



SunLine Transit Agency  
February 23, 2022  
10:55 a.m. – 11:20 a.m.

## AGENDA

### BOARD OPERATIONS COMMITTEE Regular Meeting

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### VIA VIDEOCONFERENCE

Pursuant to California Government Code section 54953(e), the Board of Directors regular meeting will be conducted remotely through Zoom. Please follow the instructions below to join the meeting remotely.

#### INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

##### Join Zoom Meeting - from PC, Laptop or Phone

<https://us02web.zoom.us/j/88081495383>

Meeting ID: 880 8149 5383

Teleconference Dial In  
888-475-4499 (Toll Free)  
Meeting ID: 880 8149 5383

One tap mobile  
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Phone controls for participants:

The following commands can be used on your phone's dial pad while in Zoom meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

public comment requests may be submitted via email to the Clerk of the Board at [clerkoftheboard@sunline.org](mailto:clerkoftheboard@sunline.org) prior to February 22, 2022 at 5:00 p.m. with your name, telephone number and subject of your public comment (agenda item or non-agenda item). Members of the public may make public comments through their telephone or Zoom connection when recognized by the Chair. Those who have submitted a request to speak by the deadline above will be recognized first, then anyone else who wishes to speak will be provided an opportunity to make public comment. If you send written comments, your comments will be made part of the official record of the proceedings and read into the record if they are received by the deadline above.

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**ITEM**

**RECOMMENDATION**

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, www.sunline.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

**ITEM**

**RECOMMENDATION**

**1. CALL TO ORDER**

**2. FLAG SALUTE**

**3. ROLL CALL**

**4. PRESENTATIONS**

**5. FINALIZATION OF AGENDA**

**6. PUBLIC COMMENTS**

**RECEIVE COMMENTS**

**NON AGENDA ITEMS**

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

**7. COMMITTEE MEMBER COMMENTS**

**RECEIVE COMMENTS**

**8. REVISIONS TO BOARD APPROVED POLICIES  
REGARDING TITLE CHANGES**

**APPROVE  
(PAGE 3-31)**

(Staff: Brittney Sowell, Chief of Staff)

**9. ADJOURN**

**SunLine Transit Agency**

**DATE:** February 23, 2022 **ACTION**

**TO:** Board Operations Committee  
Board of Directors

**FROM:** Brittney B. Sowell, Chief of Staff

**RE:** Revisions to Board Approved Policies Regarding Title Changes

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**Recommendation**

Recommend that the Board of Directors approve revisions to a total of nine (9) Board approved policies regarding title changes for roles outlined within the documents.

**Background**

Over a period of time, SunLine Transit Agency has had changes to the roles/responsibilities and job titles of a number of positions. The Agency is requesting to update Board approved policies to ensure that the current work flow and controls are documented.

Changes presented as part of this amendment are solely focused on title changes for positions and Board Committee names. Attached to the Board report is a chart that provides the policy name, the current text found in the document and the requested amendment. In addition, redlined copies of the policies are included as attachments.

Revisions are being requested to the following policies:

- Accounts Payable Policy (No. B-010504)
- Accounts Receivable/Cash Receipts (No. B-010604)
- Bank Accounts Policy (No. B-020503)
- Budget Policy (No. B-020704)
- Checks Policy (No. B-030403)
- Contracts Policy (No. B-030604)
- Credit Card Policy (No. B-030503)
- Grants Management Policy (No. B-070404)
- Petty Cash Fund Procedures (No. B-160603)

**Financial Impact**

There is no financial impact associated with the requested revisions.

## Attachments:

- [Item 8a](#) – Matrix of Policy Revisions
- [Item 8b](#) – Redlined Copy of Accounts Payable Policy No. B-010504
- [Item 8c](#) – Redlined Copy of Accounts Receivable/Cash Receipts Policy No. B-010604
- [Item 8d](#) – Redlined Copy of Bank Accounts Policy No. B-020503
- [Item 8e](#) – Redlined Copy of Budget Policy No. B-020704
- [Item 8f](#) – Redlined Copy of Checks Policy No. B-030403
- [Item 8g](#) – Redlined Copy of Contracts Policy No. B-030604
- [Item 8h](#) – Redlined Copy of Credit Card Policy No. B-030503
- [Item 8i](#) – Redlined Copy of Grants Management Policy No. B-070404
- [Item 8j](#) – Redlined Copy of Petty Cash Fund Procedures No. B-160603

Policy Number	Policy Name	Adopted	Last Revision Date	Current Title Indicated	Requested Amendment
B-010504	Accounts Payable Policy	8/4/2004	3/24/2010	Accounting Manager	Accounting and Financial Reporting Manager
				Director of Finance	Chief Financial Officer
				Director	Chief
B-010604	Accounts Receivable/Cash Receipts	8/4/2004	4/26/2017	Senior Accountant	Technical Accountant/Accounting Coordinator
B-020503	Bank Accounts Policy	9/24/2003		Senior Accountant	Technical Accountant/Accounting Coordinator
				General Manager	CEO/General Manager
B-020704	Budget Policy	8/4/2004	7/6/2005	Department Directors	Chiefs
				Director of Finance	Chief Financial Officer
				General Manager	CEO/General Manager
				Finance Committee	Finance/Audit Committee
B-030403	Checks Policy	10/25/2006	1/23/2019	Accounting Manager	Accounting and Financial Reporting Manager
				Senior Accountant	Technical Accountant/Accounting Coordinator
				Deputy Chief Financial Officer	Controller/Assistant Chief Financial Officer
				Chief Operations Officer	Chief Transportation Officer
B-030604	Contracts Policy	2/25/2004	3/26/2008	General Manager	CEO/General Manager
				Director	Chief
				Director of Administrative Services	Chief of Staff
				Finance Committee	Finance/Audit Committee
B-030503	Credit Card Policy	9/24/2003	1/23/2019	Senior Accountant	Technical Accountant/Accounting Coordinator
				Deputy Chief Financial Services	Chief Financial Officer
				CEO/GM	CEO/General Manager
				Accounting Manager	Accounting and Financial Reporting Manager
B-070404	Grants Management Policy	8/4/2004	2/25/2009	Planning Director	Deputy Chief Financial Officer
				General Manager	CEO/General Manager
				Finance Committee	Finance/Audit Committee
B-160603	Petty Cash Fund Procedures	1/28/2004	9/28/2011	Directors	Chiefs
				Director of Finance	Chief Financial Officer
				Director	Chief
				Senior Accountant	Technical Accountant/Accounting Coordinator

