STATE OF CALIFORNIA

DEPARTMENT OF FOOD AND AGRICULTURE

MARKETING BRANCH

CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE

ACCOUNTING GUIDELINES AND GENERAL RULES TO GOVERN THE HANDLING OF FISCAL MATTERS PERTAINING TO CALIFORNIA DIVISION 21 AND 22 AGRICULTURAL MARKETING PROGRAMS

AMENDED EFFECTIVE

JANUARY 1, 2017

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INTRODUCTION

ADMINISTRATION OF CALIFORNIA'S AGRICULTURAL MARKETING PROGRAMS

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

The California Food and Agricultural Code (Code) gives the Department of Food and Agriculture (the department) the regulatory authority and responsibility for ensuring accountability to the public for the oversight of the various agricultural programs established under Divisions 21 and 22 of the Code. This accountability includes the receipt and expenditure of public funds collected by mandatory assessment of farmers and/or handlers of certain agricultural commodities. California's agricultural marketing programs are responsible and accountable for managing their own operations, subject to review by appropriate government authorities.

MARKETING BRANCH

The Marketing Branch, within the Division of Marketing Services, provides administrative oversight of agricultural marketing programs. This oversight includes approval or concurrence in annual budgets and contemplated activities, overseeing performance of Agreed-upon Procedures by auditors selected by programs and approved or concurred in by the department to help ensure program compliance with these guidelines and the program's internal written policies and procedures, attending meetings of boards of directors for each program, monitoring ongoing activities of each program, analyzing program-related legislation and ensuring compliance with state laws and regulations.

CALIFORNIA'S AGRICULTURAL MARKETING PROGRAMS

There are over 50 agricultural marketing programs operating under the authority of the Food and Agricultural Code. There are four different classifications of marketing programs authorized under the Code. Marketing Order and Marketing Agreement Advisory Boards operate under the authority of the California Marketing Act (reference Part 1, Chapter 2 of Division 21 of the Code). Each Council and Commission operates pursuant to its own separate law within Division 22 of the Code. Each marketing program has a Board of Directors (board), which is responsible for governing its program and monitoring its management and overall performance. The board hires and evaluates the staff, and is responsible for the daily operations of the program. The boards for the 33 marketing orders and agreements, the 3 councils and the Table Grape Commission are appointed by the Secretary of Food and Agriculture. In addition, the Secretary appoints the public member of commissions and is an ex-officio member of most commissions.

While the degree of oversight by the department is similar for marketing orders and agreements, councils and commissions, the interactions between the department and each type of program vary. For marketing orders, agreements, and councils, the boards of directors are advisory to the Secretary. All decisions of the boards are in the form of recommendations to the Secretary. Each recommendation is reviewed and approved or sent back to the board for reconsideration. Commissions are separate governmental entities from the department. Although commissions have the authority to make decisions related to the conduct of their programs without first obtaining the approval of the Secretary, commissions are subject to oversight by the department. The Secretary is also authorized to reverse commission actions in grievance proceedings. As previously noted, commissions are also subject to audit.

DEFINITIONS – Under each respective section of the code, corresponding positions and functions may be given different designations. Accordingly, for the purpose of clarification, the following terms when used in these *Accounting Guidelines and General Rules* shall mean:

A. "*Department*" — California Department of Food and Agriculture.

B. "*Secretary*" — Secretary of Food and Agriculture of the State of California or a person duly authorized by him or her to act on his or her behalf.

C. "*Program*" — Any advisory board, agreement, committee, commission or council operating under Divisions 21 or 22 of the code.

D. "*Subcommittee*" — A duly established or appointed subordinate committee of a program with established duties and functions and composed of either members of the program's board of directors or nonmembers or both.

E. "*Marketing Season*" — That period designated pursuant to the terms of the marketing order, marketing agreement, council law or commission law.

F. "*Fiscal Year*" — That period designated pursuant to the terms of the marketing order, marketing agreement, council law or commission law.

G. "*Members*" — Shall mean a member of the board of directors for a marketing program.

H. "*Manager, Executive Director, Chief Executive Officer (CEO) and President*" — A program's executive staff member responsible for carrying out the directives of a program's board of directors.

I. "*Employee*" — Employee of a program and shall have a report of appointment on file with the department.

J. "*Foreign Travel*" — Travel outside of the United States.

ACCOUNTING SYSTEMS

Given the structural variety of programs, it is not expected that accounting systems used by each program will be identical. The systems described within this manual are guidelines that each program's accounting system should address, but not necessarily in the form described.

Many commission programs have staff that also administer related foundations or associations. These relationships require additional accounting measures and internal controls to ensure that funding and administrative costs are properly assigned, kept separate, fully documented and accounted for by staff.

DEPARTMENT'S POLICIES FOR PROGRAMS

This *Accounting Guidelines and General Rules* manual is not meant to replace the existing *Policy Manual for Marketing Programs*. The policy manual provides high-level, overarching guidance regarding administration of California's commodity programs. This *Accounting Guidelines and General Rules* manual is meant to provide specific guidance regarding appropriate administrative procedures, limits and restrictions.

ACCOUNTING OVERVIEW

All persons qualified to perform accounting functions should know basic bookkeeping and accounting principles. Consequently, this manual was written with the assumption that its users are quite competent in the field. However, not all readers of the manual can be expected to be equally familiar with the discipline. In this section, the more important terms, concepts and conventions of accounting will be discussed briefly to clarify a complicated area for the lay reader.

STANDARDS

Financial statements stall be prepared in conformity with generally accepted accounting principles (GAAP). Three authoritative bodies for GAAP are the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and sponsors of the Federal Accounting Standards Advisory Board (FASAB). GASB establishes accounting principles and financial reporting standards for state and local government entities.

PURPOSE OF ACCOUNTING

Accounting is the art of organizing, maintaining, recording, analyzing and safeguarding financial activities. Each program's accounting personnel keep track of all business transactions, which are economic events that affect the financial condition of the program. The financial position of any organization is represented by the relationship among its capital (net resources), assets (anything owned or having economic value), and liabilities (any claim made against an asset by a creditor).

BASIS OF ACCOUNTING

All program accounts shall be maintained on an accrual basis of accounting; revenues are reported in the year earned rather than collected, and expenses are reported in the year incurred rather than paid. Computerized accounting software facilitates accrual accounting. However, some programs still keep books using the cash basis, a system in which income is recorded when received and expenses are recorded when paid. At the end of a program's fiscal year, when the books are closed, all anticipated transactions shall be "accrued," that is, income that has been earned, but not received (e.g., accounts receivable), and expenses that have been incurred, but not yet paid (e.g., accounts payable), shall be recorded.

DOUBLE ENTRY SYSTEM

Double entry bookkeeping is a complete system that minimizes errors and provides cross checks and automatic balancing of the books. Books are considered "*in balance*" when assets equal the sum of liabilities plus capital, that is, when total debits equal total credits.

ACCOUNTS

Every transaction is required to be entered in records known as accounts. Each asset, liability and capital record maintained represents an assigned account, which together are referred to as a ledger. A list of all accounts, known as a "*chart of accounts*" shall be maintained within the program's accounting system. Certain accounts listed in the chart of accounts carry a debit balance (so that posting a debit increases the balance and credits decrease it) while others normally have a credit balance (posting a debit will decrease balances).

DEBITS AND CREDITS

Debits and credits may be confusing to a lay person. Although the accounting term, debit, and the vernacular debt share a common origin, they are not identical in meaning, while a single word, credit, represents both the accounting and the vernacular meanings. It will simplify matters considerably if the reader will consider the terms "*debit*" and "*credit*" in this context as technical terms or conventions used by accountants to refer to entries on the left and right side of an accounting form (journal, ledger, balance sheet, etc.) respectively.

LEDGERS, JOURNALS AND REGISTERS

Transactions are recorded in two sets of books; chronologically in the journal, or book of original entry, then posted, by account, in the ledger, the book of final entry. Items in the two books are always cross-referenced; entries are made daily. It is recommended that programs use registers for handling daily cash transactions (*receipts register* and *disbursements register*) and reserve the general ledger for all other entries.

TRIAL BALANCE

To ensure that the requirements of double entry accounting have been met, the accountant takes a trial balance at least once each month. The trial balance presents the status of all of the ledger accounts at a particular moment of time; the fact that it balances does not necessarily mean that all entries made are correct — allocated to the proper accounts.

GENERAL ACCOUNTING

OVERVIEW

Accounting is the art of organizing, maintaining, recording and analyzing financial activities. The accountant keeps track of all business transactions; activities, that affects what the program owns and owes. In this section we will highlight the major tools all accountants work with daily and discuss the major accounts with which they work.

ACCOUNTS

Accounts are individual records of specific things the program owns (its assets) and owes (its liabilities) as well as a recognition of its capital or net resources. Each program shall create a Chart of Accounts with account numbers, names and a description of the nature of the account.

NET ACCOUNTS

Net accounts are not allowed. *Revenue and expenditures may never be netted into one account as this would understate both income and expenditures*. By properly recording income and expenditures in separate accounts, the general ledger accurately reflects the program's activities.

RECORDING TRANSACTIONS

Conventionally, transactions are recorded in two sets of books; chronologically in the general journal, or book of original entry, and then posted by account to the general ledger, the book of final entry. Items in the two books are always cross-referenced and entries are made daily. The department recommends programs make use of registers that are subsidiary books to the general journal for recording normal receipts and expenses.

GENERAL LEDGER

Each part of a transaction will either increase or decrease a specific ledger account. In order for an account to exist it is expected to have a balance that represents the value of the account at a moment in time. Before preparing the monthly trial balance of the general ledger, someone other than the regular preparer should conduct a posting review of the journals and general ledger detail to assure the accuracy of the transactions posted to each account.

