



Agenda Date: 5/3/2005
Agenda Placement: 6G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
Clerk of the Board
REPORT BY: Pamela Miller, Clerk of the Board/Admin. Manager, 253-4196
SUBJECT: Transfer of unclaimed monies in the Clerk of the Board Tax Deposit Trust Fund to the General Fund

RECOMMENDATION

County Executive Officer and Clerk of the Board request transfer of unclaimed monies totaling \$7,512 currently held in the Clerk of the Board Tax Deposit Trust Fund to the General Fund.

EXECUTIVE SUMMARY

As a result of an internal audit performed by the Auditor-Controller for the fiscal year ending June 30, 2001, irregular reconciliations of the Clerk of the Board Tax Deposit Trust Funds were found. Total reconciliation and payout of these funds was a process that spanned several years and was guided by Government Code Section 50050 et seq. Today's action is the third and final action to be taken by your Board to complete the reconciliation and closeout process.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Clerk of the Board Tax Deposit Trust Fund 10127.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Pursuant to Government Code Section 50050 et seq., the County has made every attempt to locate those who still had money in this Trust Fund. The remaining balance is the result of unclaimed funds and in accordance with Government Code Section 50053, when any such money becomes the property of a local agency and is in a special fund, the legislative body may

	transfer it to the General Fund.
Is the general fund affected?	Yes
Future fiscal impact:	None. This action closes out the Trust Fund.
Consequences if not approved:	The money will remain unclaimed in the Trust Fund and the County will be unable to properly close out the Fund.
Additional Information:	The General Fund is affected as the remaining balance of \$7,512.82 will be transferred from Fund 3900 to the General Fund.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Clerk of the Board Trust Fund accounts were established pursuant to Government Code Section 66493. The funds in these accounts consist of taxpayer's deposits of estimated property taxes not yet due and payable on property undergoing subdivision or lot line adjustment. When the specific amount of tax is known and the tax is due and payable, a warrant is drawn payable to the County Tax Collector to pay the tax and any balance remaining is refunded to the taxpayer.

The Auditor-Controller performed an internal audit of the Napa County Executive Office (Department) as of and for the fiscal year ended June 30, 2001, which included the Clerk of the Board Tax Deposit Trust Funds (Funds). Prior year findings of audits noted irregular reconciliation of the Funds. Results of the audit for fiscal year ending June 30, 2001 noted: (a) the Department hired a temporary staff person to perform the research necessary to reconcile and distribute the money in the Funds; and (b) the Department was in the process of completing the claims and journal entries necessary to close the accounts.

The Department, with the assistance of the Auditor-Controller's office, has reconciled the Funds in their entirety, a process that has taken several years. Fund payments that were either returned or voided as a six-month void were held until the Department caused a notice to be published once a week for two successive weeks in a newspaper of general circulation, in accordance with Government Code Section 50050 et seq. The Government Code provides for the monies to become the property of the County if unclaimed by the date specified in the notice. Every attempt was made by the County to locate those who still had money in the Funds.

Payment of these outstanding claims has been completed through a three-phase process. On April 27, 2004, your Board approved the transfer of \$27,505 in unclaimed/denied monies held in the Tax Deposit Trust Funds to the General Fund. At that time, thirty-six (36) outstanding unpaid Funds resulted in nine (9) claims paid, three (3) claims denied, two (2) claims held in pending status, and twenty-two (22) unclaimed. The two (2) pending claims resulted in a full payout of one claim, and a partial payout of the second claim. On February 1, 2005, your Board approved an additional transfer of \$360.78 of unclaimed monies, which was the unclaimed balance of the second claim. This action closed out that series of Tax Deposit Trust Funds.

The third phase of this process focused on Trust Fund 10127, which held a total of twenty-seven (27) outstanding funds. In accordance with Government Code Section 50050 et seq, the same notification procedure was used as with the first series of claims, with the Department causing a notice to be published once a week for two

successive weeks in a newspaper of general circulation. Of the outstanding funds, the Clerk of the Board received seven (7) claims, totaling \$11,143.72, all of which were paid in full. The remaining unclaimed balance in Trust Fund 10127 is \$7,512.82.

Government Code Section 50053 states that when any such money becomes the property of a local agency and is in a special fund, the legislative body may transfer it to the General Fund, after all attempts to return the money have been exhausted. As a result, the County Executive Officer and the Clerk of the Board request the Board approve the transfer into the General Fund the remaining unclaimed balance in the Clerk of the Board Tax Deposit Trust Fund 10127 of \$7,512.82. Upon approval of this action, the Clerk of the Board will authorize the Auditor-Controller's office to transfer the remaining balance, which will be the final action relating to the reconciliation and close out of these Funds.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Britt Ferguson