SunLine Transit Agency  
Accounts Payable Policy  
Policy No: B-010504

Revised: ~~03/24/2010~~02/23/2022  
Adopted: 08/04/2004

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## ACCOUNTS PAYABLE POLICY

### POLICY

SunLine Transit Agency (SunLine) will endeavor to process all vendor payments within thirty (30) days. The conduct of the Agency's employees are to be in compliance with the laws and regulations relating to such disbursement of funds, and in adherence with the Board's Ethics and Conflict of Interest policies and Accounts Payable procedures set forth herein.

### PROCEDURE

1. Checks are issued once a week, authorized and signed in accordance with the Board's Check Policy.
2. All check numbers are logged and accounted for, under supervision of the Accounting ~~Manager~~and Financial Reporting Manager.
3. Checks are printed on pre-printed, pre-numbered safety paper, and custody of the checks is maintained in locked storage, with access keys held by the ~~Director of Finance~~Chief Financial Officer.
4. Personnel with system authorization to process accounts payable transactions may only print checks after proper review, authorization, and approval.
5. Personnel authorized to sign checks shall not be granted authorization to process accounts payable or to print checks. Signed checks shall not be returned to personnel assigned to print checks.
6. All invoices for payment must be reviewed and approved by a ~~Director~~Chief level and above or the designee of the department ordering the goods and services.
7. Each invoice is stamped with the date received. All necessary purchase orders, receiving documents, or purchase requisitions shall be attached to the invoice, prior to payment.
8. Checks still outstanding after ninety (90) days will be voided and a stop payment issued. A new check will be reissued after receipt of a lost check affidavit or upon request of the payee accompanied by the original check.

9. Lost checks will be replaced upon receipt of an affidavit of lost check, by the payee, and upon the Finance Department's confirmation that the check is still outstanding, with a stop payment issued before a new check is issued.

SunLine Transit Agency  
Accounts Receivable/Cash  
Receipts Policy  
Policy No: B-010604

Revised: ~~04/26/2017~~02/23/2022  
Adopted: 08/04/2004

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## ACCOUNTS RECEIVABLE/ CASH RECEIPTS POLICY

### POLICY

SunLine Transit Agency (SunLine) will carefully monitor Accounts Receivable and will make all attempts to recover monies owed to SunLine - recognizing that these are public funds.

### PROCEDURE

#### 1. Accounts Receivable

- a. Invoices will be prepared by the Accounting Technician every week. All invoices – excluding advertising invoices – will be on net thirty (30) terms. All invoices will be supported by appropriate documentation. **\*Customers requesting advertisement orders will need to provide payment upfront – before each advertising period (flight) begins\***
- b. All outstanding Accounts Receivable invoices will be reviewed by the Accounting Technician with follow up, on a monthly basis to resolve outstanding balances.
- c. A monthly listing of aged Accounts Receivable will be provided to the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator, with explanation for outstanding balances.

#### 2. Cash Receipts

- a. SunLine will carefully monitor cash receipts procedures, to protect the integrity of incoming funds.
  - I. On a daily basis incoming checks, cash and/or credit card payments will be received by the Front Desk Receptionist, either by mail or at the counter from walk-up customers. Payments are entered into accounting software and will produce receipts that are attached with appropriate documentation and stored in a locked drawer.
  - II. At the end of each day the Accounting Technician will pick up all cash receipts with appropriate forms of payment and documentation and verify, sign and date the daily

cash log. The following day he/she will then verify the receipts against checks, cash, and credit card receipts submitted and balance the totals.

- III. All checks are copied and stamped "For Deposit Only" and processed through the desktop deposit machine located on the Accounting Technician's desk. A deposit slip is prepared for cash and coins which are then sealed in a WFB deposit bag and locked in the Finance safe until pick-up. Daily deposits will be given to a coin room employee to be included with other deposits from the Coin Room which are picked-up on Monday, Wednesday, and Friday of each week.
- IV. Motor bus fare receipts are deposited into the coin room vault each evening by Utility personnel. Fare boxes are sealed and opened only upon proper connection to the fare box vault. Employees have no physical contact with cash at this point. Each morning, the Coin Room Clerks remove all cash receipts from the vault, separating coin and currency. Coins are counted by machine, emptied into coin bags. Currency is counted by currency counting machines. This activity is monitored by cameras with terminals located in Safety, with the Accounting Technician and the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator.
- V. The Coin Room Clerks prepare forms detailing the contents of each deposit, and a courier deposit slip is attached to the locked bag(s) which are then kept in the vault until pick-up. An Armored Truck Services' employee signs for the bag(s) upon pick-up and a copy of the deposit form is given to the Accounting Technician. Any discrepancies between actual deposits per the bank and deposit records per the Cash Room are monitored closely by the Accounting Technician and the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator.

