

**DRAFT AGREEMENT WITH
THE COUNTY FOR
ACCOUNTING AND PAYROLL SERVICES**

Attachment 3

FOR COUNTY USE ONLY



County of San Bernardino
F A S
STANDARD CONTRACT

| | | | | | | | |
|---|-----------------|---------------------|--|-----------------|--------------------------|-----------------------|--------|
| <input type="checkbox"/> New | FAS Vendor Code | | SC | Dept. | A | Contract Number | |
| <input type="checkbox"/> Change | | | | | | | |
| <input type="checkbox"/> Cancel | | | | | | | |
| ePro Vendor Number | | | | | ePro Contract Number | | |
| County Department | | | Dept. | Orgn. | Contractor's License No. | | |
| Auditor-Controller/Treasurer/Tax Collector | | | ATX | ATX | | | |
| County Department Contract Representative | | | | Telephone | | Total Contract Amount | |
| | | | | () - | | | |
| Contract Type | | | | | | | |
| <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other: | | | | | | | |
| If not encumbered or revenue contract type, provide reason: | | | | | | | |
| | | | | | | | |
| Commodity Code | | Contract Start Date | Contract End Date | Original Amount | Amendment Amount | | |
| | | | | \$ | | | |
| Fund | Dept. | Organization | Appr. | Obj/Rev Source | GRC/PROJ/JOB No | Amount | |
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| Fund | Dept. | Organization | Appr. | Obj/Rev Source | GRC/PROJ/JOB No. | Amount | |
| | | | | | | \$ | |
| Project Name | | | Estimated Payment Total by Fiscal Year | | | | |
| Payroll & Accounting Services | | | FY | Amount | I/D | FY | Amount |
| For Self-Governed Districts | | | | | | | |
| Joint Powers Authorities | | | | | | | |

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name _____ hereinafter called DISTRICT/JPA

Address _____

Telephone _____ Federal ID No. or Social Security No. _____

IT IS HEREBY AGREED AS FOLLOWS:

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

Auditor-Controller/Treasurer Tax Collector Use Only

| | |
|--|------------------------------|
| <input type="checkbox"/> Contract Database | <input type="checkbox"/> FAS |
| Input Date | Keyed By |

1. INTRODUCTION

DISTRICT/JPA, the County of San Bernardino (COUNTY) and the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector (ATC) enter into this agreement seeking to formulate and maintain a cooperative working relationship in which COUNTY and ATC will provide accounting and payroll services to DISTRICT/JPA.

2. TERM OF THIS AGREEMENT

The term of this agreement is from **January 1, 2015 to June 30, 2017**, and shall be automatically renewed for successive one-year periods unless otherwise amended or terminated.

3. AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR RESPONSIBILITIES

A. Accounts Payable / General Accounting

ATC will provide the following accounting services to DISTRICT/JPA:

1. Process FAS transactions for disbursements, reimbursements, deposits and adjustments to DISTRICT/JPA's fund(s)
2. Permit DISTRICT/JPA access to COUNTY financial accounting system (FAS) and reports

B. Payroll Services

ATC shall provide DISTRICT/JPA with payroll services consistent with the level of services provided to County departments. Services include:

1. Issuing standard Payroll reports
2. Tax reporting and accounting services as prescribed by the IRS, State Franchise Tax Board, and State Employment Development Department
3. Enhanced tax reporting to accommodate IRS provisions under 26 U.S. Code Section 4980H – Shared Responsibility for Employers Regarding Health Coverage, which includes independent, DISTRICT/JPA-specific, filing and reporting of the following:
 - i. Tax returns
 - ii. Tax deposits
 - iii. Transfers
 - iv. Trust fund reconciliation
 - v. Payroll tax adjustments
4. Payroll direct deposits and warrants
5. Labor distribution based on input from DISTRICT/JPA

DISTRICT/JPA is responsible for compliance requirements under the provisions of 26 U.S. Code Section 4980H.

Both accounting and payroll services include central files/documents/records retention; verification of data integrity and signature authorization; error corrections, and other processes normally associated with these services. For purposes of this agreement, the phrase "data integrity" represents and includes all data needed to process documents and assurance that all system codes are complete and valid.

