



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** October 16, 2024  
**TO:** Board of Directors  
**RE:** Introduction and First Reading of New Board *Policy 1165 Expense Authorization* and Repeal of *Operations Manual Policy 7 Expense Authorization and Policy 8 Checking Account*  
**SUBMITTED BY:** Mary A. Morris-Mayorga, General Manager

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### Recommended Action

Following introduction by title only, staff recommends the Board consider approving *Policy 1165 Expense Authorization* and Repeal of *Operations Manual Policy 7 Expense Authorization and Policy 8 Checking Account*.

### Background

*Operations Manual Policy 7 Expense Authorization* and *Policy 8 Checking Account* have been incorporated into a new draft *Policy 1165 Expense Authorization* for the Board to review and consider approval for proceeding to a second reading. Additional language has been included to document:

- types of payments (check, electronic bill payment, electronic funds transfer, automated clearing house (ACH), credit or debit card, or other means identified as payment options for government agencies;
- expense review by two parties (typically accounting team or Executive Assistant/Board Clerk and the General Manager);
- clarification that the checking account balance maximum of \$200,000 may be exceeded while waiting for checks to clear;
- option for the District to participate in government agency purchasing card programs such as the State of California's CalCard Program which provide benefits such as earning rebates on all purchases; and
- review process for credit or debit card purchases which is the monthly checking account replenishment listing.

If the new policy is approved, next steps are:

- second reading and policy adoption on November 20, 2024; and
- new *Policy 1165 Expense Authorization* becomes effective on December 20, 2024.

### Fiscal Impact

There is no fiscal impact from this policy.

**Attachments:** *Policy 1165 Expense Authorization*  
*Operations Manual Policy 7 Expense Authorization*  
*Operations Manual Policy 8 Checking Account*



## KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

Policy Number	1165
Policy Title	Expense Authorization
Last Revision Date	_ / _ /202_ , 05/01/2018

**1165.10** All purchases made for the District shall be authorized by the General Manager, and shall be in conformance with the approved District budget.

1165.11 District payments may be made by check, electronic bill payment, electronic funds transfer, automated clearing house (ACH), credit or debit card, or other means identified as payment options for government agencies.

1165.12 District expenses will be reviewed by two parties to ensure proper authorization and compliance with budget. The parties will typically be member(s) of the accounting team or Executive Assistant/Board Clerk and the General Manager.

**1165.20** Any commitment of District funds for a purchase or expense greater than \$5,000.00 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

1165.25 The District shall maintain a revolving fund checking account at a local bank with a maximum reconciled balance of \$200,000 noting this balance may be exceeded for checks issued which have not yet cleared. This account will be reimbursed through the County Treasurer's process.

**1165.30** A "petty cash" fund may be maintained in the District office having a balance-on-hand maximum of \$200.00.

**1165.31** Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00.

**1165.32** The petty cash fund shall be included in the District's annual independent accounting audit.

**1165.40** Whenever employees or Directors of the District incur cash outlay expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash or checking account revolving fund. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the President prior to remuneration.

**1165.50** Credit cards: A credit or debit card shall be issued to the General Manager. Credit cards shall not be issued or used by members of the Board of Directors. Directors will use their personal credit cards for lawful expenses of the District and seek reimbursement on a form provided by the District for that purpose.

1165.51 All credit card bills shall be paid timely to avoid late fees and finance charges.

1165.52 The District may elect to participate in government agency purchasing card programs such as the State of California's CalCard Program which provide benefits such as earning rebates on all purchases.

All credit card expenses shall be reasonable and necessary to the furtherance of District business. No personal expenses shall be charged on a District credit card. If a transaction involves both personal and District business, the employee shall pay for the transaction personally and request reimbursement by the District of the appropriate portion of the expense.

**1165.52** All credit card transactions shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder.

**1165.53** Debit card transactions are individually listed on the checking account replenishment and approved each month by the Board of Directors on the Consent Agenda.

1165.54 All records of the District involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the District's records management policy.



## KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

Policy Number	1165
Policy Title	Expense Authorization
Last Revision Date	/ /202 , 05/01/2018

**11657.10** ~~All purchases made for the District shall be authorized by the General Manager, and shall be in conformance with the approved District budget. Any commitment of District funds for a purchase or expense greater than \$5,000.00 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.~~

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**11657.31** Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00.

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**11657.53** Debit card transactions are individually listed on the checking account replenishment and approved each month by the Board of Directors on the Consent Agenda~~A member of the Finance Committee shall review and approve credit card transactions by the Manager.~~

1165.54 All records of the District involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the District's records management policy.

# KENSINGTON FIRE PROTECTION DISTRICT OPERATIONS MANUAL

**POLICY TITLE:** Expense Authorization  
**POLICY NUMBER:** 7

**7.10** Any commitment of District funds for a purchase or expense greater than \$5,000.00 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

**7.20** All purchases made for the District shall be authorized by the Manager, and shall be in conformance with the approved District budget.

**7.30** A "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$200.00.

**7.31** Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00.

**7.32** The petty cash fund shall be included in the District's annual independent accounting audit.

**7.40** Whenever employees or Directors of the District incur cash outlay expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash or checking account revolving fund. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the President prior to remuneration.

**7.50** Credit cards: A credit card shall be issued to the Manager. Credit cards shall not be issued or used by members of the Board of Directors. Directors will use their personal credit cards for lawful expenses of the District and seek reimbursement on a form provided by the District for that purpose.

**7.51** All credit card bills shall be paid timely to avoid late fees and finance charges.

All credit card expenses shall be reasonable and necessary to the furtherance of District business. No personal expenses shall be charged on a District credit card. If a transaction involves both personal and District business, the employee shall pay for the transaction personally and request reimbursement by the District of the appropriate portion of the expense.

**7.52** All credit card transactions shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder.

**7.53** A member of the Finance Committee shall review and approve credit card transactions by the Manager.

**7.54** All records of the District involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the District's records management policy.

# KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

**Policy Title and Number:            8            Checking Account**

**8.10** The District shall maintain a revolving fund checking account at a local bank. The balance in said account shall at no time exceed \$200,000. The General Manager or their designee shall request replenishment of this fund from the County through its accounts payable process.

**8.20** Checks written on the account must be authorized by the KFPD budget. Two signatures are required on every check. Said signatures shall be those of the General Manager and/or the Directors on the Finance Committee.

**8.30** Documentation such as receipts and/or invoices shall be maintained for the amount of each expenditure.

**8.40** Voided checks shall be maintained in the District's files with the signature portion removed.