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CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**DATE:** June 21, 2010

**TO:** Children and Families Commission of Orange County

**FROM:** Michael M. Ruane, Executive Director 

**SUBJECT:** Periodic Review of Administrative Policies and Procedures

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**SUMMARY:**

The Children and Families Commission of Orange County's Administrative Policies and Procedures were originally adopted in November 2001 and are periodically reviewed and updated. This report includes a summary of recommended changes including a new policy for discharging debt owed to commission grantees.

**Administrative Policy and Procedures**

A new contract management policy is recommended to allow for the discharge of funds that are either owed to a commission contractor after the services are completed, or releasing the encumbrance. The Commission retains 10 percent of the contractor invoices until an audit is completed at the end of the contract term confirming the services were satisfactorily performed. At times the contractor is no longer in business at the conclusion of the contract, and there is no policy to allow the release of these funds in the event that the contractor cannot be located. The proposed policy to discharge debt owed to commission contractors (Attachment 3) is recommended for approval.

The majority of the changes are updated information, and minor typographical edits to the policy documents. More substantial changes include revising all references from OCERS to a generic evaluation and contract management system (Policy 6.8). The evaluation and contract management services that were provided by the Corporation for Standards and Outcomes (CS&O) were changed to Mosaic this year. The Salary Range Structure (Policy 4.9 Exhibit D) was also updated to add position codes for ease in tracking with the county payroll system, and updated hourly rates that the county has implemented since 2008.

The index of the Administrative Policy Guidelines (Attachment 1) shows the changes to the document, and a summary of the recommended changes (Attachment 2) outlines the changes by policy number. The revised Administrative Policy Guidelines are on file with the Clerk of the Commission and available for public review upon request.

**STRATEGIC PLAN & FISCAL SUMMARY**

There is no funding request for this item.

**PRIOR COMMISSION ACTIONS:**

- April 2008 – Received the updated Administrative Policy and Procedures
- May 2006 – Approved specific policies to comply with new legislative requirements related AB109 requirements.
- November 2001 – Approved Administrative Policies and Procedures

**RECOMMENDED ACTION:**

Approve the updated Administrative Policies and Procedures.

**ATTACHMENTS:**

1. Administrative Policy Guidelines
2. Summary of Changes
3. Policy No. 6.9 – Release of Funds Owed to Commission Contractors

**Contact:** Kelly Pijl



## **DRAFT INDEX**

### **1.0 Background and Rosters**

- 1.1 Introduction and Purpose
- 1.2 Administrative Policy Guidelines Maintenance and Revision Policy
- 1.3 Commission Overview
- 1.4 Commission Board of Directors / Roster
- 1.5 Technical Advisory Committee / Roster
- 1.6 Pediatric Health Services / Roster
- 1.7 Investment Oversight Committee / Roster

### **2.0 Governing Structure**

- 2.1 State Authorization Policy
- 2.2 County Authorization Policy
- 2.3 County Support Services Agreement Policy
- 2.4 Commission By-Laws
- 2.5 Technical Advisory Committee Establishment Policy
- 2.6 Public records request

### **3.0 General Operations**

- 3.1 Risk Management Insurance Coverage Policy
- 3.2 Authorized Signature Policy
- 3.3 Emergency Evacuation Policy
- 3.4 Disaster Response

### **4.0 Financial Management**

- 4.1 Revenue and Expenditure Policy
- 4.2 Fund Balance Policy
- 4.3 Operating Budget Development and Amendment Policy
- 4.4 Investment Policy
- 4.5 Fixed Asset Policy
- 4.6 Financial Audit and Reporting Policy
- 4.7 Multi-Year Financial Plan Policy
- 4.8 Administrative Costs Policy
- 4.9 AB 109 / SB 35 Policies
- 4.10 Check Deposit Policy
- 4.11 Claims Against the Commission Policy
- 4.12 Financial Record Retention Policy
- 4.13 Speaker Expenses Reimbursement Policy

**5.0 Program Management**

- 5.1 Request for Funding Policy
- 5.2 Annual Strategic Plan Policy
- 5.3 Annual Report Policy
- 5.4 Evaluation and Contracts Management System Policy Outcome  
~~Collection, Evaluation and Reporting System Policy~~
- 5.5 Performance Outcome Measurement System Evaluation Policy Guidelines
- 5.6 Confidentiality & Data Sharing

**6.0 Purchasing and Contract Management**

- 6.1 Goods and ~~Services~~ Products Purchasing Policy
- 6.1A Procurement Procedures
- 6.2 Office Supplies Purchasing Policy (formerly 6.6) Petty Cash Policy
- 6.3 Petty Cash Policy (formerly 6.2) CAL Card Purchasing Policy
- 6.4 CAL Card Purchasing Policy (formerly 6.3) (Travel Request and Approval  
Policy
- 6.5 Travel Request and Approval Policy (formerly 6.4) Stipend and Expense  
Reimbursement Policy
- 6.6 Stipend and Expense Reimbursement Policy (formerly 6.5) Office Supplies  
Purchasing Policy
- 6.7 Contract Record~~Document~~ Retention Policy
- 6.8 Contract Management
- 6.9 Discharge Debt Owed to Commission Grantees (added)

