



MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming. In accordance with the State of California Executive Order N-29-20 dated March 17, 2020, all City of Beaumont public meetings will be solely available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access:

BeaumontCa.gov/Livestream

Public comments will be accepted using the following options:

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by the Committee. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: NicoleW@BeaumontCa.gov
2. Teleconferenced comments will be accepted by joining the Zoom webinar during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following link to join the webinar at the time of the meeting: <https://us02web.zoom.us/j/89906413727>
3. Phone-in comments will be accepted by joining the Zoom webinar by calling during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the webinar: **(888) 788 0099 (Toll Free) Webinar ID: 899 0641 3727**

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call (951) 572-3196. Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.



FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, June 08, 2020 - 6:00 PM

AGENDA

Materials related to an item on this agenda submitted to the Finance and Audit Committee after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours

Any Person with a disability who requires accommodations in order to participate in this meeting should telephone the City Clerk's office at 951 769 8520, at least 48 hours prior to the meeting in order to make a request for a disability related modification or accommodation

REGULAR SESSION

6:00 PM

CALL TO ORDER

Committee Members: Council Member Martinez, Council Member Carroll, Chair Baron Ginnetti, Vice Chair Richard Bennecke, Member Billiath Bengesa, Member Steve Cooley, Member Frank Parks, *Business/Resident Member vacant and Alternate Member vacant*

Action of any requests for Excused Absence:

Pledge of Allegiance:

Approval/Adjustments to Agenda:

Conflict of Interest Disclosure:

PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):

Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.

ACTION ITEMS / PUBLIC HEARINGS / REQUESTS

1. Approval of Minutes

Recommended Action:

Approve Minutes dated May 11, 2020.

2. FY 2020 General Fund and Wastewater Fund Update through April 2020

Recommended Action:

Receive and file the updated financial schedules.

3. Citywide Grants Update

Recommended Action:

Receive and file.

4. ACH/ Electronic Funds Transfer Policy

Recommended Action:

Review the ETF Policy and either make recommended changes or recommend that the City Council adopt the policy as drafted.

SUB-COMMITTEE UPDATES

FUTURE AGENDA ITEMS

MEETING REVIEW - TREASURER

FINANCE DIRECTOR'S COMMENTS

ADJOURNMENT

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, July 13, 2020, at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov

FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, May 11, 2020 - 6:00 PM

MINUTES

REGULAR SESSION

6:00 PM

CALL TO ORDER at 6:02 p.m.

Present: Committee Members: Council Member Martinez, Chair Baron Ginnetti, Vice Chair Richard Bennecke, Member Billiath Bengesa, Member Steve Cooley, Member Frank Parks, *Business/Resident Member vacant and Alternate Member vacant*

Absent: Council Member Carroll

Action of any requests for Excused Absence: **None**

Pledge of Allegiance

Approval/Adjustments to Agenda: **None**

Conflict of Interest Disclosure: **None**

PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):

Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.

No speakers.

ACTION ITEMS / PUBLIC HEARINGS / REQUESTS

1. Approval of Minutes

Motion by Vice Chair Bennecke

Second by Member Bengesa

To approve Minutes dated March 9, 2020.

Approved by a 6-0 vote.

2. Formal Approval to Modify the Reoccurring Meeting Date of the Finance and Audit Committee to the Second Monday of the Month

**Motion by Vice Chair Bennecke
Second by Council Member Martinez**

To modify the reoccurring meeting date of the Finance and Audit Committee to be the second Monday of the month.

Approved by a 6-0 vote.

3. FY 2020 General Fund and Wastewater Fund update through March 2020

**Motion by Member Cooley
Second by Member Bengesa**

To receive and file the updated financial schedules.

Approved by a 6-0 vote.

4. Independent Auditor Selection

**Motion by Vice Chair Bennecke
Second by Member Bengesa**

To recommend that the City Council select RAMS as the next independent auditor for the City of Beaumont beginning with the audit of FY 2020.

Approved by a 6-0 vote.

5. FY 2020-21 Budget Preparation Status

This item provided an update to the Committee.

SUB-COMMITTEE UPDATES

No report.

FUTURE AGENDA ITEMS

- Fraud Training Audit
- ACH Policy
- Grant Update
- WW Fund Overview

MEETING REVIEW - TREASURER

FINANCE DIRECTOR'S COMMENTS

ADJOURNMENT at 7:07 p.m.



Staff Report

TO: Finance and Audit Committee
FROM: Jeff Mohlenkamp, Finance Director
DATE June 8, 2020
SUBJECT: FY 2020 General Fund and Wastewater Fund Update through April 2020

Background and Analysis:

Staff has updated the General Fund and Wastewater Fund budget to actual for activity through April 30, 2020. This constitutes 10 months of activity.

The summary schedules and analysis of budget to actual activity is included as Attachments A (General Fund) and Attachment B (Wastewater Fund) to this report.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommended Action:

Receive and file the updated financial schedules.

Attachments:

- A. FY 2019-20 General Fund Summary – budget to actual through April 2020
- B. FY 2019-20 Wastewater Fund Summary – budget to actual through April 2020



City of Beaumont, CA

Budget Comparison Report

FT 2020 General Fund Budget to Actual through April

SubCategory	Parent Budget					NOTES
	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	FY 2019-20 Year End Estimate	
Fund: 100 - GENERAL FUND						
Category: 40 - TAXES						
Revenue						
400 - Real Property Taxes	\$ 3,365,384	\$ 3,611,638	\$ 3,795,417	\$ 4,823,562	\$ 5,607,000	Large payment received in May
403 - Personal Property Taxes	\$ -	\$ -	\$ 254,416	\$ 228,000	\$ 254,416	
406 - Franchise Fees	\$ 690,819	\$ 713,958	\$ 7,829,679	\$ 7,953,875	\$ 8,033,000	Most of this already received
409 - Sales Taxes	\$ 3,589,538	\$ 3,766,531	\$ 3,871,886	\$ 5,436,227	\$ 5,029,000	Large payments generally received in May and June/ expected to be less due to Covid-19
420 - Other Taxes	\$ 3,531,035	\$ 3,798,722	\$ 3,953,793	\$ 6,896,381	\$ 7,182,172	Large payment to be received in June
Total Revenue:	\$ 11,176,775	\$ 11,890,848	\$ 19,705,191	\$ 25,338,045	\$ 26,105,588	
Total Category: 40 - TAXES:	\$ 11,176,775	\$ 11,890,848	\$ 19,705,191	\$ 25,338,045	\$ 26,105,588	
Category: 41 - LICENSES						
Revenue						
430 - Business Licenses	\$ 64,865	\$ 102,112	\$ 153,388	\$ 214,221	\$ 257,405	Larger payments received in May and June - renewals
Total Revenue:	\$ 64,865	\$ 102,112	\$ 153,388	\$ 214,221		
Total Category: 41 - LICENSES:	\$ 64,865	\$ 102,112	\$ 153,388	\$ 214,221	\$ 257,405	
Category: 42 - PERMITS						
Revenue						
450 - Building Permits	\$ 1,381,699	\$ 3,595,614	\$ 1,816,401	\$ 3,349,500	\$ 1,857,700	
453 - Inspections	\$ 1,286,178	\$ 244,208	\$ 171,895	\$ 1,080,100	\$ 197,500	
456 - Other Permits	\$ 549,705	\$ 567,287	\$ 372,586	\$ 738,285	\$ 574,260	
Total Revenue:	\$ 3,217,583	\$ 4,407,109	\$ 2,360,882	\$ 5,167,885	\$ 2,629,460	
Total Category: 42 - PERMITS:	\$ 3,217,583	\$ 4,407,108	\$ 2,360,883	\$ 5,167,885	\$ 2,629,460	
Category: 45 - INTERGOVERNMENTAL						
Revenue						
465 - State	\$ 7,288	\$ 20,062	\$ -	\$ 21,288	\$ -	
470 - Local	\$ -	\$ 9,257	\$ 2,550	\$ -	\$ 2,550	
Total Revenue:	\$ 7,288	\$ 29,319	\$ 2,550	\$ 21,288		
Total Category: 45 - INTERGOVERNMENTAL:	\$ 7,288	\$ 29,319	\$ 2,550	\$ 21,288	\$ 2,550	

