COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

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TREASURER AND TAX COLLECTOR

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October 21, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

RESOLUTIONS TO REPLENISH THE TREASURER AND TAX COLLECTOR'S CASH DIFFERENCE FUND, GRANT AUTHORITY TO THE AUDITOR–CONTROLLER TO REPLENISH FUTURE APPLICATIONS, AND INCREASE THE CASH DIFFERENCE FUND TO $50,000
(3 - VOTES)

SUBJECT

Four Treasurer and Tax Collector (TTC) recommendations are presented. The first recommendation is to approve the current replenishment of the TTC's Cash Difference Fund (Fund) for cash shortages and differences in Fiscal Year 2007-08. The second recommendation is to request the Board of Supervisors' delegate authority to the Auditor-Controller (A-C) to replenish future cash shortages and differences in the Fund. The third recommendation is to approve an increase in the Fund from $16,700 to $50,000 due to an increase in the maximum acceptable payment difference, i.e., Petty Shy amount, to ten dollars ($10) as permitted by the Revenue and Taxation Code. The fourth and final recommendation is to authorize (A-C) to issue a warrant to the TTC for $33,300 to increase the Fund's balance to $50,000.

The approval of all four recommendations allows the TTC business operations to continue more efficiently while minimizing payment handling and taking up valuable time of the Board of Supervisors for such ministerial administrative approval functions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the attached Resolution (Attachment I), pursuant to the provisions of Section 29378 of the Government Code, replenishing the Fund in the amount of $4,747.21.

2. Pursuant to Section 29380.1 of the Government Code, delegate authority to the A-C by Resolution (Attachment II), to replenish future cash shortages and differences in the Fund, as requested by the TTC.

3. Approve an increase in the Fund from $16,700 to $50,000 due to an increase in the maximum acceptable payment difference, i.e., Petty Shy amount, to ten dollars ($10) as permitted by Section 2611.5 of the Revenue and Taxation Code.

4. Instruct the A-C to issue a warrant in the amount of $33,300 payable to the TTC to increase the Fund's balance to $50,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 5, 1966, your Board, in accordance with the provisions of Section 29370 et seq. of the Government Code, established a Fund for the TTC. The Fund was deemed necessary to replenish shortages in the tax collection process in Petty Shy amounts.

Banking Operations shortages that occurred during the reporting period of July 1, 2007 through June 30, 2008, have resulted in the following:

- Petty Shys – Mail Payments

  These are minor amounts of money short of the amount due in processing mail payments. Section 29373.1 of the Government Code allows the TTC to use the cash difference fund to increase the amount tendered so as to equal the amount due the County. The total amount of Petty Shys for the reporting period is $2,802.59.

- Cashier Window Shortages

  These amounts are unaccounted cash transactions including the receipt of Counterfeit Currency from the TTC Cashier windows since the last reporting period. The total shortage for all cashiering transactions for the reporting period is $1,944.62. (See Attachment III for details.)

Pursuant to Government Code Section 29380.1, your Board, by resolution, may approve applications to have the Fund replenished by the A-C instead of with your

Board and may authorize the A-C to replenish the Fund. This action will streamline the administrative process for Fund replenishments and relieve your Board of this ministerial action.

Effective in Fiscal Year 2008-09, the TTC implemented Section 2611.5 of the Revenue and Taxation Code, to use the Fund to replenish tax payment differences resulting from tax payments, assessments, penalties, cost of interest that is due the County of ten dollars ($10) or less. The costs will be offset by increased efficiency in the handling of such payments.

Implementation of Strategic Plan Goals

These actions are consistent with the Countywide Strategic Plan Goal of Fiscal Responsibility and are in accordance with the Government, and Revenue and Taxation Code provisions.

FISCAL IMPACT/FINANCING

The Board of Supervisors' approval of the current shortage replenishment and all future shortage replacement will be charged to the TTC's services and supplies budget. Effective July 1, 2008, in accordance with Section 2611.5 of the Revenue and Taxation Code, the TTC increased the Petty Shy limit to ten dollars ($10) for all secured and unsecured tax payments from a one dollar ($1) and two dollar ($2) limit, respectively. The TTC believes that the incremental cost to the TTC of this change will be offset by improved operational efficiencies and reduced costs. TTC intends to evaluate the cost effectiveness of this change after one year of operation.

