

**AGREEMENT BETWEEN
THE CALSAWS CONSORTIUM AND
THE COUNTY OF SAN BERNARDINO FOR SERVICES PROVIDED BY THE
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
AS CONTROLLER AND TREASURER OF THE JOINT POWERS AUTHORITY**

1 - INTRODUCTION

The CalSAWS Consortium (herein referred to as “CalSAWS” or “Consortium”) and the County of San Bernardino (herein referred to as “the County”), on behalf of the Auditor-Controller/Treasurer/Tax Collector (herein referred to as “ATC”), enter into this Agreement in accordance with Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the California Government Code and Chapter 4 (commencing with section 10800) of Division 9 of Part 2 of the California Welfare and Institutions Code.

By this Agreement the parties seek to formulate and maintain a cooperative working relationship which will effectively and efficiently implement the intent of the Second Amended and Restated Joint Exercise of Powers Agreement between the counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Ventura, Yolo, and Yuba (herein referred to as “Member Counties”) for the public entity known as CalSAWS.

The parties do not intend anything in this Agreement to expand, broaden, contract, or limit the respective rights, duties, or obligations of either party under the statute. The parties each retain all existing rights, duties, and obligations under the statute without modification by the Agreement.

2 - TERM

This document represents the Agreement for the provision of and payment for services provided by ATC as Controller and Treasurer for the Consortium. This Agreement shall become effective upon the date it has been approved by the Consortium’s Board of Directors (herein referred to as “Board of Directors”), and signed by the County, and shall continue in full force and effect until terminated by either party.

This Agreement may be terminated at any time, with or without cause, by either party, upon written notice given to the other party at least sixty (60) calendar days prior to the date specified for such termination. ATC is authorized to exercise the County's rights with respect to any termination of this Agreement. In the event of termination, each

party shall fully pay and discharge all obligations in favor of the other accruing prior to the date of such termination, and each party shall be released from all obligations or performance, which would otherwise accrue subsequent to the date of termination.

3 - ATC'S RESPONSIBILITIES

Section 3.1 Records

ATC shall have charge of, handle, and have access to all accounts, funds and money, and all records of the Consortium relating thereto, excluding those approved by the Consortium's Board of Directors as Consortium Personnel-related funds (personnel, travel and other allocable Consortium costs), which are administered by the Member Counties.

ATC shall coordinate with the Consortium's Secretary (herein referred to as "Secretary") or designee, or the Board of Director's designee in the interim if no Consortium Secretary has been named, for access to records, conduct of audits, funding, invoicing, records or audit related issues. The Board of Director's designee shall fulfil the obligations required of the Consortium Secretary, if at any time there is no Consortium Secretary during the term of this Agreement.

Section 3.2 Services

ATC shall be the depository for funds and money of the Consortium, and shall assure that there is strict accountability of all funds deposited in the treasury pool, excluding those designated as Consortium Personnel-related funds, which are administered by the Member Counties.

ATC shall process the approved payment requests and deposits, prepare and maintain the fund accounting records, and obtain an annual audit of the accounts and records. These services provided shall include all data entry, computer systems, central files/document/records retention, document verification, error corrections, reports, and other processes normally associated with these services.

- Monthly Report. ATC will provide a monthly report of expenditures and deposits to the Secretary or designee by the 4th calendar day of the following month.
- Annual Report. An annual financial report shall be prepared by ATC, audited by a qualified certified public accountant firm and submitted to the Board of Directors, and Secretary no later than December 31 for the prior fiscal year, or as soon as is reasonably feasible thereafter.

- Service Organization Control Examination (herein referred to as "SOC1 Examination" or "SOC1 Type 2 Examination"). An annual SOC1 Examination of the Consortium shall be obtained by ATC and a report of such examination shall be submitted to the Board of Directors by September 15, or as soon as is reasonably feasible thereafter, for the prior fiscal year.
- Contract Administration and Management of the Annual External Audit and Annual SOC1 Type 2 Examination. ATC shall oversee and administer any services related to agreements associated with the annual audit and annual SOC1 Type 2 Examination. This shall include monitoring the contractor(s) to ensure compliance with all agreement terms and conditions.

Section 3.3 Fee Schedule

ATC shall invoice the Consortium on a quarterly basis, or more frequently upon the Consortium's request, for the following services in accordance with the County's fee schedule which is based on the County's County-Wide Cost Allocation Plan:

- Accounting and Support
- Accounts Payable/Vendor Electronic Fund Transfers
- Deposits
- Fund Accounting/Data Entry

Such invoices will be for actual services performed by ATC for the Consortium, and as appropriate, will reflect hours worked on a per hourly basis or fraction thereof for the Consortium, and transaction charges as per the County's fee schedule. On an annual basis, ATC will provide the Consortium with the updated fee schedule for these services, which includes identifying billing rates, and costs, and the salary and benefits of any ATC staff position(s) assigned to the Consortium. In addition, ATC shall invoice the Consortium for the actual costs of any incidental and miscellaneous expenses in relation to the aforementioned ATC services, subject to review and approval by the Consortium prior to payment for such expenses.

Section 3.4 Procedures

- Annual Audit. ATC shall make arrangements through a competitive procurement process with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Consortium. The fees noted above do not include the costs for the contract with the external auditor.
- Annual SOC1 Type 2. ATC may make arrangements through a competitive procurement process with a qualified firm for the annual examination of the processing controls and procedures, in accordance with Statement on Standards for Attestation Engagements ("SSAE") No. 18, of the Consortium. The fees noted above do not include the costs for the contract with the external auditor.