**7.0 Personnel Management Policies**

- 7.1 Personnel and Salary Policy
- 7.2 Discrimination, Harassment and Violence Prohibition Policy
- 7.3 Family-Friendly Workplace Policy
- 7.4 Payroll and Timekeeping Policy
- 7.5 Conflict of Interest Policy
- 7.6 Gift Ban Policy
- 7.7 Controlled Substance Policy
- 7.8 Return to ~~w~~Work ~~p~~Policy

**8.0 Strategic Communications**

- 8.1 Media Interaction Policy
- 8.2 Use of Commission Name and Logo Policy
- 8.3 Mass Mailing Policy
- 8.4 Photograph Release Policy

~~The policies contained in this document have been updated as of March 5, 2008~~



Children & Families  
Commission of Orange County

## Administrative Policies & Procedures Summary of Changes

Policy Number	Policy Title	Summary of Change
1.4	Commission Board of Directors/Roster	Update Commission Roster to reflect new Commissioners
1.5	Technical Advisory Committee/Roster	Update Roster
1.6	Pediatric Health Services/Roster	Added attachment description
1.7	Investment Oversight Committee/Roster	Edits to correct year the Commission approved guidelines to establish Investment Oversight Committee and year five-member Committee was established
2.1	State Authorization Policy	Correct wording in Background paragraph. Removed Attachment: Copy of Health & Safety Code Sections 130100 and 130155
2.2	County Authorization Policy	Corrected year the Orange County Board of Supervisors adopted Ordinance 98-18 and added Ordinance number. Removed attachment: Copy of County Ordinance 04-010 and added Summary of Ordinances
2.4	Commission By-Laws	Corrected attachment dates and added new attachment: "Commission By-Laws and Rules of Procedure, November 3, 1999"
4.2	Fund Balance Policy	Corrected wording in Background paragraph
4.9	AB 109 Policies / SB	Corrected title to read: AB 109 / SB 35 Policies. Updated Salary Range Structure
5.4	Outcome Collection, Evaluation and Reporting System Policy	Changed title to Evaluation and Contracts Management System formerly known as Outcome Collection Evaluation and Reporting Systems "OCERS" Policy
6.6	Stipend and Expense Reimbursement Policy	Added paragraph to Background stating "Investment Oversight Committee members are entitled to compensation on a per diem basis for attending IOC meetings as conducted by the Commission"
6.8	Contract Management /Risk Assessment 2007-2008	Updated Risk Assessment and Program Site Visit Tool. Changed "Grantee" to "Contractor" and removed specific reference to a single database brand name ("OCERS") and replaced with non-specific "Evaluation and Contract Management System"
6.9	Discharge Debt Owed to Commission Grantee	New item



## POLICIES AND PROCEDURES

NO: 6.9

### TITLE: **RELEASE OF FUNDS OWED TO COMMISSION CONTRACTORS**

Effective: July 7, 2010

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#### **Background**

The Commission encumbers funds and processes invoices for its Contractor Agreements through the County of Orange Auditor/Controller's office and operation of its County Support Services Agreement.

Generally, The Commission requires that its Contractors submit an End of Contract (EOC) audit that includes a review of invoices submitted during the term of an Agreement and an assurance from a licensed, independent audit firm that the invoices submitted represented actual and reasonable costs of providing services up to the limit of the Commission approved maximum payment obligation.

To ensure timely submission of required audit documents, 10% of each invoice amount is retained by the County's Auditor/Controller's office until the EOC audit is received. Commission staff reviews audit documents received, and; based on the audit firms' assurance of the appropriateness of invoices submitted, releases the appropriate amount retained and also releases any unused encumbered funds.

The EOC audit review process is one function of the Commission's Compliance Team that was established to advise the Executive Director, provide guidance to Contractors and safeguard Commission resources.

Occasionally, a Commission Contractor organization ceases business operation during the term of an Agreement after submitting invoices for services provided, or other unforeseen circumstances result in early termination of an Agreement. In accordance with Commission established practice, appropriate funds were encumbered at the Auditor/Controller's office and 10% of the amounts of all invoices submitted were retained.

#### **Purpose**

The purpose of this policy is to establish the terms, conditions and process for release of retention funds.

#### **Policy Statement**

It is the policy of the Commission to authorize its Compliance Team and Executive Director to review case-by-case circumstances and determine the appropriate action related to the release of funds to its Contractors. Actions taken under this Policy will be in accordance with the limit of the Executive Director's contracting authority of \$50,000.

It is the policy of the Commission that appropriate actions that may be taken by the Compliance Team and the Executive Director consist of:

- Engaging an independent audit firm to conduct an End of Contract Audit, if possible, and provide assurance that invoices submitted represent the actual and reasonable cost of providing services up to the point the Contractor organization ceased business operation or ceased providing services under contract to the Commission.
- Charging the cost of the End of Contract audit against the amount retained for the associated Agreement up to the amount retained and within the limit of the Executive Director's contracting authority.
- Engaging in reasonable attempts to return any portion of the retained amount remaining after the related End of Contract audit has been performed and the cost of the End of Contract audit has been charged to the amount retained.
- If reasonable attempts to return funds are unsuccessful, releasing the appropriate remaining encumbrance to the Commission's general fund.