

BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT

RESOLUTION NO. 1024

A RESOLUTION ADOPTING PROCEDURES FOR THE ENCUMBRANCE OF PURCHASE ORDERS AND CONTRACTS, AND FOR THE APPROVAL OF CLAIMS PURSUANT TO PROVISIONS OF ARTICLE 11, CHAPTER 4, DIVISION 3 OF THE GOVERNMENT CODE.

WHEREAS, Article 2 of Chapter 4, Division 3 of the Government Code, provides that a Board of Supervisors may, by resolution adopt certain procedures for the approval of claims as prescribed in that article:

AND WHEREAS, the County of Humboldt has previously established a Purchasing Department and appointed a Purchasing Agent;

AND WHEREAS, it is the desire of this Board of Supervisors to establish procedures providing for budget encumbrance of purchase orders and contracts, and to establish procedures which involve a minimum of processing time and effort in the payment of claims and yet maintain the necessary fiscal controls;

NOW, THEREFOR, BE IT HEREBY RESOLVED, that the Purchasing Agent and the Clerk of the Board of Supervisors be directed to refer purchase orders and contracts to the County Auditor for incumbrance as outlined in Exhibit "A" which is attached hereto and hereby made a part hereof; and

BE IT HEREBY FURTHER RESOLVED, that the County Auditor be directed to audit and allow claims as authorized and prescribed in Sections 29741 through 29749 of the Government Code, inclusive, and that the procedures for the filing, audit and disposition of claims shall be as outlined in Exhibit "B" which is attached hereto and hereby made a part hereof.

PASSED, APPROVED AND ADOPTED THIS 20th day of May 1957, on the following vote, to wit:

AYES: Supervisors: Lindley, Bareilles, Robertson, Pettersen and Merryman  
NOES: Supervisors: None  
ABSENT: Supervisors: None

ATTEST:

Lea M. ...  
County Clerk and ex-officio Clerk of  
the Board of Supervisors of the County  
of Humboldt, State of California.

Elwyn L. Lindley  
Chairman of the Board of Supervisors  
of the County of Humboldt, State of  
California.

PROCEDURE FOR ENCUMBERING PURCHASEORDERS AND CONTRACTS

## A. PURCHASE ORDERS

1. The County Purchasing Agent shall direct any purchase order which in the aggregate exceeds \$50.00 to the County Auditor for encumbrance of the appropriate budget appropriation prior to delivery of the purchase order to the vendor.
2. If funds are available, the County Auditor will make the appropriate entry in the appropriation ledger and return vendor's copy and the endorsed copy, or copies, required for Purchasing Department records to the Purchasing Agent for completion of the transaction.
3. In the event there are insufficient unencumbered funds available in the particular budget item, the County Auditor will so advise both the Purchasing Agent and the Officer or Department Head who originated the requisition covered by the purchase order and will hold all copies of the purchase order until such time as an additional appropriation is provided or until the purchase order is withdrawn and cancelled by the Purchasing Agent.
4. It will be the responsibility of the Officer or Department Head who originated the requisition covering a purchase order held by the County Auditor for insufficient funds to either request the cancellation of the requisition and purchase order, or request the Board of Supervisors for an additional appropriation.

## B. CONTRACTS

1. The Clerk of the Board of Supervisors will direct (2) two copies of any contract authorized by the Board of Supervisors, which involves the expenditure of County funds to the County Auditor, together with a notation of the particular budget item to which the contract applies, for budget encumbrance prior to release of the original contract to the other contracting party, or parties.
2. If funds are available the County Auditor will make the appropriate entry in the appropriation ledger and return the endorsed copy of the contract to the Clerk of the Board of Supervisors who may then make delivery of the original contract to the other contracting party, or parties.

EXHIBIT "A"

3. In the event there are insufficient unencumbered funds available in the particular budget item the County Auditor will so advise the Clerk of the Board of Supervisors and hold both copies of the contract pending further action by the Board.

PROCEDURE FOR FILING, AUDIT AND DISPOSITION OF CLAIMS

## A. FILING OF CLAIMS.

1. Claims founded upon contract, express or implied, shall be filed with the County Auditor, except that claims against construction contracts, where the total contract amount is in excess of \$2,000.00, shall be filed with the County Clerk after approval by the officer directing the expenditure, for allowance by the Board of Supervisors.
2. Claims coming within the scope of Section 29705, Government Code, not founded upon contract, such as claims for damages, shall be prepared in conformity with said section and filed with the County Clerk for presentation to the Board of Supervisors for disposition.

