

Upper Salinas-Las Tablas Resource Conservation District

5905 Capistrano Avenue, Suite F, Atascadero, CA 93422 | 805.460.7272 | www.us-ltrcd.org

RESOLUTION NO. 2025-4

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SALINAS-LAS TABLAS RESOURCE CONSERVATION DISTRICT

ADOPTING A COMPREHENSIVE FISCAL POLICY & PROCEDURE MANUAL

WHEREAS, the Upper Salinas-Las Tablas Resource Conservation District (the “District”) is committed to the highest standards of fiscal integrity, transparency, and accountability in its operations; and

WHEREAS, the Board of Directors has a fiduciary duty and legal authority under the California Uniform District Law and the California Public Resources Code to establish policies that govern the District’s activities, ensure compliance with laws, and promote accountability; and

WHEREAS, the adoption of a comprehensive fiscal policy framework is a fundamental practice of sound public administration and a core responsibility of the Board; and

WHEREAS, such a framework is essential for demonstrating responsible stewardship of public funds to the Local Agency Formation Commission (LAFCO), grantors, and the public we serve;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Upper Salinas-Las Tablas Resource Conservation District hereby adopts the “Fiscal Policy & Procedure Manual,” dated October 30, 2025, attached hereto as **Exhibit A** and incorporated by reference, effective immediately.

BE IT FURTHER RESOLVED that this Manual comprises a comprehensive framework of thirteen (13) distinct policies, which are codified as follows:

POLICY 101: Board Fiscal Oversight and Finance Committee Charter

POLICY 201: Fiscal & Internal Controls Policy

POLICY 202: Whistleblower & Fraud Prevention Policy

POLICY 203: Related Party Transactions Policy

POLICY 301: Budget Development, Adoption & Monitoring Policy

POLICY 401: Capitalization and Fixed Asset Management Policy

POLICY 402: Management's Discussion and Analysis (MD&A) Preparation Policy

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- POLICY 403:** Document Retention and Destruction Policy
- POLICY 404:** Monthly Close & Financial Reporting Policy
- POLICY 501:** Annual Financial Audit Policy
- POLICY 502:** Grant Management and Compliance Policy
- POLICY 601:** Credit and Debit Card Use Policy
- POLICY 602:** Travel, Meals, and Entertainment Reimbursement Policy
- POLICY 701:** Investment Policy

BE IT FURTHER RESOLVED that this Manual shall guide all District financial and governance operations, and all previous practices, memoranda, or informal policies inconsistent with this Manual are hereby superseded.

BE IT FURTHER RESOLVED that the Executive Director is directed to distribute this Manual to all Board members and staff and to ensure its implementation.

APPROVED AND ADOPTED by the Board of Directors of the Upper Salinas-Las Tablas Resource Conservation District on this 30th day of October, 2025.

I hereby certify the foregoing Resolution Number 2025-04 was adopted by the Board of Directors of the Upper Salinas - Las Tablas Resource Conservation District.

 10/30/25

Drew Loganbill, Executive Director

EXHIBIT A

Fiscal Policy & Procedure Manual (Dated: October 30, 2025)



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UPPER SALINAS-LAS TABLAS RESOURCE CONSERVATION DISTRICT

FISCAL POLICY & PROCEDURE MANUAL

Adoption Date: October 30, 2025

Resolution No.: 2025-4

Supersedes: All previous informal practices and policies

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POLICY 401: Capitalization and Fixed Asset Management Policy

POLICY 402: Management's Discussion and Analysis (MD&A) Preparation Policy

POLICY 403: Document Retention and Destruction Policy

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1.0 GOVERNANCE AUTHORITY & FRAMEWORK

1.1 Board Authority and Fiduciary Duty

Legal Basis for Policy Adoption: The Board of Directors of the Upper Salinas-Las Tablas Resource Conservation District derives its authority to establish this policy framework from California law, including the California Uniform District Law (Government Code § 61000 et seq.) and the California Public Resources Code. This authority is not merely permitted—it is a **core fiduciary responsibility** of the Board.

Board Duties Include:

- Establishing the strategic direction and financial framework for the District
- Adopting policies and procedures that govern the District's activities, ensure compliance with laws, and promote accountability and transparency
- Providing oversight of the District's general manager and staff, who are responsible for implementing the policies set by the Board



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Why This Matters: Setting a comprehensive policy framework is a fundamental practice of sound public administration. For oversight agencies like the Local Agency Formation Commission (LAFCO), the adoption of formal policies is a primary indicator of a well-governed, stable, and accountable local agency.

