contain the following information: Job Title, City, Salary, Position Description, and how to apply. The charge to advertise is \$8.00 per 40-character line. Please also include billing information, as billing will take place after the ad appears in the Mini-News.

Faxed job ads must be received by the 25th of each month for next month's insertion. It is also helpful if the job's filing date is at the end of the month, so that people may have two or three weeks to respond.

FINANCE SUPERVISOR: Delta Diablo Sanitation District, Antioch, CA - (Salary: \$4,395-\$5,489/mo. plus excellent benefit package, including 1937 Act Retirement System benefits with reciprocity to PERS.). Delta Diablo Sanitation District, a wastewater treatment facility, is accepting applications for Finance Supervisor. We are one of a select group of public agencies, which through self-transformation, aim to develop into highly competitive organizations, in both the public and private sector markets. During the past two years, the District staff has been flattened and restructured; the workforce has become lean through normal attrition; and through a partnership with labor and management, we are forging the necessary changes in the way that we do business. Our Finance Supervisor is a management level position, one that is playing a crucial role in the competitive transformation process of the whole organization. A fully integrated management information system and a terrific staff of four very seasoned employees support the position. If you are looking for a small agency where you can get your arms around the problem, where you can take a hands-on creative approach in resolving issues, and where we expect to have fun while working towards our goals, this is the job for you. Duties of the position may include but are not limited to serving as the head of the accounting and finance section responsible for processing of accounting and financial transactions, managing the integration of special projects with schedules of continuous operations, supporting the department's organizational policy and procedural development activity, and supervising office operations in conformance with applicable statutes, regulations, policies, procedures and technical standards. A Bachelors Degree from a recognized college or university in Accounting or Finance or a

closely related field, and 5 years experience preferably in a professional level public agency fund accounting and financial recording work, at least two years of which involve cash management responsibility is required. Apply by: Immediately. Position open until filled. Apply at: Personnel Department, Delta Diablo Sanitation District, 2500 Pittsburg-Antioch Highway, Antioch, CA 94509. (925) 778-4040, ext. 235. A District application form is received and a completed supplemental questionnaire may be required.

FINANCE & ADMINISTRATIVE SERVICES DIRECTOR:

The City of Albany (pop. 17,315) is a full-service community located adjacent to Berkeley in the San Francisco Bay Area. The City prides itself in providing high quality services while maintaining the ambience of a small town in a large urban setting. The Finance & Administrative Services Director has a staff of five responsible for day-to-day financial operations (A/P, A/R, payroll, & general ledger), long-term fiscal planning, and the City's information systems. The City has an annual operating budget of \$14 million and a 1998/1999 capital outlay budget of \$2 million.

Ideal candidates will possess solid communication skills, fiscal operations experience which includes budgeting and financial forecasting, and prior supervisory experience. We offer a salary of \$68,916-\$83,760 (plus paid PERS) and an attractive benefits package. City applications & supplemental questionnaires will be accepted through December 29, 1998.

To apply, call (510) 528-5714 or visit us at 1000 San Pablo Ave., Albany, CA 94706. Applications are also available from our website at www.ci.albany.ca.us.

Attention advertisers: The cost to advertise a two-inch professional square ad is \$825 per 12 issues. If you would like to advertise your firm's services, please contact Mai Nguyen at (916) 658-8210 and request an advertisement brochure.

Remember, nearly 1,000 people read the CSMFO Mini-News.

have opted to name themselves as trustee. Another concern is that of the trustee's responsibilities. The trustee's powers and duties shall be those under applicable State law. According to A.B.2764 designed to replicate ERISA 404C "Not withstanding any other provision of law, participants choosing individually directed investments shall relieve the trustee and local agency of responsibility under the terms of the plan and trust. That relief shall be conditioned upon local agency compliance with communication and education requirements similar to those prescribed in ...the United States code for private sector employers." "Local agency compliance with communication and education" can be satisfied by providing the employees the quarterly newsletters from the various plan administrators.

Employers who implement a trust must comply with GASB 32. The easy way to comply with GASB 32 is to report the plan assets under expendable trust fund instead of agency fund.

Official Congressional report indicates that employers have option of allowing loans. So far there is no specific language in statute provides for a loan option. The Treasury may provide guidance on 457 plan loans. The time involved for administration should also be considered. Apparently many municipalities opted not to allow loans.

It is not a legal opinion or recommendation. Each municipality should adopt what is best for them according to the opinion of its legal counsel.