SubCategory	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	
Category: 47 - CHARGES FOR SERVICE					
Revenue					
500 - Sanitation	\$ 5,249,317	\$ 5,872,539	\$ 137,488	\$ -	\$ 137,488
505 - Animal Control	\$ 150,913	\$ 80,984	\$ 76,906	\$ 118,000	\$ 89,500
510 - Community Development	\$ 3,679	\$ 5,062	\$ 5,144	\$ 5,000	\$ 5,700
515 - Public Works	\$ 41,769	\$ 9,166	\$ 9,712	\$ 13,000	\$ 10,100
525 - Abatements	\$ 37,386	\$ 20,904	\$ 40,412	\$ 66,000	\$ 49,500
530 - Public Safety	\$ 206,209	\$ 222,374	\$ 181,635	\$ 259,460	\$ 245,000
535 - Facilities	\$ 153,446	\$ 159,195	\$ 97,763	\$ 125,000	\$ 99,000
540 - Programs	\$ 104,472	\$ 101,893	\$ 77,882	\$ 110,500	\$ 82,000
545 - Other	\$ 51,413	\$ 97,024	\$ 136,927	\$ 68,450	\$ 161,500
Total Revenue:	\$ 5,998,603	\$ 6,569,141	\$ 763,870	\$ 765,410	\$ 879,788
Total Category: 47 - CHARGES FOR SERVICE:	\$ 5,998,603	\$ 6,569,141	\$ 763,870	\$ 765,410	\$ 879,788
Category: 50 - FINES AND FORFEITURES					
Revenue					
555 - Vehicle	\$ 70,509	\$ 58,531	\$ 62,323	\$ 111,780	\$ 71,300
557 - Other	\$ 1,841	\$ 22,717	\$ 25,160	\$ 22,070	\$ 29,500
Total Revenue:	\$ 72,350	\$ 81,248	\$ 87,483	\$ 133,850	\$ 100,800
Total Category: 50 - FINES AND FORFEITURES:	\$ 72,350	\$ 81,248	\$ 87,483	\$ 133,850	\$ 100,800
Category: 53 - COST RECOVERY					
Revenue					
465 - State	\$ -	\$ 8,889	\$ 24,870	\$ -	\$ 29,400
565 - Other Income	\$ 323,167	\$ 456,544	\$ 408,368	\$ -	\$ 469,400
Total Revenue:	\$ 323,167	\$ 465,434	\$ 433,238	\$ -	\$ 498,800
Total Category: 53 - COST RECOVERY:	\$ 323,167	\$ 465,434	\$ 433,238	\$ -	\$ 498,800
Category: 54 - MISCELLANEOUS REVENUES					
Revenue					
560 - Investment Earnings	\$ 4,397	\$ 1,313	\$ 106,259	\$ 1,000	\$ 127,500
565 - Other Income	\$ 26,687	\$ 16,335	\$ 157,232	\$ 146,500	\$ 162,000
Total Revenue:	\$ 31,085	\$ 17,648	\$ 263,491	\$ 147,500	\$ 289,500
Total Category: 54 - MISCELLANEOUS REVENUES:	\$ 31,085	\$ 17,648	\$ 263,491	\$ 147,500	\$ 289,500
Category: 58 - OTHER FINANCING SOURCES					
Revenue					
595 - Sale of Assets	\$ 5,342	\$ 20,629	\$ 27,431	\$ 5,000	\$ 27,431
599 - Other	\$ -	\$ 7,500	\$ -	\$ -	\$ -
Total Category: 58 - OTHER FINANCING SOURCES:	\$ 5,342	\$ 28,129	\$ 27,431	\$ 5,000	\$ 27,431
Category: 90 - TRANSFERS					
900 - Transfers	\$ (21,611)	\$ 129,892	\$ 1,848,753	\$ 6,121,237	\$ 6,121,237
					All transfers will occur by end of June
Total Revenues	\$ 20,875,447	\$ 23,720,880	\$ 25,646,277	\$ 37,914,436	\$ 36,912,559

Category: 60 - PERSONNEL SERVICES

Expense									
600 - SALARIES AND WAGES	\$	7,882,073	\$	8,976,618	\$	9,648,324	\$ 12,724,112	\$ 11,080,000	Tracking well under budget
610 - BENEFITS	\$	3,407,152	\$	4,163,554	\$	5,030,612	\$ 6,559,431	\$ 6,365,551	
615 - OTHER	\$	346,396	\$	614,120	\$	689,082	\$ 469,089	\$ 769,000	Tracking over budget/ workers comp is largest piece of this
Total Expense:	\$	11,635,622	\$	13,754,292	\$	15,368,018	\$ 19,752,632	\$ 18,214,551	
Total Category: 60 - PERSONNEL SERVICES:	\$	11,635,622	\$	13,754,292	\$	15,368,018	\$ 19,752,632	\$ 18,214,551	

Category: 65 - OPERATING COSTS

Expense									
650 - UTILITIES	\$	1,124,960	\$	1,318,412	\$	1,342,101	\$ 2,014,300	\$ 1,702,000	
655 - ADMINISTRATIVE	\$	326,993	\$	305,990	\$	323,523	\$ 370,237	\$ 416,000	
660 - FLEET COSTS	\$	339,985	\$	274,733	\$	340,825	\$ 364,062	\$ 429,000	
665 - PROGRAM COSTS	\$	500,648	\$	467,142	\$	470,106	\$ 493,200	\$ 634,000	Higher level of expenditures expected in June
670 - REPAIRS AND MAINTENANCE	\$	284,958	\$	269,598	\$	267,823	\$ 538,039	\$ 362,000	
675 - SUPPLIES	\$	245,131	\$	268,059	\$	262,944	\$ 524,183	\$ 336,000	Higher level of expenditures expected in June
680 - SPECIAL SERVICES	\$	4,611,518	\$	5,249,832	\$	601,705	\$ 1,061,000	\$ 819,500	Higher level of expenditures expected in June
690 - CONTRACTUAL SERVICES	\$	2,762,283	\$	3,378,211	\$	4,197,948	\$ 6,529,503	\$ 5,770,000	Higher level of expenditures expected in June
697 - ADMIN OVERHEAD	\$	(525,000)	\$	(534,000)	\$	(562,500)	\$ (750,000)	\$ (750,000)	
699 - OTHER	\$	803,274	\$	978,567	\$	1,198,956	\$ 1,347,311	\$ 2,370,000	Higher level of expenditures expected in June
Total Category: 65 - OPERATING COSTS:	\$	10,474,752	\$	11,976,544	\$	8,443,430	\$ 12,491,835	\$ 12,088,500	