1.2 Purpose and Scope

This Fiscal Policy & Procedure Manual (the "Manual") is adopted by the Board of Directors to fulfill its governance responsibility by establishing a comprehensive framework for the District's financial operations. The policies contained herein are designed to ensure fiscal integrity, accountability, transparency, and compliance with all applicable laws and regulations. This Manual applies to all District operations, staff, and Board members.

1.3 Policy Governance and Amendment Procedure

This Manual shall be reviewed annually by the Finance Committee. Amendments may be proposed by any Board member, the Executive Director, or the Finance Committee. Amendments to this Manual require a majority vote of the Board of Directors at a publicly noticed meeting. The most current version of this Manual shall be maintained by the Executive Director and made available to all Board members and staff.

POLICY 101: BOARD FISCAL OVERSIGHT AND FINANCE

COMMITTEE CHARTER

Policy Statement: The Finance Committee is established as a standing committee of the Board to provide detailed oversight of the District's financial activities.

Procedures:

1. **Composition:** The Committee shall consist of at least two (2) Board members, including the Treasurer
2. **Meetings:** The Committee shall meet at least quarterly



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3. **Duties:** Review monthly financial statements; recommend the annual budget; oversee the independent audit process; review investment performance; report findings to the full Board

POLICY 201: FISCAL & INTERNAL CONTROLS POLICY

Policy Statement: The District shall maintain a system of internal controls that provides reasonable assurance regarding the reliability of financial reporting and the safeguarding of assets.

Procedures:

1. **Segregation of Duties:** Key duties (authorization, processing, recording, review) shall be separated among different individuals
2. **Documentation & Approval:** All transactions require supporting documentation. An approval matrix is established:
 - a. Projected annual budget: Board of Directors
 - b. Proposed and awarded grant and Project Budgets approved by Executive Director.
 - c. Day to day expenditures in line with the awarded grant/project budget are approved by Program/Project Manager
 - d. Unbudgeted general administrative expenditures: Executive Director
3. **Reconciliations:** All bank/credit card accounts reconciled monthly by Fiscal Manager, with review by Executive Director

POLICY 202: WHISTLEBLOWER & FRAUD PREVENTION

POLICY

Policy Statement: The District prohibits fraud and encourages good-faith reporting of suspected misconduct.

Procedures:

1. **Reporting:** Suspected fraud may be reported confidentially to the Board Chair
2. **Non-Retaliation:** Retaliation against good-faith reporters is prohibited



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3. **Investigation:** The Board Chair will oversee a prompt, confidential investigation of all reports

POLICY 203: RELATED PARTY TRANSACTIONS POLICY

Policy Statement: Transactions with Board members, management, or their families shall be transparent, at arm's length, and in the District's best interest.

Procedures:

1. **Annual Disclosure:** Board and key management shall annually disclose potential conflicts
2. **Approval:** Any related party transaction requires review and approval by the disinterested members of the Board

POLICY 301: BUDGET DEVELOPMENT, ADOPTION & MONITORING POLICY

Policy Statement: The District shall operate under a comprehensive annual budget adopted by the Board.

Procedures:

1. **Timeline:** See Section 3.1 Annual Budget Workflow
2. **Monitoring:** Monthly budget-to-actual reports presented to the Board
3. **Amendments:** Transfers between major object codes or over-expenditures require formal Board amendment



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3.1 ANNUAL BUDGET DEVELOPMENT, APPROVAL, & MONITORING WORKFLOW

PHASE 1: BUDGET PREPARATION & DRAFTING (April - Mid-May)

Date	Action Item	Responsible Party
April 1	Kick-off & Data Gathering	ED & FM
April 15	Draft Revenue Forecast	ED & FM
April 22	Draft Expenditure Budget	ED & FM
May 6	Preliminary Budget Draft	ED & FM
May 13	Finance Committee Review	Finance Committee
May 15	Finalize Draft for Board	ED & FM

PHASE 2: BOARD REVIEW & PUBLIC ENGAGEMENT (Late May - June)

Date	Action Item	Responsible Party
May 31	Board Workshop	ED & BOD
June 3-7	Incorporate Board Feedback	ED & FM
June 10	Publish Public Hearing Notice	ED/Secretary
June 17	Formal Public Hearing & Budget Adoption	BOD, ED, Public

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June 30 **Deadline for Adoption** **BOD**