GENERAL JOURNAL

Journal entries are often necessary to adjust account balances or reclassify previously posted information. The general journal is a separate document from other ledgers that includes the following:

- The entry number

- Justification for the entry
- Description of the transaction
- Reference to other documents that explain the entry
- Accounts debited and credited

If an automated system is available, the general journal could be created with a word processing or spreadsheet program and printed monthly. The department recommends that the record of journal entries be reviewed and initialed monthly by someone other than the preparer. When justifying entries, the terms “to correct” or “to fix” are insufficient. Below is a sample journal entry.

SAMPLE FORMAT FOR RECORDING JOURNAL ENTRIES

No.	Description	Account	Debit	Credit
2008-01	To record charge for operating account deposit slips ordered and received in January per statement dated January 31, 2008	50700 11300	20.00	 20.00

CASH RECEIPTS REGISTER

The department recommends programs record cash receipts daily in the cash receipts register. The register, where receipts are posted in chronological order, facilitates analysis of major revenue accounts.

CASH DISBURSEMENTS REGISTER

The department recommends programs record cash disbursements in a cash disbursements register that lists all checks written in numerical and chronological order. The register contains columns for distributing expenses to the proper general ledger accounts, which are to be summarized monthly.

JOURNAL CHECKLIST

- ✓ *Are journal entries being used only to record miscellaneous entries that cannot be recorded in specific registers such as the cash receipts, cash disbursements or payroll registers?*
- ✓ *Are journal entries complete? Do they reference source data? Are they supported by specific documents or subsidiary records?*
- ✓ *Are year-end accounts payable and receivable properly recorded?*
- ✓ *Are closing entries properly recorded?*
- ✓ *Are all entries to the general journal posted to the general ledger?*

PROPERTY LEDGERS

A program shall account for all assets that it uses or for which it is responsible, including property (land, buildings and equipment). Conventionally, buildings and equipment are divided into two categories, monetary (major) and non-monetary (minor), with only the former being listed in a property ledger. Equipment valued at $5,000 or greater shall be considered major. The property ledger is a book, list or set of cards in which the items are described. The department recommends programs also maintain a property list that is kept with the property ledger and describes non-monetary property in similar detail. Periodic (at least every three years) inventories are expected to be taken of all property.

TRIAL BALANCE

Monthly trial balance reports are to be prepared shortly after the end of each month to determine whether the general ledger is in balance (debits equal credits). Automated systems typically issue some sort of warning if the general ledger is out of balance. Manual systems require careful attention to detect errors. Ultimately it is the program executive that is responsible to ensure that the general ledger is in balance.

BANK RECONCILIATION

Programs shall use bank reconciliations to compare bank balances to accounting records, identify current outstanding checks and ensure that deposits and paid checks agree with entries in the disbursements and receipts registers. The department recommends that a program's written procedures designate an employee other than, and unrelated to, the one who makes the journal and ledger entries to reconcile the accounts with the statements for each bank account. The reconciliations shall be reviewed, dated, and signed by the program executive, the accounting officer or another accountable employee and retained in records.

THE FOLLOWING ARE IMPORTANT STEPS IN THE RECONCILIATION PROCESS:

- File all paid and voided checks numerically.
- If checks are not returned, review online detail and compare to disbursement journal.
- Analyze unreconciled items and make journal adjustments where necessary, providing detailed explanations, to correct an erroneous amount.
- Make journal entries for withdrawals and transfers; document the conditions that made the adjustment necessary.
- Record any service charges and interest posted to the account by the bank with a journal entry.
- List outstanding checks numerically; file with the reconciliation.

Automated accounting systems usually provide a procedure for reconciling bank accounts and most banks print a form on the statement back. Either can be used. Otherwise, develop a form similar to the sample below.

SAMPLE BANK RECONCILIATION FOR OPERATING ACCOUNT

Balance per Bank Statement	$14,990.56
Add: Deposit in Transit	$1,000.00
	$15,990.56
Deduct: Outstanding Checks	($6,000.00)
Adjusted Bank Balance	$9,990.56
Balance per General Ledger	$8,890.53
Add Bank Credits not posted*	$1,110.03
	$10,000.56
Deduct Bank Debits not posted*	($10.00)
Adjusted General Ledger Balance	$9,990.56
*Journal Entry Required	

CASH

The major cash accounts are among those with which program accountants deal on a daily basis. These are debit accounts, generally carrying a debit balance.

PETTY CASH

Use petty cash for incidental purchases not exceeding $50 (exclusive of sales tax) per purchase or sale. The fund may not exceed $200 unless a larger petty cash account is justified and approved by the board of directors. A larger petty cash account may be justified if:

- A smaller fund normally required replenishment more often than once a month.
- A larger fund is necessary for a short period during the peak season of activity.
- A safe, vault, or money chest adequate to safeguard cash is available.

ESTABLISHING A PETTY CASH FUND

When creating a petty cash fund for the first time, write a check to "(Fund Custodian's Name), Petty Cash Fund." Debit the check to the petty cash account and credit it to the cash account from which the check was drawn. When replenishing the fund, write a check for the amount expended during the period (the total of the petty cash vouchers) and debit the appropriate expense accounts (those recorded on the vouchers). Petty cash envelopes, available at stationery stores, are useful for summarizing expenses and retaining documents associated with the checks issued. Entries to the petty cash account are not made again unless the fund is increased or decreased and the change is authorized.

Transaction Documentation — Maintain proper documentation for all petty cash transactions. Both the custodian of the fund and the person receiving the money should sign a petty cash voucher unless otherwise specified. Keep the original receipts in the file until the fund is replenished; afterwards, transfer the receipts to the appropriate invoice file.

PETTY CASH VOUCHER

Voucher No.	2008-01	Date:	9/1/08
Amount:	$5.35	Account:	50700

Purpose of expenditure: Three folders needed for Finance Committee at request of Finance Committee Chair.

Approved By: ____________________ Received By: ____________________

DEPOSIT OF CASH RECEIPTS

Timely deposit of cash receipts is essential. Unless otherwise specified by a board of directors, a bank deposit is to be made early the next business day whenever currency exceeds $500, or when cash in the aggregate exceeds $5,000. Accumulated collections totaling $50 or more shall be deposited within five working days and no collection may remain undeposited for more than 15 working days.

CASH RECEIPTS REGISTER

Record collected cash receipts daily in the cash receipts register. The receipts register, where cash receipts are posted in chronological order, facilitates analysis of major revenue accounts. Summarize the register monthly and compare entries in the corresponding accounts of the general ledger. Analyze any discrepancies and adjust using general journal entries. Someone other than the preparer shall regularly review cash receipt forms, both completed and voided, to ensure that there are no improprieties.

ACCOUNTS RECEIVABLE

Proper accounting for receivables is essential to accurate preparation of financial statements. A list of receivables supporting the amount in the general ledger account shall be maintained. The list specifies:

- The debtor's name
- The amounts owed

Each program is required to establish written procedures regarding collection and recording of outstanding receivables. The following section outlines the most important considerations for establishing the system.

DOUBTFUL ACCOUNTS

Because it is expected that some will fail to meet obligations, accounting records shall recognize doubtful accounts. First, the program determines the gross amounts of all receivables — those it expects to be paid as well as those it considers uncollectable. Those accounts the program determines to be uncollectable are recorded in a contra-asset account tied to the accounts receivable account. This results in a more accurate statement of the program's assets.

When a current year revenue account is considered doubtful, make an adjusting journal entry crediting the revenue account for the questionable amount and debiting "Bad Debt Expense."

COLLECTION PROCEDURES

Each program shall establish procedures for collecting outstanding amounts. Recourse is available through small claims court for amounts up to $5,000. If larger sums are at risk, the program should consult legal counsel. Before taking collection action, the program should weigh the amount of debt against projected recovery costs.

For advisory boards and councils, initial attempts to collect overdue amounts are made by the board or council staff. Subsequently, the matter is referred to the department for formal action. For commissions, collection efforts are carried out according to commission policy.

For boards and councils, the department recommends that program staff send a sequence of two collection letters according to the program's written collection policy. Both letters may be sent using "Certified Mail – Return Receipt Requested" or other appropriate means determined by the program and specify all previous attempts at collection. If this procedure fails to produce payment in full, contact your CDFA program liaison to initiate further collection efforts. The department will implement the "Deficiency Determination" process according to Section 59234.5 of the Food and Agricultural Code.

Because delinquent assessments or fees are a serious matter, actions to collect overdue amounts shall be taken quickly to prevent delinquent amounts from growing.

PREPARING FOR AUDIT

Financial auditors will use the program's written procedures and an accounts receivable checklist when examining records.

ACCOUNTS RECEIVABLE CHECKLIST

- ✓ *Are accounts receivable controls and procedures current and complete?*
- ✓ *Are accounts receivable billings supported by valid documents and recorded properly as to account, amount and period?*
- ✓ *Are accounts receivable adjustments properly supported, approved by the person authorized by accounts receivable procedures to make adjustments and recorded?*
- ✓ *Are additional attempts to collect overdue amounts made according to written procedures (see above) before considering further collection procedures?*
- ✓ *Are dishonored checks immediately reversed in the cash receipts register and distributed as an account receivable with a journal entry?*

INVESTMENTS

Programs shall invest surplus funds prudently. Programs have the option to invest surplus monies through either the State Treasurer's Surplus Monies Investment Fund or through private financial institutions. If a program (other than a commission) chooses to invest funds through a financial institution, it is the program's responsibility to ensure that deposited funds are collateralized in accordance with Government Code Sections 16520-16522 for banks and Sections 16610-16612 for savings and loans. The department recommends that commissions do so as well.

CERTIFICATES OF DEPOSIT

Programs shall retain all documents relating to certificates of deposit (CDs) in its offices or other appropriate location established by the program, including documentation of the source and disbursement of all CD funds.