Category: 70 - CAPITAL IMPROVEMENTS

Expense									
700 - EQUIPMENT	\$	75,224	\$	222,816	\$	43,869	\$ 110,950	\$ 97,000	
703 - FURNITURE	\$	19,609	\$	-	\$	7,936	\$ 6,038	\$ 9,750	
705 - VEHICLE	\$	439,833	\$	84,694	\$	247,864	\$ 351,020	\$ 466,169	Some expenditures carried over from FY 2019
710 - STRUCTURE	\$	-	\$	8,019	\$	-	\$ -	\$ -	
750 - OTHER	\$	-	\$	-	\$	-	\$ -	\$ -	
Total Expense:	\$	534,667	\$	315,529	\$	299,668	\$ 468,009	\$ 572,919	
Total Category: 70 - CAPITAL IMPROVEMENTS:	\$	534,667	\$	315,529	\$	299,668	\$ 468,009	\$ 572,919	

Category: 77 - CONTINGENCY

770 - CONTINGENCY	\$	-	\$	30,000	\$	-	\$ 47,961	\$ -	
Total Category: 77 - CONTINGENCY:	\$	-	\$	30,000	\$	-	\$ 47,961	\$ -	
900 - Transfers Out	\$	-	\$	43,985	\$	45,194	\$ 154,000	\$ 154,000	

Total Expenses	\$	22,645,040	\$	26,090,350	\$	24,156,311	\$ 32,914,436	\$ 31,029,970
Revenues Less Expenses	\$	(1,769,593)	\$	(2,369,470)	\$	1,489,967	\$ 5,000,000	\$ 5,882,589

Overall Analysis: The General Fund is tracking to have a surplus (revenues exceeding expenses) of \$5.6 to \$6.3 million. This is largely due to the one-time \$5 million solid waste retention fee. Otherwise, revenues and expenditures are each tracking below budget with a surplus from operations expected to be \$882K.



City of Beaumont, CA

Budget Comparison Report

FY 2020 Wastewater Fund Budget to Actual through April

SubCategory	2017-2018 YTD Activity	2018-2019 YTD Activity	2019-2020 YTD Activity	Parent Budget	FY 2020	
				2019-2020 REV 2	Estimated Results	
Fund: 700 - WASTEWATER FUND						
Revenue						
Category: 50 - FINES AND FORFEITURES						
557 - Other	\$ -	\$ 9,000	\$ 1,000	\$ -	\$ 1,000	
Total Category: 50 - FINES AND FORFEITURES:	\$ -	\$ 9,000	\$ 1,000	\$ -		
Category: 53 - COST RECOVERY						
565 - Other Income	\$ 11,312	\$ -	\$ 6,236	\$ -	\$ 6,236	
Total Category: 53 - COST RECOVERY:	\$ 11,312	\$ -	\$ 6,236	\$ -		
Category: 54 - MISCELLANEOUS REVENUES						
560 - Investment Earnings	\$ -	\$ 70,544	\$ 40,158	\$ 75,000	\$ 61,907	
Total Category: 54 - MISCELLANEOUS REVENUES:	\$ -	\$ 70,544	\$ 40,158	\$ 75,000	\$ 61,907	
Category: 56 - PROPRIETARY REVENUES						
570 - WasteWater	\$ 5,342,401	\$ 5,821,919	\$ 6,742,574	\$ 9,862,625	\$ 10,010,000	4 of 6 payment received
Total Category: 56 - PROPRIETARY REVENUES:	\$ 5,342,401	\$ 5,821,919	\$ 6,742,574	\$ 9,862,625	\$ 10,010,000	
Category: 58 - OTHER FINANCING SOURCES						
595 - Sale of Assets	\$ -	\$ 635	\$ -	\$ -	\$ -	
599 - Other	\$ -	\$ 831	\$ 780	\$ -	\$ 780	
Total Category: 58 - OTHER FINANCING SOURCES:	\$ -	\$ 1,466	\$ 780	\$ -	\$ 780	
Category: 90 - TRANSFERS						
900 - Transfers	\$ (3,725,106)	\$ (100,000)	\$ -	\$ -	\$ -	
Total Category: 90 - TRANSFERS:	\$ (3,725,106)	\$ (100,000)	\$ -	\$ -		
Total Revenue:	\$ 1,628,607	\$ 5,802,929	\$ 6,790,749	\$ 9,937,625	\$ 10,079,923	Tracking slightly higher than budget

Expense						
Category: 60 - PERSONNEL SERVICES						
600 - SALARIES AND WAGES	\$ 150,985	\$ 470,877	\$ 922,470	\$ 1,313,356	\$ 1,094,791	
610 - BENEFITS	\$ 62,986	\$ 162,240	\$ 278,928	\$ 543,485	\$ 426,549	
615 - OTHER	\$ 2,383	\$ 8,131	\$ 15,071	\$ 38,528	\$ 44,356	
Total Category: 60 - PERSONNEL SERVICES:	\$ 216,353	\$ 641,248	\$ 1,216,469	\$ 1,895,369	\$ 1,565,696	Some personnel cost savings expected
Category: 65 - OPERATING COSTS						
650 - UTILITIES	\$ 532,734	\$ 652,134	\$ 598,916	\$ 827,618	\$ 709,141	
655 - ADMINISTRATIVE	\$ 96,763	\$ 114,878	\$ 102,223	\$ 90,946	\$ 139,750	
660 - FLEET COSTS	\$ 12,427	\$ 11,424	\$ 22,002	\$ 36,880	\$ 30,500	
670 - REPAIRS AND MAINTENANCE	\$ 25,315	\$ 43,940	\$ 43,720	\$ 115,500	\$ 59,000	
675 - SUPPLIES	\$ 153,804	\$ 190,391	\$ 158,998	\$ 321,610	\$ 213,000	

690 - CONTRACTUAL SERVICES	\$ 1,099,869	\$ 1,049,001	\$ 650,178	\$ 1,147,140	\$ 990,500
697 - ADMIN OVERHEAD	\$ 450,000	\$ 459,000	\$ 487,500	\$ 650,000	\$ 650,000
699 - OTHER	\$ 10,957	\$ 65,698	\$ 93,470	\$ 233,304	\$ 126,500
Total Category: 65 - OPERATING COSTS:	\$ 2,381,869	\$ 2,586,466	\$ 2,157,007	\$ 3,422,998	\$ 2,918,391
Operating costs trending well under budget					
Category: 70 - CAPITAL IMPROVEMENTS					
700 - EQUIPMENT	\$ -	\$ 69,588	\$ 29,498	\$ 10,000	\$ 59,498
750 - Contingency	\$ -	\$ -	\$ -	\$ 500,000	\$ 487,500
Total Category: 70 - CAPITAL IMPROVEMENTS:	\$ -	\$ 69,588	\$ 29,498	\$ 510,000	\$ 546,998
Category: 90 - TRANSFERS					
900 - Transfers	\$ -	\$ -	\$ 3,858,375	\$ 4,732,326	\$ 4,751,877
Total Category: 90 - TRANSFERS:	\$ -	\$ -	\$ 3,858,375	\$ 4,732,326	\$ 4,751,877
Total Expense:	\$ 2,598,222	\$ 3,297,302	\$ 7,261,350	\$ 10,560,693	\$ 9,782,962
Totals (Revenue less Expenses)	\$ (969,615)	\$ 2,505,627	\$ (470,601)	\$ (623,068)	\$ 296,961

Overall Evaluation: In the last summary, we were estimating a deficit of (\$100K) to (\$200K).
 Revenues are tracking higher than expected while expenditures are trending lower. Currently, we estimate a surplus of \$200K to \$300K.