Pursuant to the Board resolution, future TTC cash difference replenishments performed by the A-C will relieve the need to request the Board's approval for this ministerial type action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Section 2611.5 of the Revenue and Taxation Code, the TTC has authority to establish a payment Petty Shy limit of up to ten dollars ($10). Prior to July 1, 2008, the TTC had established a one dollar ($1) and two dollar ($2) Petty Shy limit for secured and unsecured property tax payments, respectively. In Fiscal Year 2008-09, TTC increased the Petty Shy limit to ten dollars ($10).

Pursuant to Section 29370, et seq. of the Government Code, your Board established the Fund in 1966 to provide for a provision to replenish payment shortages received from those owing funds to the County.

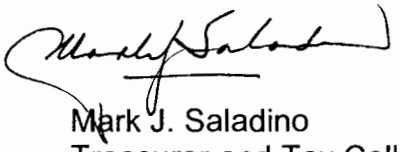
CONCLUSION

The total Fiscal Year 2007-08 shortage amount to be replaced from the General Fund to the Fund is $4,747.21.

Instruct the A-C to issue a County warrant in the amount of $33,300 to increase the TTC Cash Difference fund from $16,700 to $50,000.

Instruct the Executive Officer/Clerk of the Board to return one (1) adopted Board Letter to the A-C and (1) adopted Board Letter to the TTC.

Respectfully submitted,



Mark J. Saladino
Treasurer and Tax Collector

MJS:MO:bg
wd:d/cashdiff.Bdltr-07-29-08

Attachments

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller

RESOLUTION REPLENISHING THE

COUNTY TREASURER AND TAX COLLECTOR

CASH DIFFERENCE FUND

WHEREAS, on July 5, 1966, the Board of Supervisors established the Cash Difference Fund for the COUNTY TREASURER AND TAX COLLECTOR; and

WHEREAS, during the period of July 1, 2007 through June 30, 2008 the amount of cash deficits paid from this fund amounted to FOUR THOUSAND SEVEN HUNDRED FORTY SEVEN DOLLARS AND TWENTY-ONE CENTS ($4,747.21); and

WHEREAS, the COUNTY TREASURER AND TAX COLLECTOR had applied to the Board of Supervisors for the replenishment of the Fund in the total amount of the shortages paid therefrom and has itemized each deficit as to amount, date of occurrence and the cashier, where applicable, who was reimbursed from the Fund in the manner required by law:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that pursuant to the provisions of Section 29378 of the Government Code, the COUNTY TREASURER AND TAX COLLECTOR'S Cash Difference Fund, established by the Board on July 5, 1966, is hereby replenished in the amount of FOUR THOUSAND SEVEN HUNDRED FORTY SEVEN DOLLARS AND TWENTY-ONE CENTS (4,747.21) and the County Auditor-Controller is hereby directed to transfer this amount from the County General Fund to the credit of the

TK7 7389 COUNTY TREASURER AND TAX COLLECTOR'S Cash Difference Fund for that purpose; and

BE IT FURTHER RESOLVED THAT THE COUNTY TREASURER AND TAX COLLECTOR shall use said Fund only for cash deficits pursuant to Sections 29370 through 29380 of the Government Code and that certified copies of this Resolution be transmitted by the Clerk of this Board to the County Auditor-Controller and the County Treasurer.

The foregoing Resolution was on the _____ day of_____, 2008 adopted by the Board of Supervisors of the County of Los Angeles, and Ex-Officio governing body of all other special assessments and taxing districts for which said Board so acts.

Sachi A. Hamai, Executive Officer-Clerk of
the Board of Supervisors and Ex-Officio Clerk
of the governing body of all other special
assessment and taxing districts for which said
Board so acts.