SunLine Transit Agency  
Bank Accounts Policy P  
olicy No: B-020503

**Revised: 02/23/2022**  
**Adopted: 09/24/2003**

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## BANK ACCOUNTS POLICY

### PURPOSE

The purpose of this document is to outline the policy and procedure on bank accounts for SunLine Transit Agency (hereafter referred to as "SunLine").

### POLICY

It is the policy of SunLine to establish bank accounts for the deposit and disbursement of public monies, and to maintain a complete set of bank contracts, including signature cards, for purposes of control, accountability, limitation, and authorization.

SunLine shall establish as few bank accounts as possible in order to minimize banking costs. All monthly bank statements shall be mailed directly to and processed by SunLine accounting function. Two signatures shall be required for each bank account and signers will be identified in a Board Resolution.

### PROCEDURE

1. **Opening a Bank Account.** Upon SunLine staff recommendation and Board Resolution, new bank accounts may be opened as required. The Resolution will ***identify two account signers***. If a new SunLine account is to be opened, then:
  - a. The Chief Financial Officer or ~~Senior Accountant~~ **Technical Accountant/Accounting Coordinator** shall request signature cards from the bank; prepare them; and send them to the authorized signers for completion.
  - b. After the authorized signers have completed the signature cards, they shall return them to the Chief Financial Officer for the "Signer of Contract" authorization.
  - c. The ~~Senior Accountant~~ **Technical Accountant/Accounting Coordinator** shall then return the original signature cards to the bank, along with the account contract(s).
  - d. The Chief Financial Officer shall retain and file a photocopy of each account contract and each signature card.
  - e. Any change of signer(s) may be accomplished by Board Resolution only.

- f. The Clerk of the Board shall have exclusive custody of SunLine's facsimile signature stamps.
- 2. **Line of Credit.** A line of credit may be established by staff recommendation and Board Resolution only. ***The Resolution will identify two account signers.***
- 3. **Closing a Bank Account.** Upon SunLine staff recommendation and Board Resolution, the Chief Financial Officer or, in the absence of the Chief Financial Officer, the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator, shall be authorized to close a SunLine bank account.
  - a. The ~~Senior Accountant~~Technical Accountant/Accounting Coordinator shall draft a letter to the bank for signature by the Chief Financial officer or, in the Chief Financial Officer's absence, by the CEO/General Manager, approving the closure of the account on an effective date.
  - b. The Chief Financial Officer shall send the original, signed letter and Board Resolution to the bank.
  - c. SunLine accounting function shall confirm the closing of the bank account, and the termination of all related services upon receipt of the next monthly bank statement.
  - d. SunLine accounting function shall then notify the CEO/General Manager that the bank account has been closed, and retain a file on the closed bank account for the annual financial audit.
  - e. Any SunLine bank account closure transaction requires a Board Resolution.
  - f. Upon notification of obsolete checks by Chief Financial Officer or ~~Senior Accountant~~Technical Accountant/Accounting Coordinator, the accounts payable staff will destroy obsolete check stock within 48 hours and personally attest in writing to the check destruction. Checks s are never to be discarded intact.

SunLine Transit Agency  
Budget Policy  
Policy No: B-020704

Revised: ~~07/06/2005~~02/23/2022  
Adopted: 08/04/2004

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## BUDGET POLICY

### PURPOSE

SunLine Transit Agency (SunLine) shall prepare an annual operating and capital budget. The purpose of this policy is to outline the budget procedure.

The annual Short Range Transit Plan (SRTP) is developed based upon funding estimates and consumer price index (CPI) information provided by Riverside County Transportation Commission (RCTC). The annual report is a three-year planning document.

The allocation of funds from RCTC is based on the transit services and capital projects specified in the annual SRTP. Claims for funds may be claimed subsequent to approval of the allocation by the Commission, and include Local Transportation Funds (LTF), Measure A Specialized Transit Funds, and State Transit Assistance Funds (STA).

### PROCEDURE

1. Department ~~directors~~Chiefs, the ~~Director of Finance~~Chief Financial Officer, and the CEO/General Manager formulate the Agency's capital budget for the coming year, based upon appropriate funding identified in the SRTP. An outline, description, and cost estimate for each capital item is included in the SRTP, as well as the Agency's fleet inventory and bus replacement program.
2. Staff presents an initial SRTP to RCTC staff for review and commentary, followed by submission to the Agency's Board of Directors, for their review and approval. Upon adoption, the document is submitted to RCTC for final approval. This establishes the transit services plan and funding levels for the coming fiscal year ending June 30.
3. Department ~~directors~~Chiefs develop operating budget requests within the parameters of funding set by the SRTP, based upon analysis of two prior years' and the current year's expenditures, plus anticipated needs for the coming year. Expenditure requests are submitted to the ~~Director of Finance~~Chief Financial Officer and CEO/General Manager, along with explanations for requests and variances.
4. The operating budget is submitted by the CEO/General Manager to the Board's Finance/Audit Committee. Upon recommendation of the Finance/Audit Committee, the operating budget is then submitted to the Board of Directors for approval.

5. Expenditures in excess of appropriated funds may not be made without requesting an SRTP amendment from RCTC. SunLine Transit Agency will carefully monitor appropriations for both operating and capital expenditures, to ensure that appropriated funding levels are not exceeded.
  