DISBURSMENTS OR EXPENDITURES

CHECKS

Programs shall prepare a listing of the names of each person authorized to sign checks. This listing details the assigned signature authority. Checks payable to "cash" shall only be written for change funds and, with carefully examined proper documentation, for petty cash. Blank signed checks shall never be issued. If, occasionally, a program provides a check for an unknown amount, enter the date, payee, and a description of the purchase prior to passing it to an authorized signer. The check shall indicate just below the line for the written amount: "Not to exceed" and an appropriate amount.

CASH DISBURSEMENTS REGISTER

List all checks written in a cash disbursements register or similar account in numerical order. The register contains columns for distributing expenses to the proper general ledger accounts. The register shall be summarized on a monthly basis. Compare totals to the general ledger and make necessary adjustments with journal entries prior to preparing the monthly financial reports. Included in the disbursements entry are the payee's name, date, check number, and purpose of the payment. When applicable, reference the original invoice being paid.

INVOICE REVIEW

Prior to making any payments, staff shall review the invoices to ensure that:

- The vendor has properly billed for items or services purchased.
- Expenditures were for program business.
- All items or services purchases were received.

DOCUMENTATION OF EXPENDITURES

Sound accounting practices dictate that all expenditures be supported by detailed documentation. To this end, each program may require or authorize that:

- Purchase order numbers be on invoices and invoice numbers be on checks.
- Invoices be initialed by the CEO or CFO unless purchase orders were approved previously.
- Account classification, check number, date and amount paid noted on each invoice.
- An explanation or justification of the expenditure appear either on the invoice or attached purchase order.
- Shipping slips or receiving inventories be attached to invoices.
- No purchases be made using lay-away or progress payments; all payments be made after an item is received.
- Programs may borrow funds in advance of receipt of assessments that may be necessary, at the discretion of the program, for the proper administration and enforcement of its legal obligations and performance of its duties.

TRAVEL EXPENSE CLAIMS

Travel expense claims are required to be submitted on standard expense claim forms adopted by each program. Each program shall have formal written policies and procedures regarding rules, rates and formats to be used when making travel decisions and filing subsequent travel expense claims. Important considerations are:

- The claimant shall fill out the form completely. The form shall include areas for claimant's name, address, position, travel dates and times (departure and return), and mileage.
- If an employee of the program, the claim shall be approved by a supervisor or CEO. If a board member, the claim is approved by the CEO, CFO or treasurer and if the claimant is the CEO, the claim shall be reviewed and approved by an officer of the board of directors assigned that responsibility.
- The claim provides clear descriptions of the destination and purpose of the travel.
- Original receipts for cash expenses such as parking, cab fare and lodging costs shall be attached. Photocopies of receipts are not acceptable *except when the receipt is a copy of a personal credit card transaction*.
- Travel associated with conventions and conferences shall be reimbursed according to the program's formal policies and procedures similar to any other business trip.
- All travel costs for a spouse or guests are the sole responsibility of the staff or board member and are not reimbursable by the program except as allowed by Rule 5.151.
- Travel expense claims follow Section V of the following *General Rules* or program policy.

TRAVEL EXPENSE CHECKLIST

- ✓ *Are travel expense claims used to support all employees and board members travel?*
- ✓ *Are the reimbursements for travel within the program's established rates and rules?*
- ✓ *Is the travel expense claim completed properly and supported by receipt vouchers?*
- ✓ *Is the purpose of the trip(s) clearly stated?*
- ✓ *Have travel advances and personal charges been deducted from the claims?*
- ✓ *Have out-of-state trips been approved prior to departure dates?*

INTERNAL CONTROLS

OVERVIEW

Prudent accounting and business practices require the head of an organization to establish and maintain a system of internal controls. These controls provide reasonable assurance to the organization and to its auditors that:

- Assets are safeguarded.
- Revenues are properly collected and accounted for.
- Transactions are properly recorded.
- Transactions are executed with proper authorization.
- Accounting data are generated properly.
- Timely and accurate financial statements are prepared.

OVERSIGHT

The most important element in any system of internal control is a system of authorization and record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues and expenditures, including oversight. To ensure compliance, employees of other departments may be called into service. If this is impracticable, the CEO, with approval of the board or the board itself, may oversee the duties in the most critical areas.

Program executives, by reason of their appointments, are accountable for activities carried out in their programs. This responsibility includes the establishment and maintenance of internal accounting and administrative controls. Each system an entity maintains to regulate and guide operations shall be documented in a manner established by the program. The ultimate responsibility for oversight rests with management and the board.

⇨ Sample internal control matrices are included in the appendix to this manual.

MANUAL SYSTEMS

Invoices:

- Initiation of
- Preparation of

Remittances:

- Receipt of
- Deposit of

Disbursements:

- Authorization of
- Access to or control of blank check stock
- Preparing checks
- Operating a check signing machine
- Completing machine-signed checks with authorization and supporting docs

Reconciliation:

- Posting the journal or any subsidiary register affected by cash transactions

Reconciling bank accounts

AUTOMATED SYSTEMS

Invoices for services rendered

- Initiation of
- Preparation of

Remittances, collections

- Receipt/deposit of
- Input of receipts data

Disbursements

- Access to or control of blank check stock
- Initiation of payment document
- Approval of payment document
- Input of payment data

Reconciliation

- Reconciling input to output
- Reconciling bank accounts

Where programs have sufficient staff available, duties shall be separated to provide recording and preparation by one employee and review and approval by another employee who is not a family member.

It is recognized that for smaller programs, or programs with limited activities, staff size may be limited.

This makes division of labor challenging. In these cases, the program CEO or executive committee shall perform review and oversight functions.

GENERAL LEDGER

As specified in the General Accounting section of this manual, before preparing the monthly trial balance, the department recommends that someone other than the regular preparer conduct a posting review of the general ledger detail to assure the accuracy of transactions posted to each account. If the marketing program is large enough to be divided into sections, the department recommends that a section supervisor review posting to its section accounts. For smaller programs, review may be performed by the CEO, treasurer of the board, or another employee familiar with account distribution.

BANK RECONCILIATION

Monthly bank reconciliations ensure that deposits and paid checks agree with entries in the disbursements and receipts registers. The department recommends that an employee other than, and unrelated to, the one who makes general journal and ledger entries reconcile the accounts with statements for each bank account. The reconciliations shall be reviewed, dated, and signed by the CEO, CFO or controller, or another responsible employee, and retained in records. The following, in addition to the steps specified in the General Accounting section, are important to the reconciliation process:

- Deliver unopened bank statements containing returned checks or printed online bank statements to the reconciler.
- Compare paid checks to details of the disbursement registers, ensure that two signatures appear on the check when required, and examine checks for other suspicious or irregular features (such as improper endorsements or signatures).
- File all paid and voided checks numerically.
- If paid checks are not returned from the bank and an electronic fraud system is used, review all exceptions specified by the system.

SAFETY OF PROPERTY

SAFETY OF PREMISES

The program executive and the board of directors shall establish and maintain written controls to ensure the safety of all assets. These include its receipts or collections of cash (including currency and coins, personal, business, cashier's, and travelers' checks, and money orders), its records (bookkeeping and accounting records, check stock) and its property (equipment and buildings).

SAFETY OF RECORDS

The program shall ensure that important records are stored in a locked file, storage cabinet or other appropriate location established by the program. The following records shall be safeguarded:

- Computer backup tapes
- Financial records
- Automobile pink slips and other proofs of purchase
- Credit cards
- Blank check stock for all accounts

As part of employment procedures, employees shall be informed that records generated while at work are the property of the program. Upon separation of any employee with access to files, program files must be examined to ensure that they are intact.

A program shall account for all assets that it uses or for which it is responsible, including cash, supplies, real estate, furniture and equipment. Programs shall take periodic physical inventories, report use of assets it does not own, account for or justify the loss of missing property, and delegate responsibilities for keeping records of these to its employees.

PROPERTY LEDGERS

In a property ledger, record all properties at acquisition cost. Programs shall capitalize and include in the property ledger all assets (monetary or major) having a useful life of at least one year. The information for each asset serves as subsidiary data supporting asset accounts. A separate record card for each asset is essential in addition to a reference to the original general journal entry in which its purchase was recorded. The record card includes the following information:

- Description of the property
- Date of acquisition
- Identification number
- Cost
- Warranty information
- Location

When available and applicable, also include model and serial numbers, manufacturer, company or contractor.

Each program is responsible for establishing the capitalization level to record assets on the general ledger.

PROPERTY SURVEY REPORT

Whenever property is deemed obsolete or is sold, discarded, traded in, stolen or destroyed, a survey report shall be initiated. Describe the item, using the data in the property ledger, and the reason for disposition. If thefts or other criminal acts were involved, include the date and police report number. Adjust entries in both the property and general ledgers and retain reports in files.

EQUIPMENT FOR USE AT HOME UNDER TELECOMMUTING AGREEMENT

If a program has a telecommuting policy and assets are purchased by the program for home use by an employee, a contract shall be generated between the program and an employee identifying all equipment purchases for this purpose. This equipment shall be inventoried by program staff.

After the useful life of the asset has expired, the program shall have a policy for the disposal of the assets including approval by the supervisor or CEO, or executive committee, if necessary.