BY:_____
DEPUTY

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

Barbara Y. Gail
Principal Deputy County Counsel

RESOLUTION IMPLEMENTING SECTION 29380.1 OF THE GOVERNMENT CODE

AUTHORIZING THE AUDITOR-CONTROLLER TO REPLENISH CASH SHORTAGES IN

THE TREASURER AND TAX COLLECTOR CASH DIFFERENCE FUND

WHEREAS, on July 5, 1966, the Board of Supervisors established the Cash Difference Fund for the County Treasurer and Tax Collector; and

WHEREAS, Section 29380.1 of the Government Code allows by resolution that the Board of Supervisors may provide by application to have the cash difference fund replenished by the Auditor-Controller instead of with the Board; and

WHEREAS, the Government Code permits the Board of Supervisors to authorize and designate the Auditor-Controller to perform the functions of the Board to replenish the Treasurer and Tax Collector Cash Difference Fund; and

WHEREAS, the TTC will prepare a detailed account of the Cash Difference Fund and the amounts thereof at each application to have the Cash Difference Fund replenished and the Auditor-Controller shall review the TTC's accounting and render a written report and give an account to the Board of Supervisors of the cash difference fund at the end of the fiscal year and such other times as the Board directs;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles that pursuant to the provisions of Section 29380.1 of the Government Code, applications to replenish the Treasurer and Tax Collector Cash

Difference Fund shall be made with the Auditor-Controller, who is hereby authorized to perform the functions of the Board to replenish such cash shortages, and

BE IT FURTHER RESOLVED, that the TTC will prepare a detailed account of the Cash Difference Fund at each application to have the Cash Difference Fund replenished and the Auditor-Controller shall review the TTC's accounting and render a written report and give an account to the Board of Supervisors at the end of each fiscal year and at such other times as the Board directs.

The foregoing Resolution was on the _____ day of_____, 2008 adopted by the Board of Supervisors of the County of Los Angeles, and Ex-Officio governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Sachi A. Hamai, Executive Officer-Clerk of
the Board of Supervisors and Ex-Officio Clerk
of the governing body of all other special
assessment and taxing districts for which said
Board so acts.

BY:_____
DEPUTY

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

Barbara Y. Gal

CASHIER WINDOW SHORTAGES

DATE	AMOUNT
July 30, 2007	$ .05
August 6, 2007	8.00
August 30, 2007	2.00
September 7, 2007	7.75
September 11, 2007	26.66
November 16, 2007	20.00
November 27, 2007	2.91
November 27, 2007	0.25
November 27, 2007	0.05
November 28, 2007	1.00
November 29, 2007	1.00
December 5, 2007	18.75
December 6, 2007	0.05
December 6, 2007	30.00
December 6, 2007	15.00
December 10, 2007	0.99
December 14, 2007	100.00
December 18, 2007	5.00
January 16, 2008	100.00
January 17, 2008	3.00
January 28, 2008	0.35
February 12, 2008	100.00
February 29, 2008	20.00
March 3, 2008	45.00
March 27, 2008	80.06
April 8, 2008	6.00
April 10, 2008	19.75
June 17, 2008	20.00
May 18, 2007 (Recovery)	(20.00)
May 31, 2007 (Recovery)	(109.00)
CASHIER WINDOW SHORTAGES TOTAL	$ 504.62

COUNTERFEIT BILLS

DATE	AMOUNT
July 13, 2007	$ 100.00
July 18, 2007	100.00
August 28, 2007	100.00
August 31, 2007	100.00
October 18, 2007	100.00
November 21, 2007	50.00
December 6, 2007	100.00
January 9, 2008	20.00
January 10, 2008	100.00
January 14, 2008	100.00
January 28, 2008	100.00
February 11, 2008	100.00
March 3, 2008	50.00
March 14, 2008	100.00
April 7, 2008	50.00
April 11, 2008	50.00
April 18, 2008	100.00
April 30, 2008	20.00
COUNTERFEIT BILLS TOTAL	$ 1,440.00
GRAND TOTAL	$ 1,944.62