6. The CEO/General Manager may amend the Agency's budget by transferal of funds between line items and departments, up to 5% of the annual budget in any given year. However, the "bottom line" of the budget may not be increased or decreased without Board approval of an SRTP amendment. All such transfers must be reported to the Finance/Audit Committee at their next regular meeting.

SunLine Transit Agency  
Checks Policy  
Policy No: B-030403

Revised: ~~01/23/2019~~ 02/23/2022  
Adopted: 10/25/2006

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## CHECKS POLICY

### PURPOSE

The purpose of this document is to outline the policy and procedures on checks for SunLine Transit Agency (hereafter referred to as "SunLine").

### POLICY

It is the policy of SunLine to use checks as its principal means of disbursement. Checks minimize the amount of cash on hand; require expenditure preauthorization and justification; and are easier to record than credit transactions. Weak or nonexistent internal controls, however, could result in check fraud losses for SunLine since the Uniform Commercial Code has shifted a greater proportion of such losses to the check issuer.

#### 1. **Scope**

The provisions of this policy shall apply to all checks that SunLine originates or receives.

#### 2. **Objectives**

SunLine's objectives shall be to minimize the risk of:

- a. Theft by third parties after checks have been ordered or mailed in payment of bills.
- b. Forgery of check signatures by public officials or employees, or by third parties who have intercepted checks in the mail.
- c. Embezzlement by public officials or employees through the improper use of checks.
- d. Fraud by public officials or employees through the misrepresentation or omission of a material fact concerning checks.

### PROCEDURE

#### 1. **Segregation of Duties**

The duties of public officials and employees with respect to check custody, preparation, and execution shall be segregated so that embezzlement will not be facilitated by a concentration of responsibilities in one person (e.g., cash handling and financial statement preparation). Individuals, independent of one another, shall therefore discharge the following duties:

- a. **Check Stock Custody.** The Chief Financial Officer, ~~Deputy Chief Financial Officer~~Controller/Assistant Chief Financial Officer, Accounting and Financial Reporting Manager, ~~and Senior Technical~~ Accountant/Accounting Coordinator ~~and Administrative/Accounting Assistant~~ shall have exclusive custody to the safe combination. The key to the locked unit in which the check stock is kept should be held in the safe. Only the Accounting Technician, Accounts Payable, and the Payroll Accountant shall be allowed to use the key.
- b. **Check Preparation.** The Accounting Technician, Accounts Payable, and the Payroll Accountant shall have exclusive responsibility for preparing all checks.
- c. **Check Signing.** The Chairperson, Vice-Chairperson, CEO/General Manager, Chief Financial Officer, Chief ~~Operations-Transportation~~ Officer, Chief Performance Officer, Chief Safety Officer and ~~Deputy Controller/Assistant~~ Chief Financial Officer shall have exclusive responsibility for signing all checks.
- d. **Batches Reviewed and Posted.** Either the Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator shall review and post all accounting batches.
- e. **Bank Statement Reconciliation.** The ~~Senior Technical~~ Accountant/Accounting Coordinator or Accounting Technician, Fixed Assets, shall have exclusive responsibility for reconciling SunLine's bank statements to its general ledger on a monthly basis.
- f. **Mail.** The Receptionist shall have exclusive responsibility for receiving, opening, and reviewing all incoming checks and for distributing receipts for checks.
- g. **Stop Payments.** The Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator shall have exclusive responsibility for placing stop payments on outstanding checks.
- h. **Vendor Verification.** No check will be issued to any vendor until their Federal ID# and mailing address have been verified.

If any of the above-referenced Finance Department employees are unavailable, then the CEO/General Manager may assign those responsibilities to other Finance Department employees.

## 2. Control Reports

A criminal typically attempts to conceal embezzlement by increasing or decreasing reported monthly expenditures, or by doing both. SunLine shall address this risk by requiring that the Chief Financial Officer, ~~Deputy Chief Financial Officer~~Controller/Assistant Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator prepare and review SunLine's monthly statements of financial position; statements of revenues and expenditures; check registers; and bank reconciliations. The Finance/Audit Committee shall receive a copy of the Checks Over \$1,000 report and each statement of revenues and expenditures on a monthly basis.

## 3. Procurement

SunLine's check stock shall be pre-numbered and shall have the following security features:

- a. Artificial watermarks on both sides of the check that cannot be scanned or photocopied.
- b. The word "VOID" will appear on the check if it is scanned or photocopied.
- c. Chemical-reactive paper that voids the check if an ink eradicator is applied.
- d. Microprinting that prevents details from being matched if the check is scanned or photocopied.
- e. Warning banners that advise tellers to inspect a check before accepting it, and that may deter criminal experimenting.

The Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator shall be responsible, upon receipt of new check stock, for its immediate review in order to verify consecutive check numbering, and the accuracy of account information. If either individual is unavailable, then the Chief ~~Operations Officer~~of Staff shall perform these duties.

## 4. Custody

The Chief Financial Officer shall designate a locked unit for the storage of all check stock. The Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager and ~~Senior Technical~~ Accountant/Accounting Coordinator shall have exclusive custody of the safe combination in which the key to that unit is held. The Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator shall release it only to the Accounting Technician, Accounts Payable, and Payroll Accountant.

The Accounting Technician, Accounts Payable, and the Payroll Accountant who prepare the checks shall maintain a log that lists the checks that have been issued. The Accounting and Financial Reporting Manager or ~~Senior Technical~~ Accountant/Accounting Coordinator shall review the log on a quarterly basis in order to verify that all checks have been properly accounted for.