PROPERTY CHECKLIST

- ✓ *Are all tools and equipment stamped, tagged or marked as program property?*
- ✓ *Are serial and ID numbers noted on property cards?*
- ✓ *Is a property survey report being used for disposition of assets?*
- ✓ *Do responsible officials authorize the disposal of any asset?*
- ✓ *Are surveys of stolen property documented with a police report?*
- ✓ *Has an employee been made responsible for property accounting controls and maintenance of property records?*
- ✓ *Is there a plan to examine physical inventories on a regular time interval?*
- ✓ *Are physical inventories conducted according to schedule?*
- ✓ *Are inventory records adjusted to reflect actual inventoried assets, dated, signed and retained?*
- ✓ *Are all tools and equipment subject to pilfering recorded on nonmonetary records?*

CASH RECEIPTS

MAILED COLLECTIONS

Control of cash shall start at the point of its first appearance, which is often mail delivery. Each program shall establish written mail-processing procedures to protect collections. These include:

- Delivery of all mail to a central point.
- Date stamping each piece of mail.
- Immediate segregating of mail collections from other mail.
- Logging mail collections when mail is opened.
- The department recommends that at least two people be involved — one to open and distribute mail, the other to record collections and make deposits.
- Immediate recording and safeguarding collections of cash (currency and checks).

Receipts shall be deposited in a timely manner. Deposits shall be made as specified in the General Accounting section – Deposit of Cash Receipts.

LOCKED BOX BANKING

Lock box banking is allowed. This is a service provided by banks where checks can be sent to a special post office box where the bank retrieves the payments, processes them, and deposits funds directly into the program's bank account. This is an efficient process and helps to safeguard assets.

ENDORSEMENT STAMP

Obtain an endorsement stamp for all program bank accounts expected to receive checks for deposit. Under no circumstances are handwritten endorsements permitted on checks received by a program.

RECEIPT PROCEDURE

Receipts used by programs shall be formatted to show method of payment (currency, check, cashier's check), the account distribution, preparer's initials, date of payment and deposit, and reference to other documents that may support the transaction. Programs shall establish written procedures for inventory control of the receipt forms or books. Use press numbered receipts in sequence and store checks securely.

CASH RECEIPTS REGISTER

Record collected cash receipts daily in a cash receipts register or receipts journal, as specified in the General Accounting section. The receipts register facilitates analysis of major revenue accounts. Summarize the register monthly and compare entries in the corresponding accounts of the general ledger. Analyze any discrepancies and adjust using general journal entries. On a regular basis, someone other than the preparer shall review cash receipt forms, both completed and voided, to ensure that there are no improprieties.

DISBURSEMENTS OR EXPENDITURES

CHECKS

Store check stock (blank checks) in a secure place accessible only to authorized personnel and use checks in numerical order. Checks payable to "Cash" shall only be written for change funds and, with carefully examined proper documentation, for petty cash. Good internal controls dictate that blank signed checks are never issued under any circumstances. If, occasionally, a program provides a check for an unknown amount, enter the date, payee, and a description of the purchase prior to passing it to an authorized signer. The phrase "Not to exceed" an appropriate upper-limit dollar amount shall be inserted just below the line where the written amount of the check is entered.

CASH DISBURSEMENTS REGISTER

Monthly, prior to preparation of the financial reports, summarize the cash disbursements register and compare totals to the general ledger. Make necessary adjustments through general journal entries.

CHECK SIGNING

Minutes of the board of director meetings reflect its policy authorizing and limiting the signing of checks. Generally, the CEO, the CFO or financial assistant, the board chair, or authorized members of the executive committee may sign checks. The signatures of those authorized shall be officially recorded on bank signature cards.

DOCUMENTATION OF EXPENDITURES

Sound internal controls in accounting dictate that all expenditures be supported by detailed documentation, which includes the business purpose of the expenditure and identification of persons attending the function. A checklist of sound accounting practices is specified in the General Accounting section of this manual.

AUDITS

AUDITING PROGRAMS

California's agricultural programs are audited for financial reporting purposes and for compliance with state laws, policies and procedures applicable to these programs. Audits of a program's financial reports are conducted annually by independent accounting firms resulting in an opinion as to the accuracy of the financial reports covering the audit period. The Accounting Guidelines portion of this manual pertains to subject matter examined during the financial audit. Programs should work in concert with their auditing firm to ensure that their accounting system adequately addresses this subject matter.

The department has established Agreed-upon Procedures to be performed annually by which accounting firms selected by programs and approved or concurred in by the department can help ensure compliance with these Guidelines and the program's internal written policies and procedures. These Agreed-upon Procedures have a different objective and scope than the financial audits conducted by accounting firms. The auditors are looking at activities conducted and expenses incurred regarding the appropriateness of the activity and the associated expenses incurred. The auditors evaluate "appropriateness" as whether a program's activities and expenses comply with applicable State law and the Food and Agricultural Code, marketing order authority, the program's internal policies and procedures and the provisions of the General Rules portion of this manual.

In order to facilitate the performance of these Agreed-upon Procedures, programs shall:

- Give auditors full, free and unrestricted access to all program activities, records, property and personnel.
- Accord full courtesy to the auditing teams assigned.
- Provide an area for the audit team to conduct its examination.
- Have personnel available to answer questions.
- Have all records and written internal control policies readily available for the team.

These Agreed-upon Procedures are performed to:

- Check for compliance with these Accounting Guidelines and General Rules.
- Ensure that each of these activities are consistent with the program's written policies and procedures.

PRIMARY RECORDS EXAMINED AT AUDIT

Records	Purpose for Examining
Minutes of board of directors meetings	To obtain information affecting the audit
Payment records of the marketing program	To obtain financial information
Operations for cash-on-hand and petty cash	To determine control, accountability and compliance
General ledger and cash receipts and disbursements registers	To ascertain whether sound controls and accounting practices are in place
Approved budget and records of actual expenditures	For compliance
Bank and credit card reconciliations	For extent of internal controls and reimbursement activities
Contracts and purchase orders	For compliance to contracting and purchasing procedures
Travel expense claims	For compliance to established rules and regulations
HR documentation and payroll records	To examine accurate compensation and disclosure
Controls and procedures for revenue, expenditures and cash operations	For compliance to policies and internal controls

OTHER AUDIT INTERESTS

In addition to the above records, auditors may look at other areas and documents.

INVESTMENTS

Financial auditors will evaluate investments. Programs shall invest surplus funds prudently. See General Accounting for guidelines.

CONFLICT OF INTEREST

Each program has an applicable disclosure category for its board of directors, CEO and designated employees. Each program shall ensure that all Form 700s are properly filled out and submitted by each person that is required to complete a form. The department recommends that programs have a conflict of interest policy.

PROPERTY LEDGER

Financial auditors will evaluate the property ledger for compliance with the general accounting guidelines specified in this manual.

INTERNAL CONTROLS, EMPLOYEE ACTIVITIES AND FUNCTIONS

Checking for proper internal controls and oversight, the audit team examines employee's familial relationships, their roles, and the hierarchy within which they work. This determines whether a job is done correctly, by whom, and under what conditions.

The program executives, by reason of their appointments, are accountable for activities carried out in their programs. This responsibility includes the establishment and maintenance of internal accounting and administrative controls. Each system an entity maintains to regulate and guide operations shall be documented in a manner established by the program. The internal control guidelines set forth in the previous section will be reviewed by auditors for compliance. The ultimate responsibility for good internal control rests with management and the board.

BUSINESS & POLICY

BOARD OF DIRECTORS/CEO

BOARD OF DIRECTORS

A program's board of directors is responsible for setting policy and direction for program staff and for monitoring and evaluating the performance of the CEO.

CEO

It is the duty of the CEO and senior staff to provide information to members of the board of directors. The amount and variety of information required will vary with the size of the program, the activities in which it is engaged and the preference of the board. Prudent management precludes overburdening the board with too much detail, but requires furnishing its members and committees with sufficient information to accomplish their tasks. The following list identifies some specific items that shall be provided to and acknowledged by each board:

- Approval of annual budget and contemplated activities
- Financial reports at any board, executive committee or finance committee meeting that include:
- Balance sheet
- Summary of accounts receivable and payable
- Income and expense statement
- Comparison of the income and expense statement with the budget
- Cash flow projections
- Line-item budget variances
- Audit reports
- Action proposed or taken by CEO in response to audit
- Schedule of insurance coverage

CONFLICT OF INTEREST

Disclosure statements shall be submitted annually by members of each board of directors. Directors shall not engage in activities and employments that are considered inconsistent, incompatible, or in conflict with their duties as officers. They shall be aware of and adhere to the various laws concerning conflict of interest and codes of ethical standards applicable to directors. Board members shall not engage in activities which result in or appear to result in personal or private gain by:

- Using the prestige or influence of a State office.
- Using State time, facilities, equipment, or supplies for private purposes.
- Using confidential information acquired by virtue of State involvement.
- Receiving or accepting money or any other consideration from anyone other than the State for the performance of duties as a State officer.
- Receiving or accepting anything of value from anyone who is doing or seeking to do business with the program under circumstances from which it reasonably could be inferred that the item was intended to influence the State officer in an official State action.

OPEN MEETING REQUIREMENTS

The Bagley-Keene Open Meeting Act, set forth in Government Code Section 11120 et seq., stresses the State's policy to conduct meetings and the people's business openly so that the public may remain informed. The act pertains to all State bodies, including programs subject to these guidelines. A summary of the requirements of the Open Meeting Act is included as an Appendix.

The Bagley-Keene Open Meeting Act requires that:

- All meetings of a board or of a board-created committee of three or more members shall be open to the public and the public has the right to record the meetings providing the process does not interrupt proceedings.
- Persons requesting to be informed of open meetings shall be notified at least 10 days in advance of a meeting. The notice shall include the name of a contact person and cite the major items to be discussed.
- No matter may be added to the meeting notice after issuing the notice.
- The board may discuss, but not act on, a matter which did not appear in that meeting's notice.
- Emergency meetings are rare (narrowly defined in statute in Section 11125.5 of the Government Code) are exempt from compliance with the 10-day notice but have other onerous notice requirements.
- Closed sessions may be held to consider personnel matters and to confer with legal counsel regarding potential or actual litigation. Note that unless an employee is given 24-hours' notice and the right to public or private hearing concerning dismissal or disciplinary action, any action taken is void (Government Code § 11126).
- Minutes shall be taken during closed session.
- Prior to holding a closed session, the board shall announce the general reason for the session and assert its authority to hold it. For example:

  - "Closed Session: A closed session will be held for the purposes of receiving advice of counsel, considering potential or actual litigation, and reaching decisions concerning employees as authorized by Government Code § 11126 (a)(1) and (e)(1)."
- The board shall publicly report any official personnel action taken or action taken on potential or actual litigation in closed session.