Staff Report

TO: Finance and Audit Committee Members
FROM: Christina Taylor, Community Development Director
DATE June 8, 2020
SUBJECT: Citywide Grants Update

Background and Analysis:

The City of Beaumont continues to seek State and Federal grant funding as a source of outside revenue with the goal of funding projects that would otherwise be funded by rates and charges or through the general fund. This report provides an overview of the various grants that have been awarded, are in progress or have been applied for and are pending award. It also highlights grant awards which will fund programs in future years. Each of the City's departments continues to work diligently to secure funding to help offset the impact of projects and day-to-day operations or to provide new and improved opportunities for the residents and businesses within the City.

The spreadsheet included with this report provides detail about each of the grants. There are six (6) City departments with active grants: Planning, Community Services, Transit, Police Department, Public Works (solid waste), and Code Enforcement. The total value of the current grants is approximately \$6.6 million and approximately \$3.2 million in grants to fund projects in future years.

Staff is actively looking to expand grant funding opportunities. Most of the grants the City has received are supplied by Federal or State funding passed through to regional agencies or for participation in specific programs. With the current economic climate, departments are looking to compete for grants that can be paired with other forms of grant funding and do not require a match. Additionally, staff is looking to broaden the search for funding.

This information is being provided to the Finance and Audit Committee to provide an overview of the existing grant activity in the City.

Fiscal Impact:

None

Recommended Action:

Receive and file.

Attachments:

A. Grants Summary Chart

DEPARTMENT AND CONTACT PERSON	GRANT	AMOUNT	AWARD DATE	PURPOSE	MATCH REQ	REIMBURSEABLE	START DATE	END DATE	PROJECT #	FUNDS SPENT TO DATE	FUNDS MATCHED TO DATE	ADDITIONAL INFORMATION
Planning												
Christina Taylor	SB2 Planning Grant (HCD)	\$160,000.00	2/20	Intented for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production	No	Yes	Jul-20	12/22				
Christina Taylor	Parking Strategies Study (SCAG)	\$100,000.00	3/19	Evalute current parking standards and inventory; provide strategies and alternatives	No	No	Jul-20	12 month from start				
Community Services												
Elizabeth Gibbs	CDBG - Rangel Park Improvement Phase II	\$153,885.00	FY20-21	Park improvements	No	Yes		FY20-21				Phase II of funding from CDBG work is underway
Transit												
	LCTOP	\$16,899.00	FY17	Operations fo Commuter Link Expansion	No			FY20				
	LCTOP	\$129,943.00	FY19	Bus Shelter Design and Construction	No			FY21				
	LCTOP	\$93,346.00	FY20	Free Fare Promotion	No			FY21				
	MSRC	\$200,000.00	FY20	CNG Station	Yes	Yes		FY21 & 22				
	MSRC	\$31,870.00	FY20	EV Charging Station	Yes	Yes		FY21				
	SCIP	\$240,000.00	FY20	EV Charging Station	No	Yes		FY21				
	Volkswagen Mitigation Trust	\$320,000.00	FY20	Electric Shuttle Vehicles	No			FY21				
	State of Good Repair - STA Claims with RCTC reimbursement	\$66,478.00	FY18	Vehicle Maintenance Modernization	No	Yes						
	State of Good Repair - STA Claims with RCTC reimbursement	\$49,885.00	FY19	Vehicle Maintenance Modernization	No	Yes						
	State of Good Repair - STA Claims with RCTC reimbursement	\$51,999.00	FY20	Bus Stop Amenities	No	Yes						
	STA Approved Projects	\$2,241,795.10		CNG Station	No	Yes						
	STA Approved Projects	\$1,153,005.83		New Maintenance & Operations Facility	No	Yes						
	STA Approved Projects	\$100,000.00		Brand and Logo Update	No	Yes						
	STA Approved Projects	\$179,443.00		Bus Stop and Amenities Rehab	No	Yes						
	STA Approved Projects	\$100,000.00		EV Charging Station	No	Yes						
	STA Approved Projects	\$977,497.74		New Bus & Shuttle Purchase and Communications	No	Yes						
PD												
	Homeless Grant	\$57,000.00		Address homelessness issues	No	No		Expenditure of funds				
	JAG Program	\$10,868.00	FY20	Purchase 15 ballistic Helmets and 16 Visors								
	SLESA	\$100,000.00	FY20	Technology Purchases	No	No		Annual				
	BVP Program	50% of Expenditures	FY20	Reimbursement for 50% of Ballistic Vest Purchases	Yes	Yes		Annual				
	OES	\$6,000.00		Support OES purchases and programs	No	Yes		Annual				

	JAG Covid	\$35,016.00		Provide for hiring costs and equipment for COVID Related expenditures	No	Yes		1/20				Currently in the Application Process, has not yet been awarded.
	School Resource Officer	1 Police Officer Position and vehicle		Contract reimburses the City for the cost of 1 police officer and vehicle	No	Yes		7/1				Contract currently being renewed.
	PACT	1 Police Officer Position		Contract reimburses the City for the cost of 1 police officer	No	Yes		FY20/21				
	RAID	1 Police Officer and vehicle		Contract reimburses the City for the cost of 1 police officer and provides the officer with a vehicle	No	Yes		Annual				
Public Works (Solid Waste)												
	Karee Keyser	Cal Recycle	\$12,156.00	FY20	Community Clean up	No	No		FY21			
Code Enforcement												
	Kelly McCarthy	Riverside County Abandoned Vehicle Abatement	\$5k-\$10K	Annually, ongoing	Reimbursement for work related to abandoned vehicle abatement	No	Yes		Ongoing			

DEPARTMENT AND CONTACT	GRANT	AMOUNT	AWARD DATE	PURPOSE	MATCH REQ	REIMBURSEABLE	END DATE	ADDITIONAL NOTES
Transit								
	LCTOP	\$42,000.00	FY21	Project TBD				
	Measure A	\$16,000.00	FY22	Commuter Link Fare box recovery	No			
		\$500,000.00	FY22	CNG Station	No			
		\$500,000.00	FY23	CNG Station	No			
		\$100,000.00	FY22	Bus Wraps	No			
		\$700,000.00	FY22	Replacement of 3 busses	No			
		\$700,000.00	FY23	Replacement of 3 busses	No			
	Measure A	\$41,500.00	FY23	Commuter Link Fare box recovery	No			
Planning								
Christina Taylor	HCD - LEAP Grant	\$150,000.00	FY20	Housing Element Update	No	Yes	FY21	
Public Works								
Laurie Miller	Pennsylvania Ave/UPRR Grade Separation - Construction			Grade separation construction				\$34M Future Funding
Laurie Miller	California Ave/UPRR Grade Separation - Construction			Grade separation construction				\$34M Future Funding
Laurie Miller	Oak Valley/I-10 Interchange - Construction			Interchange Construction				\$65M Future Funding
Laurie Miller	CDBG	\$ 130,000.00	FY21-22	Citywide Street Improvements	No	Yes		
Laurie Miller	CDBG	\$ 130,000.00	FY22-23	Citywide Street Improvements	No	Yes		
Laurie Miller	CDBG	\$ 130,000.00	FY23-24	Citywide Street Improvements	No	Yes		
Laurie Miller	CDBG	\$ 130,000.00	FY24-25	Citywide Street Improvements	No	Yes		



Staff Report

TO: Finance and Audit Committee
FROM: Jeff Mohlenkamp, Finance Director
DATE: June 8, 2020
SUBJECT: ACH/ Electronic Funds Transfer Policy

Background and Analysis:

Staff have prepared a policy to address electronic funds transfers (ETF) for the Finance Committee review. This policy provides processes required to initiate an electronic payment to a third party. It also provides direction regarding any modifications to existing payment arrangements. This policy, included as Attachment B, was created to provide the necessary internal controls to ensure ETF payments are completed only after they are authorized and that any changes to payment instructions are completed only after a full review has been undertaken.