## 5. Request for Payment

The Accounting Technician, Accounts Payable, shall prepare and submit to the Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting Manager or Senior Accountant, a transaction report that lists all check payees, prior to requesting the key to the locked unit in which the check stock is kept. The transaction report shall also itemize, describe, and justify all proposed expenditures by check.

All check payments shall be supported by purchase orders; sales receipts; time cards; personal action forms; and any other necessary supporting documentation. Only original invoices (no photocopies unless unable to receive original) totaling the amount of the disbursement shall be attached to the request for payment prior to execution.

All requests for payment, and all attached invoices shall be stamped "PAID" in order to avoid duplicate payments.

## 6. Signature Authority

Only the Chairperson, Vice-Chairperson, CEO/General Manager, Chief Financial Officer, Chief ~~Operations-Transportation~~ Officer, Chief Performance Officer, Chief Safety Officer and ~~Deputy Controller/Assistant~~ Chief Financial Officer shall have check-signing authority on SunLine's behalf. A dual-signature requirement shall be in effect at all times. Blank checks are never to be signed.

Checks between \$25,000 and \$50,000 must be signed by the CEO/General Manager and the Chief Financial Officer or ~~Deputy Controller/Assistant~~ Chief Financial Officer. Along with another authorized signatory, the Chairperson or Vice Chairperson must sign all checks over \$50,000 with an original signature. Appendix A of this policy identifies vendors which are exempt from the additional requirements for payments above \$25,000. The list in Appendix A includes reoccurring weekly, bi-weekly, monthly or quarterly vendors, which are reviewed and approved by the Finance/Audit Committee as necessary.

All checks shall require two original signatures. Payroll checks may be signed as follows: original of Chairperson, Vice-Chairperson, CEO/General Manager, Chief Financial Officer, Chief ~~Operations-Transportation~~ Officer, Chief Performance Officer, Chief Safety Officer or ~~Deputy Controller/Assistant~~ Chief Financial Officer. All other Board Members and employees are prohibited from having check-signing authority. Exceptions can be approved by the CEO/General Manager.

## 7. Mailing

Checks should always be mailed directly to the vendor or payee by the Receptionist. They shall not be returned to the requesting department, division, or individual, in order to minimize the likelihood that such checks will be altered or given by someone other than the intended payee.

## 8. Manually-Issued Checks

SunLine may issue manual checks that are subsequently entered into SunLine's computerized accounting system. In order to minimize the potential for forgery, all manual checks shall be approved by the Chief Financial Officer or ~~Deputy Controller/Assistant~~ Chief Financial Officer.

## 9. Cancelled Checks

SunLine shall request that its commercial bank return all of SunLine's cancelled checks, or a disk with a copy of each check on both sides, on a monthly basis, by mail, so that SunLine will possess the requisite financial records for its annual financial audit.

## 10. Reconciled Bank Accounts

The ~~Senior Technical~~ Accountant/Accounting Coordinator or Accounting Technician, Fixed Assets, shall promptly reconcile all bank statements within 30 days of statement mailing. The ~~Senior Technical~~ Accountant/Accounting Coordinator or Accounting Technician, Fixed Assets, shall immediately report any discrepancy to the Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer or Accounting and Financial Reporting Manager, and shall provide a supporting reconciliation report. The Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer or Accounting and Financial Manager shall perform a final review of the bank reconciliation, and shall approve the bank reconciliation by initialing it.

## 11. Voided Checks

All checks that are spoiled or mutilated or that have been defectively prepared shall be voided by:

- a. Stamping or by writing, in ink, the word "VOID" in the check amount field, and in the vendor name/address field; and
- b. Removing the signature blocks from the check.

The check shall also be voided on SunLine's computerized accounting system.

## 12. Stop Payments

When one of SunLine's checks is lost in the mail or otherwise cannot be accounted for, the Senior Accountant shall immediately contact the bank upon which the check is drawn, and place a stop payment on the check. The check shall also be voided on SunLine's computerized accounting system.

### **13. Destruction of Obsolete Check Stock**

Upon notification of obsolete check stock by the Chief Financial Officer, ~~Deputy Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior-Technical~~ Accountant/Accounting Coordinator, checks shall be destroyed within 48 hours and never discarded intact. Check stock shall be deemed to be obsolete when an address change occurs or a bank account is closed. The Accounting and Financial Reporting Manager or ~~Senior-Technical~~ Accountant/Accounting Coordinator, with the approval of the Chief Financial Officer or ~~Deputy-Controller/Assistant~~ Chief Financial Officer, shall shred all obsolete check stock and personally attest in writing to the check destruction. Alternatively, the Chief Financial Officer, ~~Deputy-Controller/Assistant~~ Chief Financial Officer, Accounting and Financial Reporting Manager or ~~Senior-Technical~~ Accountant/Accounting Coordinator may retain a commercial shred company with bonded employees for that purpose.

### **14. Disciplinary Action**

SunLine employees who violate the provisions of this policy shall be subject to disciplinary action, up to and including termination of employment.

## Appendix A

The following vendors are exempt from the additional requirements for payments above \$25,000. Revisions to this Appendix shall be approved by the Finance/Audit Committee.

- U.S. Bank – Pension fund payments
- CalPers – Health Care Vendor
- Southern California Gas – Natural Gas
- Guardian – Benefit Insurance Provider
- PERMA – Insurance Vendor
- Imperial Irrigation - Electricity
- Element Markets, LLC – Natural Gas
- Michelin North America---Tire Leasing
- \*BAE – Pass-through

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\* Pass through accounts will be identified for Board approval to be included in the list of exclusions from the dollar amount limitations.