CREDIT CARD USE

Credit card accounts in the name of a program are to be used solely for payment of expenses for program-related business. Use of such cards for personal expenses is at best a misappropriation of state funds and in some cases can be a criminal act.

To minimize inappropriate use of credit cards, programs shall establish written procedures and internal controls and obtain the approval of the board of directors. At a minimum, the program's procedures shall require that:

- A control sheet be maintained listing, for each card, its type (e.g., Visa or MasterCard, gas cards), the sponsoring bank or company, card number, and the dates of issuance, limitation and return.
- A single staff member be designated to safeguard and distribute the cards and keep the control sheet current.
- The control sheet be periodically reviewed by the board and acknowledged in its minutes.
- The program's name be printed on the card.
- Dollar limitations be set.
- Permissible purchases (e.g., gas, supplies, travel) and conditions for use be specified.
- Specific persons and staff positions eligible to use cards be named.
- The type and number of credit cards permitted for a single person be stipulated.
- Reimbursement method and time frame.
- Credit card expenditures be reviewed each month by a designated supervisor or manager and, in the case of credit card expenditures by the CEO, an officer of the board of directors.
- Individual expenditure reports shall be completed to justify the appropriate use. Users must attach receipts to the report.

Credit cards be returned to the program when not needed or the period of authorization has expired, and upon termination of employment.

CONTRACTS

The Food and Agricultural Code authorizes and establishes the framework for agricultural programs to implement the necessary facets of public accountability and transparency. Programs are required to have internal controls specific to contracting, and should incorporate common features which may include, but are not limited to: documentation, oversight, and equity within the contracting process, independent of the requirements of the Public Contracts Code.

Although rote application of the Public Contracts Code is not applicable to the programs, the programs are still obligated to fulfill other requirements of public accountability, transparency and ethics in their operations to eliminate favoritism, fraud and corruption in awarding of contracts.

Included below is a sample contracts policy that programs should consider. This policy should not be considered exhaustive of a program's requirements to ensure accountability and transparency but rather a starting point for discussion.

Regarding contracts for research or advertising and promotion, it is understood that the "lowest cost bid" is not the primary criteria by which entities should be selected. Lowest cost bids are the appropriate criteria when seeking a standardized "product." Other criteria should be used when evaluating proposals for providing a "service." In these circumstances, expertise and experience in the field of study or the category of advertising and promotion relevant to the program is the most critical factor to consider. Contracts where the lowest bid is not accepted require a written explanation regarding the basis for bid selected that is distributed to the board of directors.

SAMPLE PROGRAM CONTRACTS POLICY

CONTRACTS FOR SERVICES

1. All contracts in excess of $ ________ shall be bid competitively using a formal, open Request for Proposals process adopted by the program.

2. Contracts over $ ______ but not exceeding $ _______ shall be reviewed and approved by the department head and/or program executive. All contracts over $ ______ shall also be reviewed by a designee of the board, a committee of the board, or the full board of directors.

3. Contracts for vendors that are anticipated to provide services over a multi–year period shall be reviewed annually. These contracts may include provision for automatic extension year to year unless notice is given at least ____ days prior to the end of the contract period that the program intends to reissue the contract for competitive bids. Such contracts should be issued for competitive bid at least once every five years. These contracts shall include a cancellation provision in the event that the program terminates operations in accordance with procedures specified in statute or judicial order.

4. Specified committees shall periodically review contractual relationships.

CONTRACTS FOR GOODS

5. All contracts to purchase assets in excess of $500 require documentation. This includes equipment, furniture, promotional items and certain other business services. These purchases shall

be approved by the designated department head or program executive. Purchases in excess of $ _______ shall also be approved by a designee of the board. For all purchases in excess of $5,000, three (3) telephone bids will be solicited to insure independent, competitive and nonbiased estimates. If the lowest bid is not taken, an explanation is required. All bids with explanations shall be attached to the receipt for the program executive review and signature.

GENERAL RULES

CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE

PERTAINING TO THE ADMINISTRATION OF MARKETING ORDER ADVISORY BOARDS, AGREEMENTS, COUNCILS AND COMMISSIONS

SECTION I – GENERAL PROVISIONS

1.1 PURPOSES – These General Rules (rules) are issued by the Secretary of Food and Agriculture pursuant to the provisions of Sections 14, 58610, 59141, 58937, 59947 and 64696 of the Food and Agricultural Code (code), or as such sections may be amended or retitled by the Legislature and Division 22 of the code as it relates to the Secretary's authority to seek fiscal and compliance audits of the commissions. The rules are issued for the purpose of assisting programs in the administration of mandatory assessment dollars collected pursuant to Divisions 21 and 22 of the code.

For commissions, these rules set forth recommendations, not requirements.

1.2 PROCEDURE – The department requires evidence of propriety regarding every item requiring payment.

1.3 BUDGETS – An annual budget shall be submitted prior to the beginning of each fiscal year, and as amended thereafter as necessary, for approval or concurrence by the Secretary pursuant to the provisions of the enabling law for each program. The budget should show all sources and estimated amounts of funds available for use by the program, including any carryover of funds from a previous fiscal year and reasonable detail of the estimated expenditures for the period such as year-end reserves. No expenditure may be made unless authorized in statute until the budget is submitted to the department and approved or concurred in by the Secretary as required by each program's enabling law.

The Department shall make every effort to take action on any document submitted for approval or concurrence within 15 days of the document's receipt by the Marketing Branch. If the Department fails to act within 15 days from the date a budget and corresponding documentation is received from a program, the program may continue to operate and pay for normal operating expenses until such time as the Department approves/concurs in the budget.

Budgetary control will be maintained by the CEO on a category basis.

1.4 PROGRAM RULES – Nothing herein contained shall be construed to prohibit a program from adopting rules governing its own operation. The department reserves the right to report to stakeholders any activity or expenditure by a program that is not consistent with these Accounting Guidelines or General Rules. To the extent there is an internal program policy in play, this will be noted in the audit report.

SECTION II – PREPARATION OF CLAIMS

2.1 PAYMENT OF CLAIMS – In addition to other controlling features set forth in these rules, limitations on payment of claims are made by:

A. Cash available for expenditure

B. Budget authorization

C. Payment of claims may be made from borrowed funds

2.2 INFORMATION REQUIRED – Proper documentation for each expenditure shall include the following information:

A. Fiscal year to which the invoice applies.

B. Name of the program.

C. Month during which the expenses were incurred.

D. Name of the person or company in whose favor the check is drawn.

E. Amount of the check drawn.

2.3 APPROVAL OF CLAIMS – Each payment for an invoice, payroll, and expense claim shall be personally reviewed by the CEO or other person authorized in writing by the board of directors or the CEO to approve an invoice.

2.4 REJECTION OF INVOICES – Invoices for items that do not conform to these rules or are not considered proper or necessary expenditures shall not be paid. If there is any question on an invoice, the Marketing Branch may be contacted as to what action is to be taken.

SECTION III – PAYROLLS

3.1 PAYROLLS

3.1.1 Payrolls for full-time employees shall be rendered either semi-monthly or monthly and shall be rendered as quickly as possible and pursuant to legal requirements after termination of employment.

3.1.2 Payrolls for part-time or temporary employees shall be rendered for periods satisfactory to the program. Compensation for work performed on an hourly or daily basis shall be supported by detail of hours and days worked.

3.1.3 Programs are required to maintain complete records of attendance and absences for each employee during each pay period. These records shall be properly certified. When individual time records are maintained by employees, they shall be signed by both the employee and the employee's supervisor. Persons certifying attendance reports cannot certify his/her own attendance report.

3.1.4 Employment taxes (federal and state income, Social Security, and Medicare) apply to various employer payments, fringe benefits (FB), and employee business expense (EBE) reimbursements. FBs are generally cash, property, or services received from the employer in addition to an employee's regular pay. FBs are reportable and taxable income unless specifically excluded by federal and state tax laws, rules, regulations, or other legal opinion or ruling.

Employer reimbursements for EBEs are taxable and reportable income unless the sponsoring employer's plan satisfies Accountable Plan provisions and any unique requirements applicable per federal and state tax laws, rules, regulations, or other legal opinion or ruling.

Accountable Plan criteria include: (1) expenses shall be job related – to the extent that the expenses would be deductible on an employee's personal income tax return; (2) employee shall provide and sponsoring employer shall validate a detailed accounting of the expenses (including time, business purpose, place, and expenditures validated by receipts); and (3) unsubstantiated amounts shall be promptly returned to the employer.

EBEs shall satisfy other specific requirements applicable per federal and state tax laws, rules and regulations (e.g., uniforms shall satisfy federal and state definitions of what constitutes a uniform as well as be provided under an Accountable Plan) before reimbursements qualify as non-taxable. EBE reimbursements failing to meet either Accountable Plan or these other mandated requirements are considered issued under a non-Accountable Plan and are reportable and taxable income.

Taxes are due (payable) and reportable upon constructive receipt of the EBE reimbursement or the FB by the employee. Employers shall report taxable EBE reimbursement and FBs monthly to the SCO no later than the 10th of the month following the month of receipt. Applicable taxes are then withheld from the affected employee's next regular payroll warrant. Auto allowances and personal-use allowances shall be submitted annually in compliance with IRS guidelines.