PHASE 3: YEAR-END BUDGET TRUE-UP (May - Early June)

Date	Action Item	Responsible Party
May 1	Initiate Year-End Review	FM & ED
May 8	Analyze Variances & Draft Amendments	ED & FM
May 15	Finance Committee Review	Finance Committee
June 1	Board Presentation & Public Hearing	BOD & ED
June 5	Implement Amendment	Fiscal Manager

PHASE 4: FY IMPLEMENTATION & MONITORING (July - Ongoing)

Date	Action Item	Responsible Party
July 1	FY Begins / Budget Loaded	FM
Monthly	Monthly Financial Review	FM & ED
Monthly	Board Financial Update	ED & BOD
As Needed	Budget Amendments	ED & FM

PHASE 5: MID-YEAR REVIEW & FORECAST UPDATE (November - December)

Date	Action Item	Responsible Party
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Nov 1	Mid-Year Preparation	ED & FM
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Nov 15	Finance Committee Review	Finance Committee
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Dec 1	Board Mid-Year Review	ED & BOD
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3.2 MD&A PREPARATION TEMPLATE

I. INTRODUCTION & OVERVIEW

- Purpose and objective analysis of financial activities

II. FINANCIAL HIGHLIGHTS

- Summary of net position and results of operations
- Key factors influencing financial results

III. OVERVIEW OF THE FINANCIAL STATEMENTS

- Analysis of Statement of Net Position
- Analysis of Statement of Activities

IV. ANALYSIS OF THE DISTRICT'S FINANCIAL POSITION

- Governmental activities analysis
- Significant changes between years (table format)

V. BUDGETARY HIGHLIGHTS

- Comparison of budget to actual results
- Explanation of major variances

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

- Capital assets summary



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- Long-term obligations

VII. ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

- Anticipated financial pressures and opportunities
- Major initiatives for upcoming fiscal year

POLICY 401: CAPITALIZATION AND FIXED ASSET

MANAGEMENT POLICY

Policy Statement: The District shall capitalize, track, and depreciate fixed assets in accordance with GAAP.

Procedures:

1. **Threshold:** Assets >\$5,000 with a useful life >2 years are capitalized
2. **Register:** A fixed asset register shall be maintained
3. **Depreciation:** Straight-line method used over defined useful lives

POLICY 402: MANAGEMENT'S DISCUSSION AND

ANALYSIS (MD&A) PREPARATION POLICY

Policy Statement: The District shall prepare an MD&A as required supplementary information for its annual financial statements.

Procedures:

1. **Responsibility:** The Executive Director is responsible for drafting the MD&A
2. **Timeline:** Draft presented to the Board concurrently with year-end financials
3. **Template:** See Section 3.2 MD&A Preparation Template

POLICY 403: DOCUMENT RETENTION AND DESTRUCTION POLICY

Policy Statement: The District shall maintain a systematic records management program.

Procedures:

1. **Retention:** Adherence to defined retention schedule
2. **Destruction:** Secure destruction after retention period expires

POLICY 404: MONTHLY CLOSE & FINANCIAL REPORTING POLICY

Policy Statement: The District shall conduct a formal month-end closing process to ensure all financial activity is recorded in the correct accounting period in accordance with Generally Accepted Accounting Principles (GAAP). This process is critical for producing accurate and reliable financial statements and providing the Board with meaningful oversight data.

Procedures:

1. **Closing Timeline:** The month-end close shall be completed by the 10th business day of the following month
2. **Responsibility:** The Fiscal Manager is responsible for preparing all reconciliations and adjusting entries. The Executive Director is responsible for reviewing and providing formal sign-off before financial reports are finalized
3. **Checklist Adherence:** The Comprehensive Month-End Close Checklist (Section 4.1) must be fully completed and reviewed each month
4. **Board Reporting:** A summary of financial results, including a budget-to-actual report, shall be presented to the Board of Directors at each regular meeting

4.1 COMPREHENSIVE MONTH-END CLOSE CHECKLIST

Objective: To ensure all financial activity for the period is recorded in the correct accounting period and in accordance with GAAP, leading to accurate financial statements.