SunLine Transit Agency  
Contract Policy  
Policy No: B-030604

Revised: ~~03/26/2008~~02/23/2022  
Adopted: 02/25/2004

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## CONTRACT POLICY

### PURPOSE

The purpose of this document is to outline the policy for SunLine Transit Agency ("SunLine") to establish authorization levels and procedures for entering into contracts, agreements and memorandums of understanding ("contracts"). For purposes of this Policy, the term "contract" is broadly defined to include any arrangement under which SunLine is providing money, goods or services to another entity or individual in exchange for something in return.

### POLICY

This policy is intended to establish guidelines that apply when SunLine enters into contracts and accepts grant funding for transit and a variety of projects that may include services, equipment, travel, products and/or the use of subcontractors and consultants. While this document is meant to set policy on the processing of all contracts, it is not intended to be inflexible.

The following three categories define the approval process that applies to all contracts, depending upon the financial amount involved and the urgency of the matter.

#### 1. CEO/General Manager Authorization

- a. The CEO/General Manager is authorized to enter into contracts on behalf of SunLine in an amount not to exceed \$75,000. provided that the term is not greater than one (1) year, without obtaining prior authorization from the Finance/Audit Committee or SunLine's Board of Directors.
- b. The CEO/General Manager is authorized to enter into a contract or to obligate SunLine in excess of \$75,000 only in the event of an emergency relating to transit operations or involving a safety issue. The CEO/General Manager shall make every reasonable effort to contact the Chairperson of the Board or the Finance/Audit Committee prior to entering into such an obligation, but his/her inability to do so shall not impede his/her authority to sign documents necessary to respond to the emergency or safety issue. Any such contracts or obligations shall be brought to the Board at its next regular meeting for discussion and ratification.
- c. The aggregate amount of contracts or obligations included permitted this section shall not exceed \$100,000 in any fiscal year, without prior Board approval.

- d. The aggregate value of all contracts awarded to any one individual or entity under this section shall not exceed \$100,000 in any fiscal year, without prior Board approval.
- e. The CEO/General Manager may exercise his/her authority to execute contract amendments for existing contracts that do not exceed 25% of the original contract amount without prior Board approval, but in no event shall the amount of SunLine's financial obligation exceed \$75,000. In the event the amount of the amendment or modification exceeds \$75,000. General Counsel's or the Chairperson's approval of the amended contract must be received prior to signature.
- f. A list of any contracts entered into under this section shall be provided by the CEO/General Manager to the Finance/Audit Committee and the SunLine Board of Directors at the next available regularly scheduled meeting (normally monthly).
- g. The CEO/General Manager may designate the Chief Financial Officer or a Director-Chief to execute contracts on his/her behalf on a contract-by-contract basis.

## 2. Board Authorization

- a. SunLine staff will provide drafts of all contracts, amendments or modifications exceeding the value of \$10,000 to SunLine's General Counsel, to the ~~Director of Administrative Services~~Chief of Staff and to the Chief Financial Officer for review, modification and Administrative Approval. Staff shall provide such drafts with sufficient lead time to allow for appropriate review. Following Administrative Approval of the contract, staff shall present the contract to the Finance/Audit Committee and SunLine Board of Directors at the regularly scheduled meetings for review and approval prior to signature.
- b. All contracts shall be accompanied by a staff report that fully discusses the scope of the contract, its purposes and benefits, and sufficient financial detail that identifies all funding requirements and financial implications of the contract.
- c. In the event that a contract, an amendment, or a modification is presented to SunLine for signature that does not allow for the timely process that is required under this policy, the following procedures shall apply. After obtaining CEO/General Counsel's approval of the contract as set forth in section A II of this Policy, the CEO/General Manager (or his/her designee) may contact the Chairperson of the Board of Directors and the Chairperson of the Finance/Audit Committee and present the issues involved and the urgency of the matter. These individuals may request a special meeting of the Finance/Audit Committee to review the subject contract and the Finance/Audit Committee may approve the signing of the contract under special circumstances. If a contract is signed under these conditions, it shall be presented to the SunLine Board of Directors at its next regularly scheduled meeting with an explanation of the special circumstances.

### 3. Amendments, Modifications and Recurring Contracts

- a. The CEO/General Manager (or his/her designee) may execute amendments or modifications to existing contracts without prior approval if the document gives SunLine or a contractor an extension of time in which to complete work that is already covered by the contract at no additional cost to either party. Staff shall provide copies of these amendments and modifications to the Finance/Audit Committee and SunLine Board of Directors at their next regularly scheduled meeting.

#### **PROCEDURE**

1. SunLine staff shall provide the Contracts & Compliance Administrator with the original of every signed contract or agreement, amendment or modification thereof, for SunLine's records.

SunLine Transit Agency  
Credit Card Policy  
Policy No: B-030503

Revised: ~~01/23/2019~~ 02/23/2022  
Adopted: 09/24/2003

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## CREDIT CARD POLICY

### PURPOSE

The purpose of this document is to outline policies and procedures for SunLine Transit Agency's (hereinafter referred to as "SunLine") credit card usage.

### POLICY

SunLine Policy is that credit cards shall be issued to a Board approved defined number of responsible employees and positions.

### PROCEDURE

#### 1. Scope

- a. Securing hotel rooms and airline tickets for approved SunLine staff travel in accordance with SunLine's Travel & Expense Reimbursement Policy No. B-200197.
- b. Purchases made by the CEO/General Manager for other normal uses of credit cards related to the duties of the position.
- c. For items purchased over the internet.
- d. Refueling of Agency vehicles.
- e. Small purchases of supplies related to Agency events, meetings and general office supplies for staff within approved budgets. Small purchases must not exceed \$500 per transaction.
- f. Payment of invoices related to normal Agency transactions through Accounts Payable.