This policy has been prepared by Staff in response to an audit finding by the City's external auditors. The Single Audit Report that includes the audit finding is attached as Attachment A. The pertinent portion of the report is included below:

Finding 2019-003 Unauthorized Wire Transfers

During the year, the City was subject to a fraudulent payment scheme by a fictitious vendor posing as an authorized vendor of the City. The perpetrator submitted a request for payment change with new routing and bank account information along with a voided check in the amount of \$525,038. This was all done on what appeared to be the real vendor's company letterhead. These invoices were processed through the normal cash disbursements cycles and wire payments were made. The bank account and routing number in the vendor master file were updated by the Accounting Technician without a second level of review in order to make the payment. Before the wire transfers were processed and cleared, the bank notified the City and the City was able to recover \$485,417.

Criminals today are using a variety of techniques, such as phishing e-mails and malware, to take control of business accounts to initiate payments to an accomplice or a foreign account. According to the 2015 survey of the Association for Financial Professionals,

2015 AFP Payments Fraud and Control Survey: Report of Survey Results, 2015. Bethesda, MD, 27 percent of respondent organizations were affected by wire transfer fraud (a nearly 100 percent increase from the 2014 survey), and 10 percent were affected by automated clearing house (ACH) credit fraud (fraud involving an ACH payment order initiated by the person sending the payment).

Status of Corrective Action:

The City has developed a policy regarding electronic funds transfer (EFT) that clearly requires approval of the senior accountant prior to any change in vendor payment instructions. Further, staff are required to complete a secondary verification with the vendor via a phone call to a known and established contact prior to executing any change in payment instructions. Pursuant to the new policy, if fraud is suspected, the Finance Director and City Manager are to be immediately notified and steps initiated with the bank to mitigate the fraud. This policy was effective beginning December 2019.

The City has been operating under a draft policy for several months to address the concerns raised in the audit finding. That policy is being presented to the Finance and Audit Committee for review and possible recommendation to the City Council for formal adoption.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommended Action:

Review the ETF Policy and either make recommended changes or recommend that the City Council adopt the policy as drafted.

Attachments:

- A. Single Audit Report for FY 2019
- B. ETF Policy for Finance Committee Review
- C. Vendor Authorization Form (ETF transactions)

City of Beaumont

Beaumont, California

Single Audit and Independent Auditors' Reports

For the Year Ended June 30, 2019



This page intentionally left blank.

**City of Beaumont
Single Audit Reports
For the Year Ended June 30, 2019**

Table of Contents

	<u>Page</u>
Independent Auditors' Reports:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	1
Report on Compliance for Each Major Federal Program, on Internal Control Over Compliance Required by the Uniform Guidance, and on Schedule of Expenditures of Federal Awards.....	3
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9

This page intentionally left blank.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
of the City of Beaumont
Beaumont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated February 13, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the of the City, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002 and 2019-003 to be significant deficiencies.

To the Honorable Mayor and Members of City Council
of the City of Beaumont
Beaumont, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City’s Responses to Findings

The City’s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
February 13, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Beaumont
Beaumont, California

Report on Compliance for Each Major Federal Program

We have audited the City of Beaumont, California's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

To the Honorable Mayor and Members of City Council
of the City of Beaumont
Beaumont, California
Page 2

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

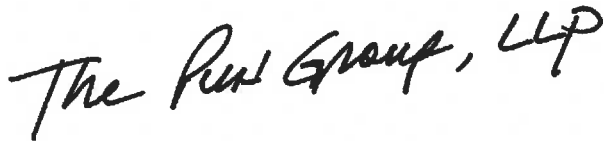
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and Members of City Council
of the City of Beaumont
Beaumont, California
Page 3

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and have issued our report thereon dated February 13, 2020 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Santa Ana, California
February 13, 2020

This page intentionally left blank

City of Beaumont
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Passed through Grantor Program Title	CFDA Number	Grant Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant - Entitlement Cluster:			
<i>Passed through Riverside County Economic Development Agency:</i>			
Community Development Block Grant	14.218	B-17-UC-06-0506	\$ 2,925
Community Development Block Grant	14.218	5.BEA.36-18	676
Total Community Development Block Grant - Entitlement Cluster			<u>3,601</u>
Total U.S. Department of Housing and Urban Development			<u>3,601</u>
U.S. Department of Transportation:			
Highway Planning and Construction Cluster:			
<i>Passed Through State of California Department of Transportation:</i>			
Potrero Interchange Project	20.205	DEM10L-5209(008)	4,947,592
Total Highway Planning and Construction Cluster			<u>4,947,592</u>
Total U.S. Department of Transportation			<u>4,947,592</u>
Total Expenditures of Federal Awards			<u>\$ 4,951,193</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Beaumont
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1 – Reporting Entity

The financial reporting entity consists of the primary government, City of Beaumont (the “City”), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Note 2 – Basis of Accounting

The various grant programs have been recorded within the general fund and special revenue funds of the City. The City utilizes the modified accrual method of accounting for the general fund and special revenue funds. The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the City’s basic financial statements.

Note 3 – Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California and Riverside County are included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position, change in fund balance, or results of operations of the City.

Note 4 – Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

City of Beaumont
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Auditors’ Result

Financial Statements

Types of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	2019-001, 2019-002, 2019-003
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	None reported

Identification of major programs:

<u>Major Program</u>	<u>Federal CFDA #</u>	<u>Federal Expenditures</u>
Highway Planning and Construction Cluster	20.205	\$ 4,947,592
Total major program expenditures		<u>\$ 4,947,592</u>
Total expenditures of federal awards		<u>\$ 4,951,193</u>
Percent of total federal award expenditures		<u>99.93%</u>

Dollar threshold used to distinguish between type A and type B program:	\$750,000
Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520?	No

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings

A. Current Year Findings and Questioned Costs – Financial Statement Findings

Finding 2019-001 Segregation of Duties for Business Licenses Process

Condition:

During our audit, lack of segregation of duties was noted in the City's Business Licenses process. The permit technician, who accepts payments for business licenses, has the ability to issue and distribute business licenses. There is no independent reconciliation of the business licenses issued from the HdL system with the amounts collected and posted in the Incode cash receipts system.

Criteria:

The same individual should not have access to the payments from customers and the ability to issue business licenses unless an appropriate mitigating control has been implemented.

Cause:

The City does not perform an independent reconciliation for business licenses between the HdL system and the Incode cash receipts system due to system reporting limitations within Incode that were not evident prior to purchasing the system.

Effect:

Business licenses could be issued without a corresponding cash receipt being recorded in the City's general ledger and ultimately deposited into the City's bank account.