C. EMACS Development Team Services

The Employee Management and Compensation System (EMACS) is integral to providing payroll services. The EMACS Team shall provide DISTRICT/JPA with access to e-Time and Self-Service as

well as technical and functional support services (services) necessary to implement pay and/or benefits, subject to and conditioned upon the following provisions and limitations:

1. Requests for services must be made directly to the EMACS Manager, and received in a timely manner, in order to be considered for processing.
2. Requests for services will be reviewed by EMACS and in turn, EMACS shall report to DISTRICT/JPA their ability to provide the requested service along with the estimated cost.
 - i. If EMACS and DISTRICT/JPA can agree on a timeframe that will accomplish DISTRICT/JPA's requested service, then EMACS will provide the service.
 - ii. If EMACS concludes that the requested service cannot be accomplished due to inadequate lead time, EMACS will have no obligation to provide the service.
 - iii. If EMACS concludes that the requested service cannot be accomplished because it goes beyond the ability of EMACS to accommodate the request, EMACS will notify DISTRICT/JPA and have no obligation to provide the service.
3. Requests for additional programming services for changes not included in services provided by EMACS may be billed separately by the Information Services Department.
4. System upgrades may require additional EMACS work to maintain or redo programming changes previously requested by DISTRICT/JPA. If such work is warranted, DISTRICT/JPA shall pay for the additional work required on the same basis on which the original change was accomplished.

D. Additional Accounting and Auditing Services

Any accounting and auditing services not addressed in this contract will be performed only upon request, may be subject to formal agreement, and will be charged to DISTRICT/JPA at the rate contained in the current Fee Ordinance on file with the Clerk of the Board. Unless otherwise stated in this agreement, the costs for these services will be based on actual hours worked at the rates contained in the Fee Ordinance. Any additional services requested by DISTRICT/JPA will be directly billed by ATC.

E. Exclusions

Notwithstanding the previous paragraphs, pursuant to DISTRICT/JPA's direction and as a consequence of DISTRICT/JPA transferring accounting information from FAS, DISTRICT/JPA and ATC agree that the following services are not included in this agreement:

1. Reviewing, auditing and/or processing:
 - i. Cash difference replenishments and petty cash replenishments
 - ii. Travel expenditure reimbursement claims and other claims for payment
 - iii. Payments for memberships and registrations
2. Providing and maintaining ATC VISA cards
3. Issuing County fixed asset tags and related fixed asset reporting
4. Detecting and investigating fraud and/or cash losses
5. Developing personnel billing rates/indirect cost proposals (ICRPs)
6. Preparing audited financial statements. DISTRICT/JPA acknowledges that as a separate legal entity from COUNTY, DISTRICT/JPA is not included within the audited financial statements of COUNTY.

F. Authority

The Auditor-Controller/Treasurer/Tax Collector of San Bernardino County shall have the right to exercise the County's authority under this contract, including the right to give notice of termination on behalf of the County at his sole discretion.

4. DISTRICT/JPA RESPONSIBILITIES

A. Funding

1. DISTRICT/JPA agrees to maintain a positive cash balance in its fund(s) at all times to meet its disbursement needs.
2. DISTRICT/JPA agrees to fully fund all salary and benefit costs for DISTRICT/JPA employees. DISTRICT/JPA shall maintain at a minimum, the equivalent of 150 percent of one pay period's salary and benefit costs on deposit with the COUNTY. This funding level represents estimated DISTRICT/JPA salary and benefit costs and allows for periods of unusually high salary amounts, typically associated with payouts and unexpected overtime. If such fluctuations are anticipated in an upcoming pay period, DISTRICT/JPA agrees to monitor and adjust its funding level, accordingly.
3. DISTRICT/JPA agrees to fund its annual service cost billing. DISTRICT/JPA shall maintain 110 percent of the previous fiscal years' service cost billing on deposit with the COUNTY. This funding level represents estimated DISTRICT/JPA current cost of services.
4. If a cash deficit occurs, COUNTY requires and DISTRICT/JPA agrees to deposit, sufficient funds in its fund(s) the earlier of these two timeframes:
 1. Within 72 hours of receipt of written notice (email) from COUNTY; or
 2. By two working days prior to the Friday confirmation of payroll preceding a scheduled pay day.
5. DISTRICT/JPA agrees that COUNTY is under no obligation to process its payroll if it has insufficient funds in County Treasury Pool to cover DISTRICT/JPA's payroll cost. If insufficient funds are on deposit to fully fund payroll for all DISTRICT/JPA employees, COUNTY reserves the right to pay only those employees for which there are sufficient funds available, beginning with the lowest paid employees.
6. DISTRICT/JPA agrees that COUNTY, at ATC discretion, may interrupt or suspend other disbursement services if DISTRICT/JPA's funds in the County Treasury Pool are insufficient. DISTRICT/JPA assumes all liability for interrupted disbursement services if inadequate deposits are available.
7. DISTRICT/JPA agrees that any cash deficit in its fund(s) resulting from the provision of services under this contract and its predecessor agreements shall be charged interest at the Treasurer's Investment Pool rate, plus any ATC staff costs incurred to remedy such deficit.
8. DISTRICT/JPA also agrees that any cash deficit may be cause for termination of this agreement, including cessation of County payroll and accounting services provided to DISTRICT/JPA, and termination of DISTRICT/JPA's voluntary depositor status in the County Treasury Pool.