1. BANK & CREDIT CARD RECONCILIATIONS

- Reconcile all operating bank accounts to the general ledger
- Reconcile all savings/money market accounts
- Reconcile all credit card statements to the general ledger
- Investigate and resolve all reconciling items

2. LEASE ACCOUNTING (GASB 87)

- Post monthly amortization of Right-of-Use Asset
- Post monthly interest expense on Lease Liability
- Update lease liability schedule for principal reduction

3. PAYROLL & RELATED ACCRUALS

- Accrue for payroll earned but not yet paid (if period ends between pay dates)
- Accrue for employer-paid benefits (health, retirement)
- Record monthly adjustment to Compensated Absences (vacation/sick) liability

4. ACCOUNTS PAYABLE & EXPENSE ACCRUALS

- Ensure all vendor invoices received are recorded in the correct period
- Record accrued expenses for goods/services received but not yet invoiced

5. ACCOUNTS RECEIVABLE & REVENUE RECOGNITION

- Invoice for all billable services/projects completed during the period
- Record receivables and revenue for services performed/invoices to be issued
- Review grant agreements; recognize revenue as eligibility requirements are met

6. PREPAID EXPENSES AMORTIZATION

- Identify expenses paid in advance (e.g., insurance, licenses)
- Amortize the portion of prepaid expenses used during the month



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7. DEPRECIATION & AMORTIZATION

- Record monthly depreciation on all fixed assets
- Record monthly amortization on intangible assets

8. UNEARNED REVENUE (DEFERRED REVENUE)

- Review grants/contracts received in advance
- Move cash from liability to revenue as milestones are met/periods elapse

9. NOTE/LOAN PAYABLE INTEREST

- Accrue interest expense on any outstanding notes or loans

10. GRANT EXPENSE & REVENUE MATCHING

- Ensure expenses charged to grants are recognized as grant revenue in the same period
- Reconcile grant ledger to general ledger

11. BALANCE SHEET ACCOUNT REVIEW & RECONCILIATION

- Reconcile and review all balance sheet accounts (e.g., petty cash, fixed assets)
- Post necessary adjustments

12. FINANCIAL REPORTING & MANAGEMENT REVIEW

- Generate preliminary Balance Sheet and Statement of Activities
- Generate Budget-to-Actual Report for the month and fiscal year-to-date
- Executive Director reviews all reconciliations, AJEs, and reports
- Executive Director provides final sign-off, locking the period

MONTHLY CLOSE COMPLETE

POLICY 501: ANNUAL FINANCIAL AUDIT POLICY

Policy Statement: The District shall undergo an annual independent financial audit.

Procedures:



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1. **Timeline:** Goal for draft report within six months of fiscal year-end
2. **Communication:** Board shall meet privately with auditors
3. **Response:** Management shall prepare formal response to audit findings

POLICY 502: GRANT MANAGEMENT AND COMPLIANCE

POLICY

Policy Statement: The District shall administer grants in strict compliance with grantor requirements.

Procedures:

1. **Pre-Submission Review:** Mandatory internal review of all reimbursement requests
2. **Tracking:** Each grant tracked individually in accounting system
3. **Retention:** Grant documentation retained for required periods

POLICY 601: CREDIT AND DEBIT CARD USE POLICY

Policy Statement: District cards are for District business only.

Procedures:

1. **Documentation:** Receipt and business purpose required for every transaction
2. **Approval:** Monthly statements require Executive Director approval
3. **Prohibition:** Personal use strictly prohibited

POLICY 602: TRAVEL, MEALS, AND ENTERTAINMENT

REIMBURSEMENT POLICY

Policy Statement: The District will reimburse necessary and reasonable business expenses.



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Procedures:

1. **Pre-Approval:** Out-of-county travel requires pre-approval
2. **Receipts:** Itemized receipts required
3. **Reasonableness:** Expenses must be ordinary and necessary

POLICY 701: INVESTMENT POLICY

Policy Statement: The primary investment objectives are safety, liquidity, and then yield.

Procedures:

1. **Permissible Investments:** FDIC-insured accounts, U.S. Treasuries, CA LAIF
2. **Reporting:** Investment performance reported to Board quarterly

APPENDICES

Appendix A: Monthly Budget-to-Actual Report Template

- Revenue and expenditure comparison by category
- YTD and current month analysis
- Variance explanations for significant differences

Appendix B: Grant Pre-Submission Internal Review Checklist

- Expenses matched to grant budget categories
- Supporting documentation attached
- Time/effort certification completed
- Program Manager approval obtained
- Executive Director final approval



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CERTIFICATION OF ADOPTION

This Fiscal Policy & Procedure Manual was adopted by resolution of the Board of Directors of the Upper Salinas-Las Tablas Resource Conservation District on October 30, 2025, per Resolution 2025-4.