Recommendation:

We recommend the City implement a procedure to generate reports from the HdL business license program, periodically (i.e. daily, weekly, monthly), and have someone independent of the business license issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

Management's Response:

Reports of transactional activity will be generated from the HdL business license system that details business license collection activity. An Accounting Technician in the Finance Division will compare these reports to the deposits submitted to the Finance Department and entered into the City's general ledger. This reconciliation will be completed weekly. Any discrepancies will be brought to the attention of the Administrative Services Manager for resolution. These processes will be effective beginning February 2020.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2019-002 Overhead Cost Allocation

Condition:

The City allocates certain General Fund costs (administration, maintenance, etc.) to the Sewer Enterprise, Gas Tax, Transit Enterprise, and the Community Facilities District (CFD) Fund. The amounts are based on calculations included in schedules maintained by the Finance Department. Currently, the City is not allocating and recovering any of its indirect costs to federal (or state) grants. While the City completed a cost allocation study in April 2016 and has implemented the cost allocation of administrative costs to the various funds within the City, the City has not had a formal Cost Allocation Plan performed for charging of its costs to federally funded projects.

Criteria:

Cost allocation plan methodologies should be thoroughly documented for transparency purposes, and updates to the plans should be done periodically in accordance with best practices.

Cause:

The City does have a formal cost allocation plan to allocate internal costs, and the plan developed internally is not sufficient to claim indirect costs against federal (and state) grant programs.

Effect:

The City could potentially be utilizing allocation methods which result in either less administrative costs or excessive administrative costs being allocated than would be allowable if detailed cost allocation studies were performed on a periodic basis, and in accordance with federal grant requirements. Costs that could be reimbursable from other than local sources may be able to be claimed if adequately supported.

For federal awards, the City may elect to use the 10 percent of Modified Total Direct Cost (MTDC) de minimis indirect rate to recover indirect costs as part of your federal grant budgets. If the City elects to use the 10 percent de minimis rate, the Uniform Guidance requires that the City use Modified Total Direct Costs as the cost base. MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award).

Recommendation:

We recommend the City perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstances, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the Uniform Guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs. Due to the complexity involved in developing a well-supported and reasonable indirect cost plan, the City should evaluate the cost of outsourcing this study as opposed to the use of internal staff time.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2019-002 Overhead Cost Allocation (Continued)

Management’s Response:

While the City completed a cost allocation study in April 2016 and has implemented the cost allocation of administrative costs to the various funds within the City, further work is necessary to fully comply with this recommendation. The City has not yet completed the cost allocation for indirect costs to federal and state grant programs. Management intends to re-evaluate its cost allocation strategy and hire an external professional to assist the City in completing the cost allocation process. This will be undertaken during FY 2020 and should be fully implemented by December 2020.

Finding 2019-003 Unauthorized Wire Transfers

Condition:

During the year, the City was subject to a fraudulent payment scheme by a fictitious vendor posing as an authorized vendor of the City. The perpetrator submitted a request for payment change with new routing and bank account information along with a voided check in the amount of \$525,038. This was all done on what appeared to be the real vendor’s company letterhead. These invoices were processed through the normal cash disbursements cycles and wire payments were made. The bank account and routing number in the vendor master file were updated by the Accounting Technician without a second level of review in order to make the payment. Before the wire transfers were processed and cleared, the bank notified the City and the City was able to recover \$485,417.

Criminals today are using a variety of techniques, such as phishing e-mails and malware, to take control of business accounts to initiate payments to an accomplice or a foreign account. According to the 2015 survey of the Association for Financial Professionals, 2015 *AFP Payments Fraud and Control Survey: Report of Survey Results, 2015, Bethesda, MD*, 27 percent of respondent organizations were affected by wire transfer fraud (a nearly 100 percent increase from the 2014 survey), and 10 percent were affected by automated clearing house (ACH) credit fraud (fraud involving an ACH payment order initiated by the person sending the payment).

Criteria:

An effective internal control system includes having appropriate segregation of duties in place within the cash disbursement transaction cycle. Maintenance of the Vendor Master File (VMF) is a foundational element of the accounts payable and procurement processes. The VMF contains vital information about the City’s vendors and facilitates their engagement in transactions with the City for the procurement of goods and services. It is essential to effectively maintain VMF file in order to avoid unauthorized or inappropriate activity, duplicate payments, and inefficiencies.

Cause:

There was a breakdown in internal controls over the modifications made to the vendor master file. The same person that can make payments was also able to alter the vendor file without a second level of review. This exposes the City due to the lack of segregation of duties.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2019-003 Unauthorized Wire Transfers (Continued)

Effect:

The City was exposed to a significant loss due to the lack of controls in place. However, mitigating controls were in place at the bank in their notification process to avoid any ultimate loss to the City. The detective controls in essence functioned. However, preventive controls are more effective and should be in place in order to identify and prevent fraud from occurring.

Recommendation:

The City should develop an authorization process that includes a review and approval of any modification should include system controls (access control) to the vendor master file within the system separate from the person making the change. This added segregation of duty should be included in the system of internal controls (across controls) to help to prevent unauthorized changes from being made and reduce the risk of fraud within the organization. Often in larger organizations, the vendor master file is established and managed by procurement separate from the accounts payable function.

Management's Response:

The City has developed a policy regarding electronic funds transfer (EFT) that clearly requires approval of the senior accountant prior to any change in vendor payment instructions. Further, staff are required to complete a secondary verification with the vendor via a phone call to a known and established contact prior to executing any change in payment instructions. Pursuant to the new policy, if fraud is suspected, the Finance Director and City Manager are to be immediately notified and steps initiated with the bank to mitigate the fraud.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

B. Prior Year Findings and Questioned Costs – Financial Statement Findings

Finding 2018-001 Policies and Procedures

Condition:

Our audit involved obtaining and evaluating various policies and procedures of the City. During the audit period, the City lacked having formal policies, procedures and guidelines in place for certain areas, including the following:

- Accounting Policies and Procedures
- Debt Management Policy

The City has been working towards establishing a comprehensive policy which was adopted after our audit period. During our audit the City had informal policies in these areas. We reiterate that the City could benefit from a more formal and comprehensive policies and procedures manual, approved by the City Council, which would provide detailed guidance to employees and management. This will help to ensure consistency in these areas, and continuity in periods of staff turnover.

Recommendation:

We recommend the City develop and establish formal policies and procedures as discussed above. The policies and procedures should be developed by appropriate personnel and approved by the City Council. The City should consider GFOA's recommended practices and other resources during the process. The documentation of accounting policies and procedures should be evaluated annually and updated periodically, as necessary. It should be readily accessible to all applicable employees.

A debt policy should be formally adopted by the legislative body, and the debt program should be continuously monitored to ensure compliance with the debt policy. We recommend the City consider establishing a formal debt policy, taking into consideration the recommendations of GFOA.

Status:

Finding was implemented during the year ended June 30, 2019.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2018-002 Establish a Comprehensive Fraud Program and Policy

Condition:

The City currently lacks a formal comprehensive fraud program required to help prevent, detect and identify fraud and in order to appropriately safeguard assets. According to management, training has been provided with respect to the “tone at the top” to the City employees, however when interviewing employees during our audit they were unaware of a fraud policy. The City has taken steps to address the risk of fraud in certain areas, such as segregation of duties and other internal controls, but continued to lack the policies and a formalized process and program to institutionalize a comprehensive fraud program is needed.

The City’s current policies do not provide a thorough description of fraud. They also do not provide direction as to what employees should do if they suspect fraud is occurring.

Recommendation:

The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. The City should consider developing a formal fraud policies and institute a formal comprehensive fraud program.

The City should consider establishing a more formal training program for all employees regarding fraud. New employees should be trained at the time of hiring about the entity’s code of conduct (and fraud policies). This training should explicitly cover expectations of all employees regarding (1) their duty to communicate certain matters; (2) a list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and (3) information on how to communicate those matters. In addition to the training at the time of hiring, employees should receive refresher training periodically thereafter.