Many exclusion rules apply to fringe benefits per IRS guidelines. These rules exclude all or part of the value of certain benefits from the recipient's pay. The excluded benefits are not subject to federal income tax withholding and in most cases are not reported on Form W-2.

For example, achievement awards given as an award for length of service are excluded. Further, de minimus (minimal) benefits or services provided to an employee are excluded.

Programs shall consult with tax professionals to ensure that these policies and programs are in compliance with applicable federal and state tax laws, rules and regulations.

3.2 STATUS CHANGES OF PERSONNEL

3.2.1 Unless the program has established a rule or policy to the contrary, the CEO shall have the authority to hire program employees, make decisions regarding salary increases for program employees and terminate program employees.

3.2.2 In order to complete an appointment, the employee should complete an Oath of Allegiance as required in the California State Constitution.

A. All employee compensation by classification, including auto allowance and other fringe benefits shall be made available to the department and assessment payers upon request.

B. In order to complete an employee separation, the employee shall surrender any program credit cards and any state-issued identification card to the program CEO.

3.2.3 The employment of spouses, daughters, sons, domestic partners or other close relatives of board members, as employees of the program is subject to board approval. Policies and procedures shall be implemented to ensure that employees do not directly report to or supervise relatives.

3.2.4 Evaluation of the program CEO shall take place on an annual basis or other period established by the program and shall be the result of a performance appraisal conducted by the board or a committee of the board. The CEO's and senior management's salary and all additional compensation (auto allowance and other fringe benefits) shall be disclosed annually to board members and the department, and upon request, to any assessment payer. For advisory boards and councils, the CEO employed by a board or council shall be appointed annually by the Secretary. Any salary adjustments recommended by the board of directors or an authorized committee of the board shall be reflected in the CEO Employment Agreement approved annually by the Board and submitted for approval by the Secretary. Boards or councils that contract with management services firms shall review and approve the contract provided by the management services firm. The management services contract shall be submitted for approval by the Secretary.

3.2.5 Payments to or for other than permanent employees.

A. Temporary staff is an appropriate and often necessary tool to meet resource needs. The cost shall be coded to an operating account.

B. Invoices from individuals for services rendered shall include:

- The name of the program
- Description of the work performed
- Hours worked
- Rate of compensation
- Signature of claimant
- Address of claimant
- Social security number of claimant
- Identify and flag invoices pertaining to federal and state tax requirements (i.e., Form 1099)

C. The payment of fees to personnel agencies for recruitment purposes shall be in accordance with board policy and procedures.

3.3 COMPUTING SALARY PAYMENTS FOR LESS THAN A FULL MONTH

The department recommends the following if the program has no policy. Programs are to consult legal counsel in developing this policy. Each employee shall be considered to work eight hours per day or other full-time equivalent, five days each week, and holidays shall be considered working days. Employees employed at a monthly rate, when paid semi-monthly, shall be paid one-half the monthly salary as of the fifteenth of each month and one-half the monthly salary at the end of each month. Salaries of employees appointed or separated during any pay period shall be computed for the number of days actually worked in that pay period in conformance with the table at the end of these rules. However, the number of days actually worked shall not include either (1) a holiday that immediately precedes the first day worked, or (2) a holiday that immediately follows the last day worked. Caution shall be taken regarding appointments or separations occurring during those months when the number of working days from the first through the fifteenth of the month is not equal to the number of working days from the sixteenth through the end of the month.

The following chart should be used in computing holiday allowances for intermittent employees:

Hours on Pay Status During Pay Period	Holiday Pay in Hours for Each Holiday
0-10.9	0
11-30.9	1
31-50.9	2
51-70.9	3
71-90.9	4
91-110.9	5
111-130.9	6
131-150.9	7
151 or over	8

3.4 PAYROLL DEDUCTIONS

When processing payrolls, programs are responsible for deductions from employee payroll for:

- Withholding tax
- Social Security taxes
- Group health and accident insurance premiums
- Retirement contributions
- Disability insurance premiums

These deductions shall be made from salaries earned in accordance with existing laws and agreements. Amounts deducted shall be paid to the proper agencies by the programs. Staff shall be supplied with reports and/or receipts as required by law.

3.5 SURETY BONDS

Programs should (and in some cases must) obtain a surety bond as authorized by statute or in an amount set by the board of directors for faithful performance of their official duties. The premiums for these surety bonds shall be paid by the programs.

SECTION IV – PURCHASES AND INVOICES

4.1 BIDS

Pursuant to the Contracts Section of the Accounting Guidelines, purchases of goods valued at over $5,000 require a program to obtain at least three bids before selecting a vendor. The program should endeavor to compare products regarding:

- Quality
- Cost
- Delivery time

There may not be any qualifications in the specifications for any contract that will work to the advantage of any particular bidder or any class of bidders.

If the lowest bid is not chosen, documentation shall be provided explaining the reasons for the acceptance of the chosen bid.

4.2 INVOICES

4.2.1 Invoices shall be rendered in the name of the program.

4.2.2 The original of each invoice shall have noted on its face:

- The fiscal year
- The code number for the budget account to which the item will be charged
- The total amount to be paid

4.2.3 Invoices with handwritten or typewritten billheads are required to be signed by the vendor or person furnishing the supplies or services

4.2.4 Every invoice shall be dated and properly itemized before payment

4.3 INAPPROPRIATE USE OF PUBLIC FUNDS

ARTICLE XVI, SECTION 6, of the State Constitution states in part: The Legislature shall have no power to give or to lend, or to authorize the giving or lending of credit of the State . . . nor shall it have the power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever . . .

The statutes authorizing programs to collect and spend assessments are governed by this provision of the constitution.

Programs must justify the reasons for purchases by showing that they serve a direct and substantial public purpose. Promotion of the program commodity shall qualify as a direct and substantial public purpose.

4.4 ALCOHOL PURCHASES

Each program's board of directors shall establish a written policy concerning whether the program will allow the purchase of alcohol for program-sponsored meals and events. If the written policy allows for purchase of alcohol for program-sponsored meals and events, the policy should document reasonable limits on the price per item that will be allowed or provide appropriate oversight and review before reimbursement.

Notwithstanding the above, expenditures for alcohol to be consumed with a meal shall be included as part of the allowable per diem limits.

4.5 PERSONALIZED MEMENTOS

Purchases of personalized mementos such as flowers or plaques in an amount not to exceed $250 in value per occasion are allowed for *extraordinary* events where normal expectations in our business culture are that such an action should be taken. These include, but are not limited to career milestones, recognition of a significant professional accomplishment by a board or staff member or death of a board or staff member. Such mementos should not be allowed for annual events such as birthdays or anniversaries. Each program should adopt an internal policy regarding such purchases within these parameters.

SECTION V – TRAVEL, ENTERTAINMENT AND RELATED EXPENSES

5.0 INTRODUCTION

Programs shall make the most effective use of assessment-payer funds. Costs of travel, meals and lodging shall be managed closely to ensure compliance with program requirements.

5.1 TRAVEL ADVANCES

Funds may be advanced for travel expenses upon approval by a supervisor or the CEO.

5.2 EXPENSE CLAIM FORM

All expense claims are required to be properly itemized on the program's expense claim form and accompanied by the necessary documentation (original receipts unless the receipt is a credit card receipt for a purchase using the employee's or member's private credit card. In this case, a photocopy of the receipt is sufficient), certified by the claimant and approved by the CEO or other authorized employee. The department's travel expense claim form is included in the appendix as an example of proper documentation.

5.3 CEO'S TRAVEL EXPENSE CLAIM FORM

Each travel expense claim form submitted by the program CEO shall be reviewed and approved by an officer of the board of directors.

5.4 PERSONAL EXPENSES

Personal expenses shall not be allowed. However, the following shall be considered as allowable business expenses:

5.4.1 Charges by common carriers or terminal stations for the handling or transporting of necessary personal or official baggage. For charges in excess of $25.00, a receipt is required.

5.4.2 A policy for laundry and valet reimbursement shall be approved by the program board of directors.

5.4.3 The cost of air travel insurance on an amount not to exceed $100,000 shall be reimbursed to board members and employees of the program if they are not covered by a blanket travel accident insurance policy.

5.4.4 Any other item approved by the board of directors as appropriate and necessary to conduct program business.

5.5 TELEPHONE CHARGES

5.5.1 Individual telephone calls above $15.00 shall be accompanied by a copy of the invoice. A bill listing the phone call and the number called is sufficient.

5.5.2 For telephone calls above $30.00, the name of the person called and justification for the call shall also be indicated.

5.6 CLAIMING EXPENSES OF OTHERS

Board members and designated employees are permitted to claim expenses of other members or employees when the board of directors authorizes members and/or certain employees to do so. A copy of this policy shall be on file at the program office.

5.7 HEADQUARTERS

Headquarters should be established for every employee at the time of employment and may be changed from time to time. Indication of the employee's headquarters location shall be shown on the employee's travel expense claim form. For this purpose, the residence of a board member or alternate member should be considered his or her headquarters unless the member maintains a place of business away from his or her residence. In this case, the place of business is his or her headquarters.

An employee may be allowed to claim expenses for up to $30.00 for dinner at his or her headquarters when required to work more than two hours past normal business hours and where the program CEO deems it unreasonable for the employee to return to his or her residence for an evening meal.

5.8 RESIDENCE ADDRESS FOR EXPENSE CLAIMS

For the purpose of verifying the appropriateness of mileage claimed, each board member and each employee that submits travel expense claims shall have on file in the program office his or her residence address.

5.9 ATTENDANCE AT MEETINGS

For any program-sponsored meeting or event for which travel expenses may be claimed by a board member, committee member or an employee, minutes of the meeting shall indicate all persons attending the meeting.