## 2. Control

### a. Reporting

- I. The Clerk of the Board will provide the Board of Directors with a copy of each monthly statement (account number redacted) in the published Board Agenda document.
- II. The ~~Deputy~~ Chief Financial Officer shall be designated as Program Administrator and is responsible for reviewing bi-weekly transactions and monthly reports to validate transactions in accordance with policy requirements.
- III. Final payable register must be reviewed and approved by the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator, Accounting Manager and ~~Deputy~~ Chief Financial Officer prior to payment via credit card.

### b. Cardholders

- I. One credit card shall be issued to the CEO/General Manager for the purchases related to Agency travel, meeting expenses and other normal uses of credit cards related to the duties of the CEO/General Manager.
- II. One credit card shall be issued to the ~~Deputy~~ Chief Financial Services for the purchases related to Agency travel, meeting expenses and for items related to the procurement of Agency goods or services in accordance with the Agency's procurement policy.
- III. One credit card shall be issued to the ~~Senior Accountant~~Technical Accountant/Accounting Coordinator for the purposes of issuance of payment to vendors. Invoice submittal and approvals shall follow established controls regarding signature review and approval prior to payment. The Accounting Technicians related to Accounts Payable shall be responsible for payments consistent with the Agency's accounts payable policy.

### c. Limitations

- I. All cards, excluding cards for the CEO/General Manager and ~~Senior Accountant~~Technical Accountant/Accounting Coordinator shall be limited to monthly limits of \$4,000. The CEO/GM shall be limited to monthly transactions up to \$10,000. The credit card related to the process of Accounts Payable shall not be limited by month.
- II. The ~~Deputy~~ Chief Financial Officer shall have the authority to restrict or temporarily increase limits under special circumstances.

**d. Responsibilities**

- I. Credit cards shall be issued under the cardholder's name and each cardholder shall be responsible for all purchases made with their respective cards. Additionally, cardholders shall be responsible for ensuring accurate and timely submission of monthly reconciliation reports. Finally, cardholders shall be responsible for signing and acknowledging receipt of the Credit Card policy and all related responsibilities and consequences for misuse.
- II. The ~~Deputy~~ Chief Financial Officer shall be responsible for reviewing bi-weekly transactions, monthly reports and payable transactions.
- III. The Clerk of the Board shall be responsible for submission of reports associated with credit card transactions in the consent calendar for the Board of Directors.

**3. Misusage and Employee Separation**

- a. All transactions utilizing credit cards must be related to official Agency business. In the case that a personal transaction is charged, the cardholder is responsible for identification as such on monthly reconciliations and the Agency must be reimbursed through the software via ACH deduction from cardholder's bank.
- b. In the case of separation of a cardholder and the Agency, the ~~Deputy~~ Chief Financial Officer shall be responsible for cancellation of the credit card. The cardholder shall be responsible for returning credit card to Human Resources upon termination for destruction.
- c. In the case that a cardholder violate any of the items listed under this policy, the employee shall be subject to disciplinary action up to and including termination and/or criminal charges.

SunLine Transit Agency  
Grants Management Policy  
Policy No: B-070404

Revised: ~~02/25/2009~~02/23/2022  
Adopted: 08/04/2004

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## GRANTS MANAGEMENT POLICY

### PURPOSE

The purpose of this document is to outline a policy for SunLine Transit Agency (SunLine) to actively pursue grant-funding opportunities. For purposes of this Policy, the term "grant" is defined to include any funding opportunity available to SunLine provided by Federal/State government agencies or private agencies, consistent with the goals of SunLine.

### POLICY

Grant management of grant projects funded from any source shall be conducted efficiently and effectively in accordance with all applicable laws, rules and regulations, and SunLine's Grant Administrative Procedures. The ~~Planning Director~~Deputy Chief Financial Officer or designee will take the lead to identify, submit, and monitor grants for SunLine as outlined below.

#### **1. Identify Grant Opportunities**

- a. Federal, State, and local grant and funding opportunities will be identified.
- b. Review procedures, requirements and deadlines on grant programs.

#### **2. Grant Development**

- a. Lead the development of potential projects and activities for grant programs.
- b. Coordinate development with other SunLine departments.
- c. Identify and confirm matching source of funds.

#### **3. Grant Submittal**

- a. Gather the necessary information and Board approvals for the submittal of the required information or application.
- b. ~~Planning Director~~Deputy Chief Financial Officer may delegate grant writing responsibilities and review grant application package.

- c. Submit grant application package before program deadline.
- d. Monitor grant and respond to questions from granting agency during application review period.

#### 4. **Grant Approval**

- a. Notify appropriate departments, agencies or Board of results of grant application.
- b. Staff will annually submit resolutions and authorizations to the SunLine Board of Directors for approval. The annual authorization shall indicate the level of authority delegated to the CEO/General Manager for approval of Grants and Cooperative Agreements.
- c. Develop required agreement or other material necessary to secure grant funding. The ~~Planning Director~~Deputy Chief Financial Officer will report all grant activity to the Finance/Audit Committee at its next scheduled meeting.
- d. Amend the Regional and Federal Transportation Improvement Program to reflect grant funding and projects.
- e. Transfer administration of each project to the designated project manager for implementation of the project and overall management of the project.

#### 5. **Grant Administration**

- a. Grant administration will be implemented in accordance with SunLine's Grant Administration Procedures.

