

CONTRA COSTA COUNTY
Office of the County Administrator

ADMINISTRATIVE BULLETIN

Number: 207.7
Effective Date: February 20, 2008
Section: Budget & Fiscal

SUBJECT: RELIEF OF SHORTAGES AND ACCOUNT COLLECTIONS

This bulletin establishes standards and procedures for the relief of shortages in accounts and discharge from accountability for collection of accounts.

- I. **APPLICABILITY.** This bulletin applies to all officers and employees of the County who are responsible for receiving and paying out cash.
- II. **DEFINITION – CASH.** Cash includes coins, currency, checks, postal and express cash orders, traveler checks, bankers drafts, wire transfers, debit and credit cards and any other payment device.
- III. **GENERAL REQUIREMENTS.** Relief of shortages in accounts may be authorized after reasonable efforts to recover the shortages have been exhausted, where there is no proof of fraud or gross negligence in connection with the shortages, and where the loss is not covered by insurance.
- IV. **REPORTING SHORTAGES.** Any cash shortage which appears likely to have resulted from criminal activity is to be reported immediately to the police agency having jurisdiction. Cash shortages in the amount of \$50 or more must be reported to the County Auditor-Controller within 24 hours of discovery.
- V. **RELIEF OF INDIVIDUAL SHORTAGES OF \$50 OR LESS**
 - A. **If a Cash Difference Fund has been established** for the Department, shortages of \$50 or less should be reimbursed from that fund and recorded in the Cash Difference Fund Shortages log. The department should periodically submit a demand (Form D15) to the Auditor-Controller to replenish the Cash Difference Fund, supported by a copy of the applicable section of the Shortages log.
 - B. **If the department does not have a Cash Difference Fund** the officer or employee requesting relief shall submit to the Auditor-Controller a written report containing the following information:
 1. The amount of the shortage.
 2. The date on which the shortage occurred.

3. A brief explanation of how and why the shortage occurred and why further efforts to recover the shortage are not justified.
4. A request for relief from the shortage.
5. Approval of the department head, chief deputy, or budget officer.

Upon review and approval of the report, the Auditor-Controller may reimburse the shortage.

VI. RELIEF OF INDIVIDUAL SHORTAGES GREATER THAN \$50

A. For All Shortages Greater than \$50 – The office or employee requesting relief shall submit to the County Auditor-Controller a verified written report containing the following information:

1. The amount of the shortage.
2. The date upon which the shortage occurred.
3. A full statement of how and why the shortage occurred and what has been done to prevent reoccurrences.
4. The efforts made to discover, ascertain and recover the shortage, including the dates of taking such action, and a statement that further efforts would probably not be successful and would not be justified by the amount of the shortage and the improbability of successful recovery.
5. A statement that, so far as can be ascertained, neither the shortage nor any delay in its discovery was caused by fraud or gross negligence.
6. A request for relief from the shortage.
7. The verification, under penalty of perjury, of the pertinent information by the person requesting relief.
8. The approval of the department head if he/she is not the person submitting the requesting.

B. For Shortages of \$250 or Less – If the Auditor-Controller concurs in the report, after such further investigation as he/she deems necessary, the Auditor may authorize the requested relief.

C. For Shortages Greater than \$250 – If the County Auditor-Controller concurs in the report, after such further investigation as he/she deems appropriate, the Auditor shall so indicate to the County Administrator who shall then present the matter to the Board of Supervisors for action. If the Board approves the report, its approval shall be entered in its minutes and the Auditor-Controller shall authorize the requested relief.

VII. DISCHARGE FROM ACCOUNTABILITY FOR COLLECTION OF ACCOUNTS. Requests for discharge from accountability of accounts should be presented to the Board of Supervisors in the form of a Board Order that contains, at minimum, the following information:

- A. The amount owing.
- B. Except where disclosure of such information is prohibited by state or federal law, the names of the assesseees or persons liable and the amounts owed by each, which may be by reference to specific documents incorporated thereby in the board order.
- C. The estimated cost of collection, or a statement that the likelihood of collection does not warrant the expense involved, or a specific reference to the official records establishing that the amount owned has been compromised or adjusted. If requested by the Board of Supervisors, the department shall furnish such additional information as the Board deems necessary to determine that the request for discharge is justified.
- D. Any other fact warranting the discharge, except where the Board of Supervisors determines that the circumstances do not warrant the furnishing of detailed information.
- E. A verification by the department that the facts stated in the application are true and correct, which may be made on information and belief.

VIII. REFERENCES

Board Resolution No. 83/1062
Government Code Section 29390
Government Code Sections 25257-25259

Originating Department: Office of the Auditor-Controller

Contact: Chief Auditor 925-646-2233

/s/ _____
JOHN CULLEN,
County Administrator