The County Auditor-Controller/Treasurer/Tax Collector shall have the authority to provide notice and terminate the contract under this paragraph. COUNTY shall give DISTRICT/JPA a minimum 90 days' advance notice of such termination.

B. Documentation / Tax Reporting

1. DISTRICT/JPA shall provide its board-approved documentation containing specific pay and benefit information for new employees and/or changes to pay and benefits for existing employees to Central Payroll. DISTRICT/JPA's employees shall receive economic benefits and leave accruals for which COUNTY employees are eligible, including participation in the COUNTY's retirement system, as approved by DISTRICT/JPA's board.
2. DISTRICT/JPA is required to provide its Federal Employer Identification Number (FEIN) and State Employer Identification Number (SEIN) to the COUNTY for reporting personal income tax withholding, Medicare, and Social Security, if applicable.
3. DISTRICT/JPA agrees to appoint COUNTY as its Tax Reporting Agent and is required to complete Internal Revenue Service Form 8655- Reporting Agent Authorization and Employment Development Department (EDD) Form DE 48 – Power of Attorney Declaration, establishing COUNTY as DISTRICT/JPA's depositing and paying agent.
4. If DISTRICT/JPA does not file and pay its own SDI and UI, then DISTRICT/JPA shall annually provide to COUNTY copy of EDD form DE 2088 - Notice of Contribution Rates and Statement of Unemployment Insurance Reserve Account for Calendar Year.

C. Cost of Services

1. Payroll and accounting services will be billed to DISTRICT/JPA on a quarterly basis by ATC at rates established by the County's State of California approved County-Wide Cost Allocation Plan (COWCAP). Rates will be adjusted annually reflecting the County's current State of California approved COWCAP and such adjustments shall constitute an automatic amendment to this contract.
2. Any DISTRICT/JPA-specific required reporting, accounting, enhanced services described in Section 3B of this contract or services requested by DISTRICT/JPA that fall outside the scope of COWCAP services, will be billed on a monthly basis at the Auditor-Controller hourly rate as stated in the Fee Ordinance as approved by the Board of Supervisors (Fee ordinance 16.0203A (d)).
3. Any EMACS Team services performed on behalf of DISTRICT/JPA will be billed by HR/EMACS based on actual hours worked at the current hourly rates charged for such services.

5. INDEMNIFICATION

- A.** DISTRICT/JPA agrees to indemnify, defend and hold harmless the COUNTY and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising from DISTRICT/JPA negligent acts, errors or omissions and for any costs or expenses incurred by the COUNTY on account of any claim therefore, except where such indemnification is prohibited by law.
- B.** COUNTY agrees to indemnify, defend and hold harmless DISTRICT/JPA and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising from COUNTY's negligent acts, errors or omissions and for any costs or expenses incurred by DISTRICT/JPA on account of any claim therefore, except where such indemnification is prohibited by law.

6. TERMINATION OF SERVICES

A. Termination by COUNTY

COUNTY shall give written notice to DISTRICT/JPA that COUNTY will no longer provide a specific service. Unless such termination is warranted due to DISTRICT/JPA's failure to perform according to DISTRICT/JPA Responsibilities, COUNTY shall cooperate with DISTRICT/JPA to ensure that a vital service provided by COUNTY is available from an alternate source before services are terminated and provide such notice at least 12 months prior to service termination.

B. Termination by DISTRICT/JPA

DISTRICT/JPA may give notice to COUNTY that DISTRICT/JPA will no longer use a specific COUNTY service. The notice shall be given at least 90 days prior to service termination.

COUNTY OF SAN BERNARDINO
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

▶ _____
Larry Walker, for County of San Bernardino

By ▶ _____

Dated: _____

Dated: _____

▶ _____
Larry Walker, Auditor-Controller/Treasurer/Tax Collector

Dated: _____