## B. CLAIMS FILED WITH THE AUDITOR.

1. To be acceptable for filing, claim must include:
  - a. Original invoice of claimant, properly itemized.
  - b. Approval of the Officer or Department Head directing the expenditure, said approval to indicate the date of delivery or the date work was completed, where applicable.
2. The Auditor shall stamp the filing time on the claim upon receipt. In order to qualify for approval for payment by the Auditor the following requirements must be met:
  - a. The expenditure must qualify as a proper County charge (Sec. 29742, Government Code).
  - b. The expenditure has been provided in the currently approved County budget and sufficient funds are available for payment, or funds are available under provisions of agreements with the State or Federal Government covering Disaster Relief projects and Flood Relief projects not included in the approved County budget, and for which sufficient funds are available under such agreements.
  - c. The claim is on file not less than three (3) working days (Sec. 29742, Government Code).
  - d. In case of doubt as to propriety of a claim in relation to the policies of the Board of Supervisors, the Auditor may refer such claim to the Board for review rather than rejecting the claim outright.

3. Warrant Lists or Registers

Pursuant to Section 29747, Government Code, the Auditor shall prepare duplicate lists or registers of all claims he allows, showing as to each claim - date allowed, warrant number, name of claimant, and amount allowed. He shall certify that the lists are correct, file one copy in

the Office of the Board of Supervisors and preserve the original in his own office. As to such claims, the lists or registers constitute, respectively the allowance book and the warrant book.

4. Rejection of Claim by Auditor

- a. Partial Allowance If the Auditor finds that any claim presented is a proper County charge but is greater in amount than justly due, he may allow the claim in part and issue his warrant for the portion allowed (Sec. 29743, Government Code). Should the claimant be unwilling to accept the amount tendered in full payment, he shall return the warrant to the Auditor within thirty (30) days after the tender, together with his written refusal to accept the amount in full payment of the claim. The Auditor shall immediately transmit the claim to the Board of Supervisors, together with a statement of his action, his reason, therefor, and claimants refusal. The Board of Supervisors shall consider the Claim 10 days after its receipt, and may allow such amount in payment thereof as is a proper County charge, not to exceed the amount originally claimed. The Auditor shall issue his warrant therefor (Sec. 29744, Government Code).
- b. Complete Rejection by Auditor. Should the Auditor find that any claim is not a proper County charge, he shall reject it and endorse his rejection thereon (Sec. 29745, Government Code). At least once each week the Auditor shall transmit to the Board of Supervisors a report of all claims rejected by him and not previously reported, showing, as to each claim. date, name of claimant, amount, and reason for rejection (Sec. 29746, Government Code).

5. Non-Payment for Lack of Appropriation, or Insufficient Appropriation

In accordance with Section 29141 of the Government Code, which reads

"Except as otherwise provided by law, expenditures made, liabilities incurred, or warrants issued in excess of any budget appropriation are not a liability of the County, but the official making or incurring the expenditure in an amount known by him to be in excess of the available balance of the appropriation against which it is drawn is liable therefor personally and upon his official bond."

The Auditor, shall, if sufficient funds are not available, notify the Officer or Department Head directing the expenditure accordingly and suspend processing the claim. The Officer or Department Head directing the expenditure must, within 10 days, take necessary action to arrange for funds to be made available. If no action has been taken within said 10 days, the Auditor will report the matter

to the Board of Supervisors, giving name of Department initiating expenditure, type of expenditure, amount of claim, and the amount of appropriation necessary to pay the claim.

6. Appropriation Transfers Covering Budget Deficiencies or Surpluses

The Officer or Department Head shall apply directly to the Board of Supervisors, making the request in triplicate in the following instances

- a. Where it is necessary to transfer appropriations from one budgetary item to another budgetary within the general categories of Salaries and Wages, Maintenance and Operations or Capital Outlay.
- b. Where additional funds are desired for a budgetary item in one of the general categories of Salaries and Wages, Maintenance and Operation, or Capital Outlay and no surplus funds exist in any other budget item within that general category it will be necessary to request a transfer from Unappropriated Reserve.
- c. Where excess funds exist in any budgetary items in either of the general categories of Salaries and Wages, Maintenance and Operation, or Capital Outlay the Officer or Department Head should request a transfer of such surplus funds to Unappropriated Reserve.