5.10 RECEIPTS OR VOUCHERS

There shall be receipts or vouchers for every item of expense claimed, except as follows:

- Charges for bridge or road tolls.
- Miscellaneous expenses not exceeding $15.00 as long as they are itemized on the claim.
- When it is not feasible to obtain a receipt, the claimant notes the reason on the claim.
- Parking under $15.00.

Original receipts are required for any expense over $15.00, including meals and lodging.

5.11 TRAVEL ALLOWANCES

Each program shall adopt policies and procedures related to employee and board member travel. Allowances for travel and meals shall not exceed the maximums specified below unless they are justified with full documentation regarding why the employee or board member was unable to travel within the authorized limits.

Actual expenses may be claimed when traveling on program business. Claiming expenses for family members accompanying board members or staff is prohibited (see exception in Rule 5.15.1).

5.11.1 MEALS AND INCIDENTALS[1]:

Breakfast – Excluding tax & tip	$30
Lunch – Excluding tax & tip	$45
Dinner – Excluding tax & tip	$80
Incidentals	$15

5.11.2 LODGING ALLOWANCES – INDIVIDUAL TRIPS

Lodging expenses shall be reasonable and should be at rates comparable to a standard, single-occupancy room at a national business-class hotel chain such as, but not limited to, Hyatt, Sheraton, Hilton Hotels in the same vicinity.

Many hotels offer a government rate that is significantly lower than regular rates. Whenever possible, program staff shall make use of these rates. The Marketing Branch issues State I.D. Cards to all program employees and board member upon request for use in obtaining government rates. (See the State I.D. Application Form in the Department's *Policy Manual for Marketing Programs*.)

[1] For meals associated with master billing accounts, see Rule 5.14.3.

5.11.3 When attending business-related conferences hosted by an organization other than the board, council or commission concerned, the conference lodging rate for a standard, single room may be reimbursed.

5.11.4 LODGING ALLOWANCE – BOARD AND COMMITTEE MEETINGS

Lodging expenses associated with attending board of director or committee meetings should not exceed $235.00 per night (excluding tax).

5.11.5 Breakfast should not be claimed unless business required leaving personal residence prior to 7:00 a.m.

5.11.6 Reimbursement for dinner should be allowed only if return to personal residence is after 7:00 p.m.

5.11.7 Hour of departure and hour of return should be included for each trip when expenses other than mileage are claimed.

5.11.8 Trips requiring expenses exceeding the limits above shall have written documentation noting the reason why higher expenses were necessary and be approved in advance, when feasible, by the CEO or, in the case of the CEO, a board officer.

5.11.9 For foreign travel, the currency exchange rate should be noted for all foreign travel on expense claims and converted to U.S. dollars.

5.1*2* HOTEL RECEIPTS

Reimbursement for the cost of hotel accommodations shall be supported by an original receipt issued by the hotel. The receipt shall indicate all of the following:

- Occupant’s name
- Date receipt is issued
- Arrival and departure date
- Rate per day including any fee for parking

5.12.1 Claims for reimbursement of lodging expenses shall only be reimbursed for expenses that the claimant has actually paid or has agreed to pay.

5.1*3* MEALS/ENTERTAINMENT EXPENSES FOR GUESTS

CEOs, employees, board members and committee members may be reimbursed for group meals and/or entertainment expenses for themselves and invited business clients and/or program employees for breakfast, lunch or dinner or any other event for the primary purpose of transacting business. Actual expenses for these meals/events (including tax and tip) may be claimed for reimbursement. Claims for reimbursement shall indicate the names and business affiliation of each person whose meal/event was paid for by the claimant.

5.13.1 When customary business practice or social convention warrant a CEO, employee, board member or committee member to have his or her spouse accompany him or her for a meal with a business guest(s), actual expenses for the spouse's meal may be reimbursed.

5.14 MASTER BILLING ACCOUNT

In lieu of individuals paying for such expenses as lodging and meals associated with program functions, the program may use a "master billing account."

5.14.1 All lodging and meal expenses to be paid through the master account shall be accompanied by supporting documentation indicating the nature of the meeting, a list of the persons lodged and their positions, and/or served meals.

5.14.2 Incidental expenses connected with the meeting shall be segregated on the facility's invoice. These charges will not be included in determining the meal allowances as outlined below. Examples of incidental expenses include:

- Audio/visual equipment charges
- Meeting room rental
- Morning and afternoon coffee break service
- Service charges included by the hotel and part of contract

5.14.3 For group meals billed to a master billing account:

Breakfast – Excluding tax & tip	$30.00
Lunch – Excluding tax & tip	$45.00
Dinner – Excluding tax & tip	$80.00

Expenses exceeding these limits are required to be justified in writing.

5.15 TRANSPORTATION

Travel should be done in the most efficient and least costly manner, taking into account all costs including staff and/or board member time and safety and a reasonable level of comfort. If an employee uses a more costly form of transportation, a cost-comparison shall be done to determine the least costly rate or approval shall be obtained by the CEO before purchase of fare. No more than actual fare on any transportation service shall be allowed.

5.15.1 Airplane/commercial

For domestic travel, coach fare shall be used whenever possible. When the ticket is purchased by cash or personal credit card, the original itinerary issued by the airlines, travel agent or website shall be attached to the expense claim.

5.15.2 Privately owned aircraft

Any claimant who holds a valid private pilot’s license, or higher rated license, may use a privately owned aircraft for authorized travel in lieu of other modes of transportation. To operate privatively owned aircraft, pilots shall be physically qualified and licensed to fly the aircraft for the type of flying performed.

A. When traveling alone in a privately owned aircraft, claimant shall be reimbursed for up to the cost of a commercial flight alternative and the cost of ground transportation to and from the nearest airport offering commercial flights.

B. To carry passengers on official business, a pilot shall:

1. Either possess a valid FAA commercial pilot’s license or have previously logged at least 250 hours of flight time as a licensed pilot in command of an aircraft; and

2. Have logged at least 40 hours of actual flight time as a pilot in command of an aircraft during the preceding 12 months.

C. The reimbursement payment rate for employee privately owned aircraft shall be designated by the U.S. Internal Revenue Service. Mileage is computed on the shortest air route from origin to destination, using airways whenever possible. Variation from this due to weather or other factors shall be documented. Enter "Air Miles" and mileage on the travel expense claim. For expenses other than mileage, substantiate the expense with a receipt or voucher. Landing and parking fees are paid except at the site where the aircraft is normally stored.

5.15.3 Charter plane

Travel on official program business may be by privately owned, rented, or leased aircraft whenever this is the least costly means. This requires:

A. The program provide written justification that the total cost of chartering a plane is actually less than the total cost of commercial air transportation for the same individuals.

B. The justification shall accompany the invoice and shall state the names of the passengers and the reason for the charter.

C. The program may provide written justification that a charter is the only available option.

5.15.4 Privately owned auto

Reimbursement for use of privately owned autos in connection with official business shall be at the rate-per-mile designated by the U.S. Internal Revenue Service. In addition to allowances for mileage, reimbursement for necessary ferry, bridge or road tolls, parking and overnight storage charges for privately owned autos during use on official business may be allowed.

5.15.5 Program-owned auto or leased auto

Program owned or leased autos shall be used according to written policies and procedures adopted by the program's board of directors.

5.15.6 Auto rentals

Rented autos shall be used when necessary or expedient. Reimbursements for rental autos shall be limited to what is reasonable as defined by the program. Discounts are available for state agencies by some companies and shall be requested at the time the auto is reserved.

5.16 MOVING HOUSEHOLD EFFECTS

Each program's board of directors may authorize payment of actual and necessary moving and relocation expenses incurred due to a change of residence whenever the employee is required because of a change in assignment, promotion or other reason related to his or her duties to change the location of residence.

5.17 REPAYMENT OF MOVING AND RELOCATION EXPENSES

Where the program determined that an expenditure for moving and relocation expense is necessary in order to recruit a qualified person, if that person does not continue employment with the program for a period of two years (unless due to death, prolonged illness, disability, unacceptability of the employee to the program, or other eventualities beyond the control of the employee as determined by the program), the employee may repay the following percentage as determined by the board of directors of the amount received as the reimbursement for such travel and moving expenses:

100% – If employed less than 6 months.

75% – If employed more than 6 but less than 12 months.

50% – If employed more than 12 but less than 18 months.

25% – If employed more than 18 but less than 24 months.

5.18 TRAVEL REIMBURSEMENT OF APPLICANTS CALLED FOR INTERVIEW

Reimbursement for travel to and from interviews may be authorized for applicants for program positions if the program determines it necessary in order to recruit qualified persons for the position.

5.19 REGISTRATION FOR CONVENTIONS, MEETINGS, CLASSES, DUES FOR PROFESSIONAL ORGANIZATIONS

All such expenses shall be in accordance with the written policies and procedures adopted by the program’s board of directors or delegated to the program CEO. If such costs are paid by the employee, he or she shall include a copy of the registration form and an original receipt substantiating payment with his or her expense claim.

