



Legislation Details (With Text)

File #: ID16-904 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 8/2/2016 **In control:** City Council

On agenda: 9/15/2016 **Final action:** 9/15/2016

Title: RESOLUTION - To claim funds for uncashed checks dated November 3, 2011, through December 20, 2012, and transfer said funds from "Special Fund" 63539 to the General Fund 10101

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. Resolution Claiming Uncashed Checks .pdf, 2. Exhibit A List of funds to transfer to the Gen Fund.pdf, 3. Business Journal.pdf, 4. Spanish Notice Ad in Vida en el Valle.pdf

Date	Ver.	Action By	Action	Result
9/15/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

September 15, 2016

FROM: MICHAEL A. LIMA, Finance Director/(ex-officio)Treasurer
Finance Department

BY: KAREN M. BRADLEY, Assistant Controller
Finance Department

SUBJECT

RESOLUTION - To claim funds for uncashed checks dated November 3, 2011, through December 20, 2012, and transfer said funds from "Special Fund" 63539 to the General Fund 10101

RECOMMENDATION:

Approve Resolution attached hereto as Attachment 1 to claim and transfer funds appropriated for the City-issued checks listed in Exhibit A to Attachment 1 from Special Fund 63539 to the General Fund 10101.

EXECUTIVE SUMMARY

State Law and City Policy allow the City to claim unclaimed monies in the City Treasury and transfer them into the General Fund for use as Council sees fit. Uncashed checks issued by the City that are older than three years qualify as unclaimed funds. If the City follows the notification procedures outlined in State Law, these funds become the property of the City, which can then be claimed and transferred into the General Fund. Upon approval of the attached Resolution, Council may claim and transfer \$46,622.91 into the General Fund.

BACKGROUND

Under the City of Fresno Policy and Procedures for Claiming Unclaimed Money in the City of Fresno Treasury for the General Fund (the "Policy"), originally adopted on August 27, 2002 and revised/adopted on January 17, 2013, the City may claim unclaimed funds held in the City's Treasury for more than three years for the City and transfer these funds to the City's General Fund. This unclaimed property includes uncashed checks and deposits for various purposes. This practice is permitted under California Government Code Sections 50050-50053 and 50055.

Uncashed checks include checks that have been issued by the City; but for reasons unknown, have never been negotiated, deposited, or cashed by the recipient. These checks have been issued for payroll, worker's compensation claims, or to vendors in payment for goods or services received. The payee has never notified the City that payment was not received, or that the check was lost. Deposits that may be claimed might include bid deposits on various contracts that have never been reclaimed by the bidders for one reason or another.

The City's Policy and State Law specify that funds held in the City's Treasury must be older than three years before the City may claim them. The Treasury Section generally prepares this Resolution annually to claim property that has been held for more than three years. This year's Resolution includes checks that were written prior to December 31, 2012.

State law requires that a list of unclaimed funds (checks and/or deposits) for amounts of \$15.00 or more, held in the City's treasury, be published in a newspaper of general circulation in the City of Fresno for two successive weeks. There is a forty-five day period from the date of the first publication of the list, during which individuals have the right to contact the City and claim the funds on deposit. Any funds that are not claimed become the property of the City of Fresno after the forty-fifth day. The Council may then transfer that money from the fund in which it currently resides, a "Special Fund," to the City's General Fund.

Consistent with the Policy and State Law, the Finance Director has published a list of uncashed checks older than three years in a newspaper of general circulation in the City of Fresno, once per week, for two successive weeks (see Attachment 2, hereto). The published notice listed the payees for the checks as well as the amount of each check. Prospective claimants were invited to contact the City to obtain instruction as to how to file a claim for the funds. Also, the date on which the funds could be claimed by the City of Fresno was included in the public notice.

In addition to meeting the minimum legal requirement for claiming these funds, staff performed additional due diligence by sending letters to each one of the payees and the depositors at their last known addresses. The City's worker's compensation claims administrator, Risico Claims Management, also sent letters to its payees. The letter notified the payee of the existence of the funds, and invited them to submit a claim, including a request for the City to process a reimbursement. The notice that was run in the Business Journal was also translated into Spanish and run in Vida en el Vallee for a week.

Attachment 2 is a photocopy of the notification published in the Business Journal on June 3, 2016 and June 10, 2016. Attachment 4 is a photocopy of the notification published in Vida en el Vallee on August 31, 2016. The combined outreach of the notification and the letters generated one claim for \$81.44. After the claimed amount is deducted from the available total, the amount to be transferred to the General Fund is \$46,622.91. That amount is made up of uncashed accounts payable vendor checks of \$41,626.76, uncashed payroll checks of \$49.17, uncashed workers compensation checks of \$4,946.98. Each of these amounts is detailed on Attachment 2.

Upon passing the attached Resolution, these funds will be transferred to the General Fund. The Finance Director certifies that all of the requirements of the Policy and State Law have been met and the City may therefore transfer the funds appropriated for these checks to the General Fund.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference was not considered because this Resolution does not include a bid or award of a construction or service contract.

FISCAL IMPACT

The Cash Balance of the General Fund will be increased by \$46,622.91.

Attachments:

Attachment 1: Resolution transferring \$46,622.91 to the General Fund

Attachment 2: Exhibit A: List of funds to be transferred to the General Fund

Attachment 3: Photocopy of Business Journal Notice

Attachment 4: Photocopy of Vida en el Valle Notice (Spanish Newspaper)