- Invoices and Payment Requests. Upon receipt of an invoice with a complete and appropriately authorized payment request, ATC shall record the payment and issue a warrant within 15 business days, subject to the availability of funds.
- Signature Authorization for Financial Documents. ATC shall provide the Signature Authorization form for the Consortium to identify those individuals who are authorized to approve invoices, payment requests and other financial documents on behalf of the Consortium.
- Transfer of Funds. ATC will make payments to vendors from funds received by Member Counties.

4 - CONSORTIUM RESPONSIBILITIES

4.1 Records

The Secretary or designee shall have charge of, handle and have access to all records of the Consortium.

- Draft Expenditure Claim. The Secretary or designee shall compile expenses for payments made to vendors related to project expenditures and provide a draft claim to the Member Counties, as needed, by the 6th calendar day of the month.
- Central Tracking of Statewide Automated Welfare System (SAWS) Expenditure Claim Forms. The Consortium shall consolidate the actual expenditures based on the SAWS Expenditure Claim forms submitted by Member Counties.

The Secretary or designee shall coordinate with ATC and with the Member Counties for access to records, conduct of audits, and to resolve any funding, invoicing, records or audit related issues. The Secretary or designee shall make available to ATC all records ATC deems necessary for Consortium accounting and audit purposes.

4.2 Procedures

- Annual Audit. The Secretary or designee shall make available to the certified public accountant or firm of certified public accountants responsible for conducting the annual audit, any records and accounts necessary to complete the audit.
- Annual SOC1 Type 2. The Secretary or designee shall make available to the firm conducting the SOC1 Type 2 examination, any records, policies and procedures necessary to complete the examination.
- Direct Charges. All contractor invoices and Consortium expenses, except those

designated as Consortium Personnel-related, which are administered by the Member Counties, shall be sent to the Secretary or designee for approval and authorization signature.

- Invoices and Payment Requests. The Secretary or designee shall prepare payment requests to submit with invoices from contractors and other entities, within 45 business days of receipt of a valid invoice. The payment requests shall be approved by an authorized individual prior to submission to ATC for issuance of a warrant.
- Signature Authorization for Financial Documents. The Consortium shall provide ATC with a current signature authorization form identifying those individuals who are authorized to approve invoices, payment requests and other financial documents on behalf of the Consortium. ATC shall provide the Signature Authorization form for this purpose.

5 - MEMBER COUNTY RESPONSIBILITIES

5.1 Records

Each Member County shall make available to ATC and Secretary or designee all records deemed necessary to resolve any funding, invoicing, records, accounting and audit related issues. Member Counties shall provide records related to Consortium Personnel-related funds, costs, claiming and reimbursement amounts to the Secretary or designee.

- SAWS Expenditure Claim Forms. Each Member County shall incur and track internal costs, such as salary and benefits for employees working on the Consortium projects, travel, per diem, and other related expenses. These Consortium Personnel-related expenses shall be compiled on the SAWS Expenditure Claim form. Member Counties shall also compile expenses for payments made to vendors related to project expenditures, if any.

5.2 Procedures

- Annual Audit. Each Member County shall make available to the certified public accountant or firm of certified public accountants responsible for conducting the annual audit, any records and accounts ATC deems necessary to complete the audit.
- SAWS Expenditure Claim Forms. Each Member County shall incur and track internal costs, such as salary and benefits for employees working on the Consortium projects, travel, per diem, and other related expenses. These Consortium Personnel-related expenses shall be compiled on the Expenditure Claim form. The Expenditure Claim form, Cost Allocation Plan and all supporting documentation shall be submitted for receipt by the 20th day of the month to the

California Department of Social Services (herein referred to as "CDSS") and the Office of Systems Integration (herein referred to as "OSI"). CDSS and OSI require an original signed soft copy of the Expenditure Claim form and Cost Allocation Plan.

In addition, a soft copy of the Expenditure Claim form, Cost Allocation Plan, and all supporting documentation shall be forwarded to Secretary or designee, for receipt by the 20th day of the month.

- Transfer of Funds. Funds received by Member Counties as an advance from the State of California ("herein referred to as State") for Consortium expenses shall be transferred to ATC within 10 business days of receipt by the Member County. Member Counties shall transfer funds for expenses related to County Purchases within 30 calendar days of receipt of invoice.

6 - MISCELLANEOUS PROVISIONS

6.1 Notices

All notices required to be given under this Agreement shall be in writing and delivered to the other party by registered or certified mail, postage prepaid. The addressees of the parties hereto, until further notice, are as follows:

SECRETARY:

_____,
Secretary
CalSAWS
11290 Pyrites Way, Suite 150
Rancho Cordova, CA 95670-4481

ATC:

Ensen Mason, Auditor-
Controller/Treasurer/Tax Collector
County of San Bernardino
268 W. Hospitality Lane, 4th Floor
San Bernardino, CA 92415-0018

Each party will forward notices to their respective legal counsel.

6.2 Effect on Existing Agreements

This Agreement represents the full and complete understanding of the parties and terminates and replaces all prior oral and written agreements or understandings between the parties relating to the subject matter of this Agreement.

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6.3 Amendments

Any amendment to this Agreement shall be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year written.

Dated: _____

CalSAWS

BY:

_____, Chair, Board of Directors

BY:

_____, Consortium Secretary

Dated: _____

Approved as to form:

BY: _____
Jeffrey Mitchell, General Counsel
CalSAWS

Dated: _____

COUNTY OF SAN BERNARDINO

BY: _____
Curt Hagman, Chairman, Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

LAURA H. WELCH,
Clerk of the Board of Supervisors

By: _____
Deputy

Dated:

APPROVED AS TO LEGAL FORM:

Michelle D. Blakemore, County Counsel
San Bernardino County, California

By: _____

Robert F. Messinger
Principal Assistant County Counsel