



**MEMORANDUM**

**TO:** Southwest Washington Regional Transportation Council Board of Directors  
**FROM:** Matt Ransom, Executive Director   
**DATE:** May 28, 2019  
**SUBJECT:** **Memorandum of Understanding between RTC and the Clark County Treasurer**

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***AT A GLANCE – DISCUSSION***

*The purpose of this staff report is to inform the Board of Directors regarding a proposed Memorandum of Understanding (MOU) between the RTC and the Clark County Treasurer. The purpose of the MOU is to set in place a business relationship and to establish terms and parameters thereof.*

**BACKGROUND**

In July 1992, RTC was formed by Interlocal Agreement among member agencies. The Interlocal Agreement provides that any party to the Agreement may sell, lease, give or otherwise supply the RTC services within their legal power to furnish. Further, the Agreement allows the RTC to contract on a fee-for-service basis with parties to provide special services.

**RTC AND CLARK COUNTY AGREEMENTS**

At RTC formation in 1992, RTC entered into a Memorandum of Understanding (MOU) with Clark County which committed the agencies to a series of business relationships that have been beneficial to each agency over the past twenty-seven years. One of the key business relationships has been with the Clark County Treasurer, which acts as RTC’s banker, and to hold and invest uncommitted funds as part of the Treasurer’s Investment Pool.

**UPDATED BUSINESS RELATIONSHIP**

Given the evolution of both RTC and Clark County’s financial management practices and accounting systems, and given increasing accounting reporting and transparency requirements between RTC and beneficiary programs (ex. Department of Retirement Systems), it has become evident that RTC may be best served by updating banking and financial management services relationship with the Clark County Treasurer. This will ensure ongoing accountability and control of RTC funds in accordance with best practices.

As designated in the RTC Bylaws, and affirmed annually by the Board of Directors, the RTC Executive Director serves as the Treasurer to RTC. The RTC Treasurer will therefore be designated as the RTC official responsible for overseeing fund management and control on behalf of RTC and in conjunction with the Clark County Treasurer. The RTC Treasurer may delegate to RTC staff the daily responsibility of account monitoring and reporting in accordance with best accounting and internal control practices.

The proposed Memorandum of Understanding between the RTC and the Clark County Treasurer establishes a business processes and fund accounts in a manner which promotes accountability and efficiency in the ongoing business relationship.

In establishing any new business relationships, all precedent agreements and funds established with the Clark County Treasurer will be migrated to the new system. Those existing commitments include: RTC's participation in the Clark County Investment Pool; designation of a separate Trust Account; and designation of a Petty Cash and Working Capital accounts. Migration of maintenance of these accounts, into a new fund arrangement, may occur in conjunction with approval of the MOU and RTC fund establishment.

### **NEXT STEPS**

It is proposed that RTC and Clark County Treasurer staff continue to collaborate in good faith on the processes, procedures and training towards the establishment and continuation of RTC/Treasurer banking relationships and until this Memorandum of Understanding is authorized.

Attachment: Memorandum of Understanding Concerning Clark County Treasurer and Southwest Washington Regional Transportation Council (RTC).

## **MEMORANDUM of UNDERSTANDING**

### **CONCERNING CLARK COUNTY TREASURER AND SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION COUNCIL (RTC)**

#### **PURPOSE**

This MEMORANDUM OF UNDERSTANDING is entered into between the OFFICE OF THE CLARK COUNTY TREASURER (the “Treasurer”) and the SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION COUNCIL (“RTC”) to clearly delineate each entity’s responsibilities relating to finance and banking services.

#### **FORMAT OF THIS MEMEORANDUM**

The following are areas where the Treasurer has responsibility to RTC. The Treasurer carries out its responsibilities efficiently and effectively when both parties work together. Each area listed below has a short explanation and description of the services to be rendered.

#### **GENERAL BANKING SERVICES**

##### *Bank Accounts*

If authorized in writing by the RTC Executive Director, the Treasurer’s will set-up and maintain bank account(s) required to provide the services described in this agreement. RTC is responsible for determining the authorized account signer(s). The RTC Executive Director must submit account signer information, including any changes to signers, in writing to the Treasurer’s Office for final approval. RTC is responsible for ensuring that appropriate internal controls are in place to properly manage, monitor, and reconcile the accounts. The Treasurer’s does not have liability with respect to the transactional level account activities, such as payroll processing or warrants issued.

##### *Receipt of Monies*

The Treasurer shall receive and hold all monies obtained by RTC on behalf of RTC. This includes deposits remitted directly to the Treasurer’s concentration bank account, as well as deposits made at local banking institutions, or those delivered by courier service. The Treasurer will provide banking supplies, including deposit slips, endorsement stamps, and deposit bags if required. RTC will electronically provide one business day’s advance notice to the Treasurer for upcoming remittance and deposits.