The policy needs to provide information to employees on how to communicate fraud related matters. It is important for the City to establish and communicate to employees a reporting system that is appropriate for the City. The City should consider establishing a confidential reporting mechanism, not only for employees, but also for vendors and customers of the City.

The City should also establish a formal fraud risk assessment program, to ensure that the risk of fraud is being periodically evaluated, monitored, and that appropriate action is taken to address the identified risks.

Status:

Finding was implemented during the year ended June 30, 2019.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2018-003 Segregation of Duties for Cash Receipts – City Hall

Condition:

Currently, Customer Service Coordinators (cashiers) at City Hall can edit and void transactions in Incode (the City's cash receipts system) subsequent to the receipt being issued. The same cashier should not be able to edit or void a transaction after a receipt has been issued unless an appropriate audit trail and approval process is created by individuals outside of the cash collection process.

Recommendation:

Though the City had implemented a secondary sign off and online viewing of the voids and adjusting entries during the audit period ending June 30, 2017, we recommend the City further expand these procedures to include developing a daily edit report or monitoring function review of the report and reconcile it to the cash drawer before closing out the cash drawers. This should be signed off by a supervisor or personnel not involved in the cash collection process. Amounts in excess of a large dollar threshold should be considered for sign off at a higher supervisory level.

Status:

Finding was implemented during the year ended June 30, 2019.

Finding 2018-004 Segregation of Duties for Building Permits

Condition:

The permit technician in the Community Development Department issues building permits and plan checks and collects the payments from customers. There is no reconciliation of the building permits and plan checks issued with the amounts collected and receipted in the City's general ledger.

Recommendation:

We recommend the City implement a procedure to generate reports from the Salesforce permit system, periodically (i.e. daily, weekly, monthly), and have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenue posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

Status:

Finding was implemented during the year ended June 30, 2019.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2018-005 Segregation of Duties for Business Licenses

Condition:

The permit technician accepts payments for business licenses and has the ability to issue and distribute business licenses. There is no independent reconciliation of the business licenses issued from the HdL system with the amounts collected and posted in the Incode cash receipts system.

Recommendation:

We recommend the City implement a procedure to generate reports from the HdL business license program, periodically (i.e. daily, weekly, monthly), and have someone independent of the business license issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

Status:

Finding has not been resolved. See repeat finding at 2019-001.

Finding 2018-006 Transient Occupancy Tax (TOT)

Condition:

Although Finance staff are maintaining a spreadsheet for tracking TOT payments each fiscal year, there does not appear to be anyone checking the TOT returns for accuracy, or keeping track of delinquencies. It also does not appear that the City is requiring the hotels to submit supporting documentation for exemptions. In addition, there have been no recent audits of the hotels.

Recommendation:

We recommend the City establish stronger controls and oversight for these revenues and possibly schedule "audits" of the hotels.

Status:

Finding was implemented during the year ended June 30, 2019.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)

Finding 2018-007 Overhead Cost Allocation

Condition:

The City allocates certain General Fund costs (administration, maintenance, etc.) to the Sewer Enterprise, Gas Tax, Transit Enterprise, and the Community Facilities District (CFD) Fund. The amounts are based on calculations included in schedules maintained by the Finance Department. Currently the City is not allocating and recovering any of its indirect costs to federal (or state) grants.

Recommendation:

We recommend the City perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstances, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the Uniform Guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs. Due to the complexity involved in developing a well-supported and reasonable indirect cost plan, the City should evaluate the cost of outsourcing this study as opposed to the use of internal staff time.

Status:

Finding has not been resolved. See repeat finding at 2019-002.

City of Beaumont
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section III – Federal Awards Finding and Questioned Costs

A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No current year findings and questioned costs noted.

B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No prior year findings and questioned costs noted.

This page intentionally left blank

ELECTRONIC FUNDS TRANSFER (EFT)

Policy

Draft Effective Date: 01/20/2020

Formal Adoption:

Contents

Introduction.....3
Incoming EFTs:.....4
ACH/Wire Transfer Received.....4
Outgoing EFTs.....5
ACH Payments to Vendors(Domestic).....5
Fedwire Payments to Vendors (Domestic or International).....5
Employee Direct Deposits.....5
Banking Definitions.....6
Policy and Procedure Management.....7

INTRODUCTION

The City of Beaumont processes Electronic Funds Transfers (EFTs) as a safe and efficient method to receive electronic deposits from customers and to provide payments to vendors and employees. Two commonly used EFT methods are:

- Automated Clearing House (ACH): This is an electronic payment delivery system that processes electronic credit and debit transactions, including direct deposits, within the United States using the American Bankers Association (ABA) number. The ABA number is also known as the “check routing number” or “routing transit number” and should be used as the first identifying number for ACH transactions. The bank account number and name assigned to the account are also required before an ACH transaction can be created and the exchange of funds processed between two parties.

- Fedwire: The most costly EFT to process and uses a Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks. There are two Fedwire options: (1) domestic wires and (2) international wires. Each option has a different settlement time and each requires unique banking information that is dependent upon where the settlement of funds is to occur.

The procedures outlined herein are designed for all departments, employees, and vendors who receive and make electronic payments on behalf of the city. The following areas are responsible for transacting EFTs:

- Finance Department
- Administrative Services Department

All EFT’s processed by the City occur using the systems listed below.

- Citibank ACH: Originations used to initiate vendor, and employee ACH payments. The Tyler system will generate an electronic file and a EFT check register report that will be used to complete the ACH transmission form. The ACH transmission form will be completed by Finance Department and sent to the Administrative Services Department to generate a standard ACH transmission file. The electronic generate banking file from Tyler system is electronically transmitted to the City’s banking institution, authorizing the debit and credit of funds between banks.

- Citibank Wire Transfer: The primary method used to initiate wire transfers. The on-line systems should only be used by employees with proper system credentials. The security administrators in the Finance Department shall ensure that adequate separation of duties exist in accordance with internal control standards and that the integrity of system user profiles is protected. Steps are also taken to limit the number of users who have access to create or approve wire transfers and

their authorized wire amounts. In addition, Citibank controls require two separate users to complete a wire. One individual initiates and a separate individual must approve.

The Finance Department and Administrative Services Department staff who initiate or complete EFT transactions are responsible for ensuring the financial internal controls are maintained, the activity is posted timely, and operational procedures are in place to reduce the risk of loss of City funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by City employees. The Finance department will monitor bank balances daily for unusual or unexpected transactions, reconcile bank activity to the general ledger in a timely manner, and investigate and resolve reconciling items.

Incoming EFTs:

ACH/WIRE TRANSFERS RECEIVED

Departments requesting to receive payment by ACH or wire transfer must have the customer send their company's ACH/EFT payment request form to the Finance Department.

The Finance Department will complete the form, requiring all EFT payments to be posted directly to the operating account, and will obtain the proper authorization from the Director of Finance. After the form is completed, the Accounting Tech staff member will forward the information back to the customer so the customer can initiate the EFT with their banking institution. The completed form will not be returned to the department requesting the information and departmental staff has no authority to complete the document on behalf of the City.