HAPPY HOLIDAYS!!!

GFOA Recommended Practice

Purchasing Card Programs

Background: The purpose of a purchasing card (also known as a procurement card) program is to provide an efficient, cost-effective method of purchasing and paying for small-dollar as well as high-volume, repetitive purchases. This type of program is designed as an alternative to the traditional purchasing process and can result in a significant reduction in the volume of purchase orders, invoices, and checks processed. Purchasing cards can be used whenever a purchase order, check request, or petty cash would have been processed and with any vendor that accepts credit cards.

There are numerous benefits to a purchasing card program. Benefits to the cardholder include: convenience of purchasing without a purchase order, expedited delivery of goods, expanded list of merchants from whom purchases can be made, and reduced paperwork. Benefits to the government's internal departments include: simplified purchasing process, lower overall transaction processing costs per purchase, increased management information on purchasing histories, reduced paperwork, and the ability to set and control purchasing dollar limits. Benefits to the vendor include: expedited payments, reduced paperwork, and lowered risk of nonpayment.

Purchasing cards may be issued in a designated individual's name with the government's name clearly indicated on the card as the buyer of goods and services. The purchasing card and any transactions made with the card may become a liability of the governmental entity. For this reason, it is important that governments be aware of the risks related to the use of purchasing cards and develop plans to address those risks.

Recommendation: The Government Finance Officers Association (GFOA) recommends that governments explore the use of purchasing cards to improve the efficiency of their purchasing procedures. A competitive process should be used to select a purchasing card provider. Purchasing card programs should be designed to be simple and easy to use; however, governments need to maintain appropriate controls to ensure the ongoing success of a purchasing card program. These controls should include:

- 1) Written agreements with banks, which include fee schedules and processing procedures
- 2) Written policies and procedures for internal staff
- 3) Spending and transaction limits for each cardholder on both a monthly basis and per transaction
- 4) Recordkeeping requirements including review and approval processes
- 5) Clear guidelines on the appropriate uses of purchasing cards, including approved and unapproved merchant category codes (MCC)
- 6) Guidelines for making purchases by telephone and fax or over the Internet
- 7) Instructions on employee responsibility and written acknowledgements signed by the employee

continued

GFOA Recommended Practice, continued

- 8) Periodic audits for card activity and retention of sales receipts and documentation of purchases
- 9) Procedures for handling disputes and unauthorized purchases
- 10) Procedures for card issuance and cancellation, lost or stolen cards, and employee termination
- 11) Written requests for higher spending limits, and segregation of duties for payments, accounting, and reconciliations

Weekend Seminar, continued

For those of you who were not able to attend this year, please be sure to sign up early next year to ensure a spot in the class. If you are interested in attending next year's session or would like more information about the seminar, please contact Jesse Takahashi at (408) 866-2113 or email at finance@ci.campbell.ca.us.

Remember When???

1982 Annual Seminar Program
Marriott Hotel
Anaheim
February 10-13, 1982

Wednesday, February 10

10:00 A.M. Golf Tournament - Anaheim Hills Golf Course
11:30 A.M. Tennis Tournament - Tennisland Racquet Club
2:00 P.M. Registration Opens - Marriott Hotel, North Registration Booth
5:00 P.M. CSMFO Board Meeting - President's Suite
6:30 P.M. Cocktail Party - Grand Ballroom

Thursday, February 11

8:00 A.M. Continental Breakfast/Speaker - Orange County Ballrooms 3, 4, and 5 Red Patterson, of the California Angels, will provide timely thoughts to begin our day
9:00 A.M. Opening Session — Orange County Ballrooms 1 and 2
Call to order by CSMFO President, Color Guard, Invocation, Pledge of Allegiance, and a welcoming address by Mayor John Seymour of the City of Anaheim. A short business meeting will be conducted
9:00 A.M. Spouses Tour and Luncheon
A festive day which will include a boat tour of Newport Bay, shopping at Lido Village, lunch, and a visit to famous Rogers Gardens
10:00 A.M. Coffee Break
10:15 A.M. Keynote Speaker — Orange County Ballrooms 1 and 2
A. Alan Post, Former State Legislative Analyst, on cutting costs in local government
11:15 A.M. Legislative Report -- Orange County Ballrooms 1 and 2
Ralph Andersen, of Ralph Andersen and Associates, will present a comprehensive report on legislative items currently being considered by the State Legislative which are of special interest to local government