

Gillian Lofrano (glofrano@placerhillfire.org)

From: Andrew Sisk <ASisk@placer.ca.gov>
Sent: Friday, June 26, 2020 12:15 PM
To: glofrano@placerhillfire.org; chiefkushen@placerhillfire.org
Cc: Joseph Alire
Subject: FY20/21 MOU for Services Provided
Attachments: MOU - Newcastle Fire.doc

Good afternoon,

As you all know, the County Auditor-Controller provides a number of services to special districts, joint powers authorities and other local agencies. These services include, but are not limited to, accounting, auditing, financial and payroll. Most of you are also aware the County implemented a new Enterprise Resource Planning System, Workday, during the past two fiscal years that must be used to support the services we provide. As a result, I decided it was time to memorialize the services we provide, and more importantly, the cost to provide said services.

I believe we have developed a sound methodology and rate structure for each of the services we provide, which will provide consistency Countywide to each of you. The MOU attached has been tailored to each of you for the services we believe we provide to you currently or have recently requested going forward. The MOU does not include any charge to conduct your annual financial audit as our professional standards require a separate engagement letter to do so.

We look forward to our continuing partnership and providing you the high level of customer service you are currently receiving. If you have any questions regarding the MOU and related charges for services, please feel free to reach out to Joe Alire at (530) 889-4198 or to myself directly at the number below.

Sincerely,

Andrew C. Sisk, CPA
Auditor-Controller
County of Placer

(530) 889-4152 Direct
asisk@placer.ca.gov



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COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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June 10, 2020

To the Board of Directors and Management
Newcastle Fire District

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2020-2021 fiscal year.

A. Scope of Services

The Auditor-Controller will provide the following services to Newcastle Fire District ("District"):

1. **General Accounting** – includes use of County's centralized accounting system and recording of financial system entries submitted by the District. Transactions will be reviewed for authorization by appropriate District personnel prior to processing. This also includes compiling the District's financial information to report within the County's A-87 Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire or ACH. Claims will be reviewed to validate authorized District signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement. Maintaining vendors and payments for purposes of 1099 reporting along with issuing 1099 forms for the calendar year, if applicable.
3. **Accounting Support** – includes responding to routine inquiries, working with external auditors, and replying to bank confirmations.
4. **Payroll** – includes bi-weekly payroll processing and validating employees' time cards including wage garnishments, recording and mailing payments, submitting retirement and deferred compensation data, remitting tax payments, filing quarterly tax reports, issuing W-2 forms and maintaining complete records. All payroll will be reviewed by the District prior to submitting for payment.
5. **Adopted Budget** – includes recording your District's adopted budget, ensuring expenditures do not exceed authorized budget and processing budget revisions.
6. **Gann Limit** - calculation of appropriation limit for the current fiscal year and measurement (testing) of appropriation limit for the previous fiscal year to assist the District in meeting the requirements of Article XIII B, Section 1.5 of the California Constitution.

B. Term

The term of this Agreement will commence on July 1, 2020 and end on June 30, 2021. Subject to written agreement of the parties, this agreement may be renewed annually.

C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, the Auditor-Controller will communicate to District any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of fraud, noncompliance with laws or regulations or significant errors be subsequently discovered by either District or through a claim or lawsuit to District.

D. Responsibilities of District Management

District is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all District Board authorized budgets and budget amendments. District is encouraged to routinely provide accounting reports and payment registers to its Board for review.

District agrees to inform County of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services provided District management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. District agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

Annual Cost and Billing

The annual cost of services identified above is \$4,514.96. Your District will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your District.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,

Andrew C. Sisk, CPA
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Newcastle Fire District.

Authorized Signature Director: _____ Dated: _____

Authorized Signature Board Chair: _____ Dated: _____

District Name: Newcastle Fire Protection District