OUTGOING EFTS:

ACH PAYMENTS TO VENDORS (DOMESTIC)

A domestic vendor may receive an ACH payment by completing a *Vendor ACH/Direct Deposit Authorization Form* and by submitting a copy of a voided check. Each department will be responsible for sending out the *Vendor ACH/Direct Deposit Authorization Form* to the vendor and to then forward onto the Finance Department. The Finance Department will review the ABA number, bank account number, and name as shown on the supporting documentation. If all information on the form and the supporting documentation is correct the data is then recorded in the Vendor Profile in Tyler Systems under Payment Terms by Accounts Payable. The banking information set up in Tyler Systems is then reviewed by the Senior Accountant for account accuracy. The supporting documentation is then filed and stored in a secured office location. Any subsequent

requests to change vendor banking information will be confirmed directly via phone with the vendor completing a new *Vendor ACH/Direct Deposit Authorization Form* by each department and then forwarded onto the Finance Department.

ACH overpayments require notification to Citibank within five days of the payment to ensure funds are returned. A Citibank *ACH/Reversal/Deletion Request* form will be completed by Finance Department or Administrative Services Director. The form is then sent to the Finance Department for approval and faxed to Citibank's ACH services section to reverse the overpayment. The Finance Department verifies the reversal occurs and the funds are deposited into the operating account the following business day.

Certain vendors have been given authority, with maximum withdrawal limitations, to initiate ACH payments (i.e. the Internal Revenue Service for payroll taxes). The establishment, approval and exception review of these payments occur through the Citibank system. The Finance Department monitors daily to ensure the banking activity has been posted into the City's Financials system and validated.

Accounts payable processes all vendor payments according to the pay cycle schedule and generates a check/ACH register. All ACH direct deposit payments have file detail and total amounts submitted to the bank for processing and the Finance Department verifies that the totals submitted to the bank have been received and posted by the bank for processing.

FEDWIRE PAYMENTS TO VENDORS (DOMESTIC OR INTERNATIONAL)

In cases where immediate payment is needed, a vendor may be paid by domestic or international wire.

I. Domestic wires. If a domestic vendor requests payment via a Fedwire, the following steps are required for the EFT to occur:

a) The department requesting the vendor payment will forward an invoice from the vendor containing the vendor's wire information, or an authorized letter. This information is forwarded to Accounts payable for review and to ensure the vendor is established in the Tyler vendor system.

b) The Transfer Request form, back-up wire information, invoice or other supporting documents will be forwarded to those authorized in Finance Department to initiate wires. The bank and invoice information must be verified

and if there is an inconsistency with the information provided, the wire initiator will contact the initiating department to obtain additional or corrected information. If all information agrees with the documentation, the wire will be requested in Citibank by the Administrative Services Director.

c) The form and all documentation will be forwarded to an appropriate staff member for secondary approval. The pending wire information is reviewed online against the back-up documentation. If there is an error, the wire will be rejected online and the wire initiator will make any necessary corrections to the data. If all information is correct, the wire will be approved. The payment approval confirmation should be attached to the documentation for future reference. The form and all documentation will be forwarded to a Senior Accountant for entry into the Tyler System.

II. Establishing a wire template. The City may establish a wire template for wires that will be completed on a regular basis for items such as investments or regularly scheduled payments.

a) The wire template is established by the wire initiator and approved by an appropriate staff member using banking information provided on signed company letterhead or an invoice.

EMPLOYEE DIRECT DEPOSITS

Direct Deposit is an encouraged condition of employment at the City. If for some reason an employee cannot or does not want to participate in direct deposit, they must request in writing to the Human Resources Department to be exempt from participating in direct deposit. Approval to NOT participate in direct deposit must be granted by the Human Services Department.

Checking and savings accounts are generally the only types of accounts that can be used for direct deposit. Although the City policy states that funds cannot be sent to a money market account, the system has allowed money market accounts when the account sequence is similar to that of a checking or savings account.

Employees should take the following steps to establish direct deposit when first hired:

1) Submit a *Direct Deposit Authorization* form to the Human Resources Department.

2) This form must contain account documentation in order to assure proper setup. Account documentation may include a “VOIDED” check (for checking accounts) or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number (for saving accounts). Using this form, employees have the option to have their paycheck sent to 1, 2 or 3 bank accounts.

3) Account documentation is reviewed to assure the information does not appear altered or manipulated in any way. If evidence of such is present, the employee will be contacted to verify the information. In addition, if a void check which does not contain the employee’s name is submitted, the employee will be contacted to verify the information. The outcome of these communications will be documented on the direct deposit form. Suspicious or fraudulent situations should be routed to the attention of Humans Resources Department.

Direct deposit information can be edited through Paychex. The same restrictions on bank account types apply, but there is no limit on the number of accounts to which direct deposit can be distributed when updating directly into Paychex.

After the input has been completed and saved in Paychex, the Human Resources Department processor will initial and date the *Direct Deposit Authorization Form*. The initialed form is given to the payroll coordinator for review to ensure the saved name, routing, and bank account numbers all agree with the “VOIDED” check or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number.

More detailed instructions and screen prints are maintained in Human Resources for review.

WHEN FRAUD IS IDENTIFIED

Banking Fraud can occur in various forms. When Fraud is discovered in the EFT procedure, the Fraud must be reported to the Director of Finance immediately (in absence of the Finance Director, the Senior Accountant must be notified). The Finance Director must notify the City Manager of the possible fraud as soon as possible after it is detected. Steps will be taken with Citibank to mitigate the fraud.

BANKING DEFINITIONS

Automated Clearing House (ACH). An electronic payment delivery system which allows payment or collection of funds electronically through a financial network occurring within the United States. ACH processes large volumes of credit and debit transactions in batches.

American Bankers Association (ABA) Number. The ABA number is the nine (9) digit bank code assigned to financial institutions by the American Bankers Association (ABA) to identify the financial institution upon which a payment is drawn and submitted to within the United States. The ABA number is also known as the “check routing number” or “routing transit number. The ABA number may differ depending on where an account is opened and the type of transaction that is being processed (checks, domestic wires or ACH’s).

Bank Account. A financial account recording the financial transactions between the customer and their bank and the resulting financial position of the customer with the bank and that is primarily used for processing checks, domestic wires and EFT ACHs.

Direct Deposit. An electronic method of payment in which money is transferred to the payee’s account without the use of checks, processed through the ACH payment system.

Fedwire. (A.k.a. Wire Transfer-Domestic or International). The Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks that enables financial institutions to electronically transfer funds to each other. Messages are transferred requesting debits and credits to correspondent accounts (in addition to other types of accounts). Actual settlements occur through Fedwire, CHIPS, correspondent accounts or other means. Domestic wires settle the same day and International wires can take up to two days to settle if foreign currency exchange is involved. The system is reliable and secure and is more costly compared to transactions involving checks or ACH.

POLICY AND PROCEDURE MANAGEMENT

The Finance Department may modify these directives and procedures from time to time as required, provided that all modifications are consistent with California statutes, federal laws and banking rules and regulations.



Vendor ACH/Direct Deposit Authorization Form
City of Beaumont

Item 4.

1. Please Check One:

NEW Direct Deposit CHANGE Direct Deposit CANCEL Direct Deposit

2. Vendor/Payee Information

Name:
Address:
Contact Person's Name (if other than payee):
Telephone Number:
Email Address:

3. Financial Institution Information

Bank Name:
Bank Address:
Name on Bank Account:
Bank Account Number:
Nine-Digit Bank Routing/Transit Number (ABA):
Type of Account: Checking Savings

4. Approvals/Authorizations - I certify that the information provided on this form is correct, and I hereby authorize City of Beaumont of Accounts Payable to electronically deposit payments to the bank account designated above.

Print Name: Signature: Date:

Important Information

Please return completed form and a copy of a voided check via email: finance@beaumontca.gov

Table with 2 columns: For Office of Accounts Payable Use Only, Date Stamp - Received