

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.9  
(ID # 25863)

**MEETING DATE:**  
Tuesday, September 17, 2024

**FROM :** AUDITOR CONTROLLER

**SUBJECT:** AUDITOR CONTROLLER: Reimbursement for uncollected funds. All District. [Total Cost - \$668,501, 100% General Fund Contingency]. (4/5 Vote Required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the reimbursement of uncollected fees.
2. Direct the Auditor Controller to make the budget adjustment per Schedule A.

**ACTION:**4/5 Vote Required, Policy

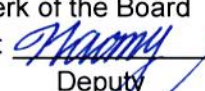
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 8/29/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Perez and Gutierrez  
Nays: None  
Absent: Spiegel  
Date: September 17, 2024  
xc: Auditor Controller

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$668,501	\$	\$668,501	\$
<b>NET COUNTY COST</b>	\$668,501	\$	\$668,501	\$
<b>SOURCE OF FUNDS: General Fund</b>			<b>Budget Adjustment: Yes</b>	
			<b>For Fiscal Year: 23/24</b>	

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

The negative cash balance of \$325,779 in the Payroll Reconciliation Clearing fund, \$38,511 in the Payroll Net Pay Warrant Clearing fund, \$54,214 in the County B Warrant Clearing fund, and \$2,054 Category 5 Electronic Fund Transfer fund are a result of unrecovered amounts owed by various inactive or consolidated departments and agencies, stemming from the RIFMUS data conversion in FY2007-2008. The fund includes multiple adjustments from different trust, clearing and payroll funds, representing a consolidation of numerous departments over several years, which was initiated during the system conversion and the subsequent closeout of these funds.

The \$61,299 negative cash balance in the State Unemployment Insurance fund stems from the 2021 MOU requiring prepayment into the State Disability Insurance (SDI) fund for SEIU and LIUNA union members. The employer prepaid the tax to the Employee Development Department for newly enrolled employees, but some failed to reimburse their share despite multiple collection attempts. This deficit reflects the unpaid amounts still owed by employees.

The \$186,644 negative cash balance in the Auditor-Forged Warrant fund is due to unreimbursed claims submitted to the bank for funds used to replace forged warrants. These warrants were fraudulently cashed by unauthorized individuals, forcing the Auditor-Controller's Office to issue replacement payments. Despite filing claims with the bank, the office has not succeeded in recovering the stolen funds. All available recovery efforts have been exhausted without success, resulting in the fund's deficit, which reflects the unrecovered amounts from replacing the forged warrants. Per California Government Code 29853.5, counties must replace stolen public assistance warrants as soon as possible to ensure that the needs of the family continue to be met, but no later than five working days from the date that the affidavit has been signed and filed with the county.

**Additional Fiscal Information**

The Auditor Controller requests \$668,501 in contingency funds for the current fiscal to close out the negative cash balances.

*Dolores Reyna*  
Dolores Reyna, Principal Management Analyst 9/5/2024

## SCHEDULE A

**Increase Appropriations:**

10000-1101000000-536200	Contributions to Other Non-County Agency	\$668,501
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**Anticipated Use of Unassigned Fund Balance:**

10000-1101000000-370100	Unassigned Fund Balance	\$668,501
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**Decrease Appropriations:**

10000-1109000000-581000	Appropriations for Contingencies	\$668,501
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**Anticipated Increase in Unassigned Fund Balance:**

10000-1109000000-370100	Unassigned Fund Balance	\$668,501
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