

FDAC Employment Benefits Authority

Policy: Fiscal Administration and Authority	Policy Number: TBD
<p>Purpose: The FDAC Employment Benefits Authority (EBA) recognizes that the EBA is a public agency and therefore its funds are public funds. The EBA acknowledges its responsibility to the public to maintain sound fiscal operating policies.</p> <p>The following policies are intended to provide consistent fiscal standards to conduct FDAC EBA business while exercising prudent use of public funds.</p>	

Fiscal Year

FDAC EBA's fiscal year shall be from July 1 to June 30 of each year.

Accounts

FDAC EBA shall maintain the following accounts:

EBA checking account
EBA savings account
EBA margin fund

Held in trust by our third party administrator shall be:

Premium account – where dollars are held once they have been received from members but not yet paid to carriers or otherwise distributed. This account is balanced to zero with each month-end reconciliation.

Reserve account – this account maintains \$100,000. It is used by the third party administrator as a cash-flow account, so that carrier and other payments can be made on time even when the members have not yet paid their bill for that month. This account is balanced back to \$100,000 with each month-end reconciliation.

Transparency

The financial condition and transactions of the FDAC Employment Benefits Authority will be open to the public for review. The FDAC EBA financial statements will be available on the EBA website or in print unless restricted for confidentiality by law as is consistent with the Public Records Act.

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Budget

A budget shall be prepared by staff with input from the Treasurer or appropriate Board representatives annually and presented to the full Board of Directors before June 15 for the following fiscal year. The budget shall include all public funds associated with the EBA, including premium dollars paid to the third party administrator as the EBA's agent.

The budget will also indicate how much of the net income is allocated to the margin fund.

The Board of Directors shall adopt the budget before any spending may occur.

Margin Fund

This fund is a restricted fund account, to be used for rate stabilization, if the JPA decides to become self-funded, or for any other purpose as befits the mission of the organization, and with approval of the Board of Directors.

Fund Transfer Authority

Operating funds may be transferred between the checking and savings accounts at the discretion of staff. The transfer of money from the margin fund to the general operating account(s) requires a majority vote of the Board of Directors.

Investments

The EBA funds will be kept in low-risk, interest-bearing accounts. Decisions to open new investment account(s) require a majority vote of the Board of Directors.

Treasurer

The Treasurer shall keep or cause EBA appropriate staff to keep adequate and correct accounts of the properties and business transactions of EBA, including accounts of assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Directors or EBA members and for public review.

The Treasurer shall cause the appropriate staff to verify invoices and ensure timely payment each month.

The Treasurer shall approve all reimbursements for FDAC EBA Board of Directors prior to payment.

The EBA's financial performance will be reviewed against the adopted budget by the Treasurer of the Board at least quarterly, and the results of this review presented to the full Board at the first public meeting following the review.

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Preparing Checks

The Treasurer shall cause the appropriate staff to prepare checks for disbursements, mail or distribute checks, file paid bills, and record checks.

The Executive Director has the authority to approve payments of all expenditures within the Board of Directors approved budget within the limits of the California Government Code. Any unbudgeted amount or expenses exceeding the approved budget or requiring funds be transferred from the margin fund must be approved by the FDAC EBA Board of Directors or other body given authorization by the Board.

Signing Checks

The Board of Directors will authorize a list of persons who are authorized to sign checks. Those authorized will include the Executive Director and Treasurer. Two signatures will be required on all FDAC EBA checks.

Reconciliation

The Treasurer shall cause the appropriate staff to maintain the General Ledger. The Treasurer shall from time to time review the General Ledger. The Treasurer shall cause the appropriate staff to reconcile the General Ledger with the monthly reports received by the third party administrator, and with the monthly statements received from the financial institution.

A summary list of all warrants processed since the last Board of Directors meeting will be presented to the Board for review and approval at each regular open meeting. The summary list will be available for public inspection.

Audit

Every year, FDAC EBA shall engage an outside auditing firm to perform an audit of FDAC EBA's financial position and state of internal controls. The audit will be placed on the Board agenda within 60 days of receipt or January 1 of the year after close of the fiscal year, whichever is sooner.

The Board of Directors hereby establishes an Audit Committee, comprised of the entire Board of Directors. The purpose of establishing the Audit Committee is to formally signify the entire Board of Directors has fiduciary responsibility for oversight of EBA administration, governance and financial accountability in the interest of the public.

The role of the Audit Committee is to provide oversight and accountability for all aspects of fiscal affairs including:

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- Selection and hiring of the financial audit firm
- Audits are performed on an annual basis
- Formal acceptance, in open session, of the audit report
- Assurance that fiscal processes are adequate and being followed
- Payments are made accurately and promptly
- Records and reports are accurate