All monies received by the Treasurer’s Office will be receipted to the following dedicated fund(s) as determined by RTC:

- Fund 6645: RTC
  - Sub-fund 6645-1: RTC Trust Account

#### **FUND TRANSFERS**

RTC may authorize the transfer of monies amongst funds. Transfers must be requested by authorized personnel (see Web Portal section) submitting the request to the Treasurer’s Office finance staff through the Web Portal. The transfer request should include appropriate account coding.

At least one business days’ advance notice is required in order for the transfer to be completed in a timely manner. RTC is responsible for ensuring that all fund transfers and resulting expenditures are compliant with state and local laws.

### *Fund Disbursements*

All fund disbursements for RTC will be initiated by authorized RTC personnel and remitted from RTC fund. The Treasurer transmits and settles all electronic payments, including ACH's and wires initiated by the authorized RTC personnel. Warrant redemptions are reconciled and funded by the Treasurer. RTC will provide one business days' advance notice to the Treasurer for all upcoming payments.

If authorized in writing by the RTC Executive Director, the Treasurer will open and maintain a payroll direct deposit clearing account with its banking service provider. The RTC payroll vendor will be responsible for transmitting payroll direct deposits, federal and state tax payments, and other payroll withholdings directly to payee's bank accounts, settling in the RTC/Treasurer payroll direct deposit clearing account. It will be the responsibility of RTC to provide one business days' advance notice of the net direct deposit settlement amount for all payroll activity. The Treasurer will fund the settlement amount to the payroll direct deposit clearing account on the effective payment date. Any associated overdraft charges due to settlements occurring without prior notification will be charged back to RTC accordingly.

### **FINANCIAL REPORTING & the WEB PORTAL**

The Web Portal (Portal) provides districts and agencies quick and easy access to their data and a way to communicate with the Treasurer's Office cash management team. It also allows the RTC to monitor cash and tax disbursements and requests fund transfers. Monthly reports, investment activity, financial statement and tax receivables are also posted to the website.

The Treasurer, through the Portal, will provide RTC with financial information including, but not limited to:

- Clark County Treasurer's Financial Statements report (monthly)
- Fund Portfolio report(s) for detailed investment activity (monthly)
- Fair market value investments report (monthly)

It is RTC's responsibility to notify the Treasurer's Office of authorized personnel who should have access to the Portal and any changes to that listing.

### **INVESTMENT SERVICES**

Any RTC monies not immediately needed for disbursements will be invested to the benefit of RTC to designated RTC funds. The Treasurer and RTC have entered into an Investment Services Agreement that defines the parameters for investment of RTC monies exclusively in the Clark County Local Government Investment Pool. No RTC monies will be placed into investments outside of this pool.

### **SHORT-TERM DEBT**

#### ***Short-Term Financing***

All short-term loans shall be authorized by RTC's Board. These loans must be evidenced by a signed letter/resolution from the appropriate RTC official. These letters/resolutions shall be forwarded to the Treasurer within two business days of such authorization. The Treasurer's Office will service the pay back of these loans based upon authorization of RTC.

The Treasurer shall prepare appropriate accounting entries for all short-term loans made by RTC. Such entries shall affect the cash availability in the applicable funds, as appropriate. Such loans shall bear an interest an interest rate set by the RTC board based on State Auditor guidelines.

The Treasurer's Finance staff shall reconcile such short-term loans in a timely and effective manner and periodically report to RTC the interest expense and balance remaining on such loans.

**AMENDMENTS TO THIS MEMORANDUM OF UNDERSTANDING**

From time to time there may be reasons either party to this Memorandum of Understanding may want to clarify, modify, and/or change the agreements reached within this document. Such areas might include, but are not inclusive of:

- Changes in methods and ability to communicate.
- Changes in Federal and state laws.
- Changes in accounting and reporting requirements.
- Changes in other technologies.

**TERMINATION**

Either party may terminate this Agreement within thirty (30) calendar days written notice.

**REIMBURSEMENT FOR COST OF SERVICES**

RTC will reimburse the Treasurer for the costs associated with providing these services. Costs will be either be recovered through the Clark County's indirect billing model managed by the Clark County Auditor's Office or through direct payment to the Treasurer's Office. Charges for services will be updated annually to include actual costs related to the services provided in this agreement. Updated cost reimbursement information will be provided to RTC. Payments from RTC will be made based on the schedule set by the County Auditor's and/or Treasurer's Offices.

**APPROVAL**

By affixing our signatures below, the parties acknowledge the procedures and agree to abide by them to the best of our abilities. We also acknowledge that there are no punitive damages that can be inflicted for failure to carry out any of the provisions.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019

**Southwest Washington Regional Transportation Council**

**Office of the Clark County Treasurer**

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Approved as to Form Only:

Anthony Golick  
Clark County Prosecuting Attorney's Office

By: \_\_\_\_\_

Approved as to Form Only:

Ted H. Gathe  
RTC General Counsel

By: \_\_\_\_\_

DRAFT