#### 6. **Reporting**

- a. Provide the Grant Tracking Report to the Board of Directors on a quarterly basis.

Update Milestone Progress Reports to the FTA each quarter for each active FTA grant, including current anticipated grant closeout schedules.

**SunLine Transit Agency  
Petty Cash Fund Procedures  
Policy No: B-160603**

Revised: ~~09/28/2011~~02/23/2022  
Adopted: 01/28/2004

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## PETTY CASH FUND PROCEDURES

### PURPOSE

Petty Cash Funds provide an efficient and cost-effective way to make prompt payments for minor SunLine Transit Agency (hereafter referred to as "SunLine") business expenses. SunLine's Petty Cash Funds were established by the ~~Director of Finance~~Chief Financial Officer to pay for emergency expenses and should never be used to circumvent the procurement process of the Agency.

### POLICY

It is the policy of SunLine that Petty Cash Funds are used for expenditures that a reasonable and prudent person would consider as having a public purpose or being for the benefit of SunLine and not personal in nature. ~~Department Directors~~Chiefs should use good judgment when approving expenditures of public funds and avoid any transaction that may appear inappropriate. As indicated in the Purchasing manual, purchases up to \$150.00 may be made through petty cash.

### PROCEDURE

For the fund, a Custodian and Alternate Custodian are selected by the ~~Director of Finance~~Chief Financial Officer. These individuals must have the knowledge and ability to be fund caretakers and be full time SunLine employees. The petty cash fund will consist of bill and coins amounting to \$1,000.00.

The Custodian is held accountable for all aspects of the fund including disbursements, replenishments, reconciliations, discrepancies, and safeguarding.

#### **1. General**

- a. The petty cash fund shall be accessible only to the Custodian or Alternate Custodian. The cash must be kept in a secure area such as a safe or a lockable drawer that must be kept locked at all times.
- b. Petty cash vouchers must be completed with the required information for all transactions and in ink or typed.

- c. The requesting department ~~Director~~ Chief must approve and review all petty cash vouchers for appropriateness of the expense prior to reimbursement by the Custodian.
- d. The Custodian shall reconcile the petty cash fund at least monthly or as needed, using the SunLine Petty Cash Reconciliation form, or whenever the Custodian is temporarily or permanently replaced.
- e. Periodic internal audits are performed by the ~~Director of Finance~~ Chief Financial Officer or designee.

**2. Using a Petty Cash Voucher** — A Petty Cash Voucher is used to record an expense and the reimbursement of that expense (a copy of the form is attached). Purchases must be approved (in writing or verbally) before the goods are bought. The Petty Cash Voucher, when completed in ink or typed, shall include all of the following information:

- a. Date, Payee and Amount
- b. Account Number
- c. Description and purpose of items purchased (if not listed on the vendor receipt)
- d. Signature/approval of department Director
- e. Signature of person receiving cash

A receipt or invoice, preferably an original, is required for reimbursement:

- a. Vendor name and date of purchase
- b. Quantity, price per item, sales tax and total price

### **3. Reconciliation of Petty Cash Funds.**

- a. As payments by the Custodian deplete the amount of cash, receipts are added to account for the expenditures to keep the Petty Cash Fund "in balance". At any time, sum of the cash on hand plus the total receipts and replenishment requests in progress should equal the authorized amount of the petty cash fund.
  - b. The SunLine Petty Cash Reconciliation form shall be used (a copy of the form is attached).
- 4. Absence of the Custodian** – During a *planned* absence or vacation, both the Custodian and the Alternate Custodian must:
- a. Physically count the petty cash box and make sure the cash, receipts and replenishments in progress balance to the total of the Petty Cash Fund.
  - b. The Alternate Custodian then signs a copy of the reconciliation as a receipt.
  - c. The Custodian retains this receipt as proof that personal responsibility for the value of the fund has been transferred.

- d. When the Custodian returns, the same procedures are followed except that the Alternate Custodian retains the receipt.

If the absence of the Custodian is *unplanned* and of short duration, the Alternate Custodian shall:

- a. Before using the fund, physically count the cash in the box in the presence of the department ~~Director~~Chief. The ~~Director of Finance~~Chief Financial Officer verifies the fund balance and signs the documentation.
- b. Keep a running total of the cash on hand.
- c. Retain this documentation until the Custodian returns and verifies the fund.

**5. Use of the Petty Cash Fund** – Petty cash is used for small incidental business expenditures which would be impractical to process through the purchase order system. Should there be any questions regarding the appropriateness of a purchase, contact the ~~Director of Finance~~Chief Financial Officer.

#### **6. Replenishing the Finance Petty Cash Fund**

- a. The Accounts Payable Technician and the Custodian will audit the receipts and Petty Cash Reconciliation Forms. They will *both* verify that the documentation is in compliance with the Petty Cash Procedures and that the department accounts are appropriately charged.
- b. A Request for Cash shall be submitted to the ~~Director of Finance~~Chief Financial Officer with all the back up documentation for approval. There must be *two authorized bank signatures on the Request for Cash form*.
- c. The Request for Cash shall be faxed to the bank. The ~~Director of Finance~~Chief Financial Officer or designee will retrieve the cash and deliver it to the Finance Department. The cash must be *received and signed for* by **two** Finance employees. Those eligible to *receive and sign* for the Petty Cash Fund monies are: Accounts Payable Technician, Accountant, ~~Senior Accountant~~Technical Accountant/Accounting Coordinator, Accounting Manager, and ~~Director of Finance~~Chief Financial Officer.