DOCUMENTATION OF BIDS ACQUIRED BY TELEPHONE

Description of Program Need:	
Specific Description of Product or Service Desired:	
Person or Department Requesting Product or Service:	Date Request Received:

BIDS RECEIVED

Name and Address of Vendor Contacted:	
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

STATE OF CALIFORNIA

TRAVEL EXPENSE CLAIM

☐ Travel ☐ Training

Forward Original and One Copy With All Required Receipts To:
Financial Services Branch
Accounts Payable Unit, Room A-247

DEPARTMENT OF FOOD AND AGRICULTURE

SO-27 (Rev 6/93)

Out-of-State Trip #

Claimant's Name		Social Security Number	Page
Civil Service Classification	Bargaining Unit & Designation:	Branch Name	Telephone Number
Residence Address (PO Box Only is Unacceptable)		Headquarters Address	
City	Zip Code	City	Zip Code

(1)Month/Year		DATE	(3) Location	Per Diem					(7) Transportation					(8)	(9)
(2) Time			Where Expenses Were Incurred	(4)	(5)	(5)	(5)	(6)	(A)	(B)	(C)Tolls	(D) Private Car		Business	Total
Depart	Return		(Between What Points)	Lodging	Breakfast B	Lunch L	Dinner D	Incid'l	Cost of Trans	Type	Parking Fares	Miles	Amount	Expense	Expenses For Day

(10) Normal Hours to	(14) Remarks or Details and Explanation of Business Expenditures (Attach Vouchers/Receipts When Required)
(11) Pvt Veh Lic #	
(12) Rate Claimed 0.48 per Mile	
(13) State Veh #	

(15) Accounting Use Only	(16) Conference or Convention Attendance Und	(17) Total Revolving Fund	Total Claim
Paid by Revolving Fund Check #	DPA 599.635 Approved	Advances For Month	
	Signature of Department Head or Design		

I HEREBY CERTIFY, that the above is a true statement of the travel expenses incurred by me in accordance with DPA rules in the service of the State of California, and that items shown were for the official business of the State of California. If a privately owned vehicle was used, I have met the requirements as prescribed in SAM, Section 0754. For mileage reimbursement rates which exceed the minimum rate, I certify that the actual cost of operating the vehicle was equal to or exceeded the amount claimed.

Signature of Claimant ____ Date ____ Signature of Officer Approving Payment ____ Date ____

Acctg Use Only		Program Use		Accounting Use Only			
Line #	FY	%	Program/Function	Object Code	Amount	Non-Taxable	Taxable

SEPARATION OF DUTIES MATRIX - CASH RECEIPTS

***Instructions**: Please list employees performing claim scheduling duties and identify the duties performed. Please indicate if the employee has primary (P) responsibility or a back-up (B) responsibility for this duty.*

D U T I E S

EMPLOYEE NAME & TITLE	Opens mail	Prepares Prelisting	Receives counter collections	Prepares collection reports	Prepares bank deposits	Reviews & authorizes bank deposit	Delivers deposits to the bank	Controls numbered receipt forms	Prepares monthly bank reconcili-ations	Reviews monthly bank reconcili-ations
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										

SEPARATION OF DUTIES MATRIX - CASH DISBURSEMENTS

***Instructions**: Please list employees performing claim scheduling duties and identify the duties performed. Please indicate if the employee has primary (P) responsibility or a back-up (B) responsibility for this duty.*

D U T I E S

EMPLOYEE NAME & TITLE	Authorizes disbursements	Prepares checks	Signs checks	Verifies travel expense claim before issuing check	Controls blank check stock	Mails or distributes checks	Reconciles the office bank accounts
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

SEPARATION OF DUTIES MATRIX - ACCOUNTS RECEIVABLE

Instructions: *Please list employees performing claim scheduling duties and identify the duties performed. Please indicate if the employee has primary (P) responsibility or a back-up (B) responsibility for this duty.*

D U T I E S

EMPLOYEE NAME & TITLE	Originates billing information	Prepares invoices	Checks accuracy of invoices	Maintains receivables ledger	Authorizes invoice adjustments	Reconciles accounts receivable ledger to general ledger	Performs collection procedures for aged receivables	Controls blank invoice stock
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

SUMMARY

BAGLEY-KEENE OPEN MEETING ACT

SECTIONS 11120 THROUGH 11132 OF THE CALIFORNIA GOVERNMENT CODE

Objective of the Act	When the Legislature enacted the Bagley-Keene Open Meeting Act (Act), it imposed a "value judgment" on the Governmental process. In effect, the Legislature said that when a State body sits down to develop its consensus, there needs to be a seat at the table reserved for the public. By reserving this place for the public, the Legislature provided the public with the ability to monitor and participate in the decision-making process. If the State body were permitted to meet in secret, the public's role in the decision-making process would be negated. Therefore, absent a specific reason to keep the public out of the meeting the public should be allowed to monitor and participate in the decision-making process. If one accepts the philosophy behind the reservation of a seat at the table for the public, many of the particular rules that exist in the Act become much easier to accept and understand. *Simply put, some efficiency is sacrificed for the benefits of greater public participation in government.*
What is a State Body?	A State body is a body consisting of two or more people and includes advisory boards, councils and commissions. Committees appointed by a State body are also considered State bodies if they consist of more than two members.
What Constitutes a Meeting?	A meeting occurs when a quorum of a body convenes, either serially (not permitted) or together in one place to address issues under the body's jurisdiction. This includes meetings solely for the purpose of presenting information to a body. Even if no actions or decisions are contemplated, a gathering of a quorum of a body *to discuss issues under the body's jurisdiction* is considered a meeting under the Act.
What are Serial Meetings?	Serial Meetings occur when a member or staff of a State body communicates by telephone or email individually with a sufficient number of other members to constitute a quorum in order to discuss issues to come before the body. Such serial communications are prohibited by the Act.
Social Gatherings	Social gatherings of a State body are not considered meetings covered by the Act so long as official business is not discussed.
Teleconference Meetings	Teleconference meetings are permitted provided that *information necessary to access the teleconference electronically and a primary physical location are included on the meeting notice, the location is accessible to the public and at least one member is present. Members planning to participate electronically must notify the Board office at least 24 hours in advance. The meeting minutes must reflect those members participating electronically.*
Regular Meeting Notice Requirements	A Meeting Notice must be published at least ten (10) days prior to the date of the meeting. To avoid issues, the Department recommends the notice be posted at least 11 days before the meeting.
Required Posting	Meeting Notice must be mailed to anyone requesting a copy and must be posted on the Board's and the Department's website.

Special Meetings	In order to provide State bodies with a means of holding a meeting on short notice because of the occurrence of an unforeseen event, the Act allows for “Special Meetings” with a 48-hour notice with copies distributed to all national wire services. The purposes for which a body can call a special meeting are quite limited. Examples include pending litigation, legislation and certain personnel actions.
Content of Meeting Notice	Meeting notice must include (an example is attached): ▪ Date, time and place meeting is to be held ▪ A specific agenda for the meeting ▪ If there will be a Closed Session, must be on the agenda and must cite Code Section and Subsection providing legal authority for Close Session. ▪ Notice that any agenda item will be discussed and that board action may occur on any agenda item. ▪ Must list a contact person for questions concerning the agenda or for needed special accommodations.
Comments from Public	The Agenda should allow opportunity for public comment on each agenda item prior to or during discussion. Members of the Public should also have opportunity to offer comments on subjects not listed on the agenda (reasonable time limits can be applied)
Minutes Must Indicate Each Member’s Vote on Motions	A state body must record in the meeting minutes any action taken by the body and the vote or abstention of each member present for the action.
Closed Sessions	In most cases, there are only two authorized reasons for Closed Sessions for our programs: ▪ Personnel Issues ▪ Pending Litigation – Attorney should be present with memo prepared for the Board.
Closed Session Process	▪ Chair must announce *in open session* that the Board is entering into closed session and state the purpose of the closed session ▪ Only Board members and people necessary to conduct the business of the closed session should be present ▪ When closed session adjourns, *open session is reconvened* and the general nature of any actions taken in closed session must reported ▪ Minutes of the closed session must be prepared and kept in confidential file

Rights of the Public:

- To attend meetings free from conditions
- To tape, record or broadcast meetings
- To comment on any agenda item (may impose time limit)
- To make comments regarding non-agenda items (may impose time limit)
- To have access to documents provided to Board Members
- To receive notice to all meetings of the Board or its committees

CALIFORNIA SUMMER SQUASH ADVISORY BOARD

TELECONFERENCE MEETING NOTICE AND AGENDA*

January 1, 2017 - Beginning at 1:00 P. M.
Primary Meeting Location:
CDFA – Headquarters Auditorium, 1220 N Street, Sacramento, CA 95814

A meeting of the California Summer Squash Advisory Board has been called for the date, time and place referenced above. *To access the meeting call (916) 123-4567 and enter pass code 7654321#*.

Board members planning to participate in the teleconference meeting electronically must notify John Smith at least 24 hours prior to the meeting. The Board must provide this information to any person that requests it.

The Agenda for the meeting is as follows:

1. Call to Order
2. Roll Call & Establish Quorum
3. Public Comments – Two minutes per person will be allowed
4. Approval of Minutes of the February 25, 2008 meeting
5. Financial Report
6. Closed Session
   a. Report from Legal Counsel Regarding Pending Litigation – Pursuant to Section 11126(e)(1) of the California Government Code
      i. Tahoe Squash Packing (FCSC Case No. 06 CE CG 02695)
   b. Discussion of personnel issues pursuant to Section 11126 (a)(1) of the California Government Code
6. Return to Open Session and Report of Action Taken, if any, in Closed Session
7. Public Comments on Matters Not Included on the Agenda
8. Agenda Items for Next Board Meeting
9. Adjourn

* *Note: Each of the Agenda Items above will include discussion and possible action by the Board. All meetings of the California Summer Squash Advisory Board are open to the public and subject to the Bagley-Keene Open Meeting Act and Section 58553 or 63906 of the Food and Agricultural Code. All interested parties are encouraged to attend the meeting. Any times listed for individual agenda items are estimates, Time will be allowed for members of the public to make comments on each Agenda item. This time will be limited to two minutes per person for each Agenda item.*

Persons with disabilities needing special accommodation should contact John Doe, Office Manager, California Summer Squash Advisory Board at (831) 444-4444 at least five days prior to the meeting. This Meeting Notice is available on the California Department of Food and Agriculture's Website at http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices. For further information regarding the Agenda for this meeting, please contact John Smith, V.P., California Summer Squash Advisory Board at (831) 444-4444 or by email at john.smith@cssab.com.