

Special Finance Committee Meeting
ZOOM, March 1, 2022

AGENDA

Call meeting to order:

New Business:

Update to the Registered Warrant Investment Process – See Attached

PDC annual filing reports for the Finance Committee - See Attached

Other Business

Adjourn

EXHIBIT "A"

COUNTY HELD REGISTERED WARRANTS Policy and Procedures

Updated February 2022

Whereas, the Mason County Investment Policy makes provision for investing in registered warrants, it is therefore prudent to set out the following Policy and Procedures:

1. The Treasurer's Office will set a limit on the amount to be registered by each district based on the needs of taxing districts to a maximum of \$500,000.00 annually for all registered warrants. Recognizing that the annual maximum amount may need to be raised or lowered in extenuating circumstances, therefore, such annual maximum may be adjusted by a consensus of the Finance Committee. The Treasurer will notify the Finance Committee via email or other communication when the amount of registered warrants exceeds \$1,000,000.00 at any given time. The Treasurer will report to the Finance Committee at least quarterly the amount of registered warrants held as investments by the county.
2. Registered warrants are to be called at the end of each month, if not sooner. In no case will a registered warrant be held past 30 days. Registered Warrants will be held for 30 days from the date of issuance. The Treasurer has the authority to extend the 30 day redemption requirement only after reviewing such circumstances as laid out in writing by the county department/district and such extension meets the investment objectives of the county investment policy.
3. All districts and county departments may participate – based on individual approval and available registered warrant investment balance.
4. ~~This process doubles the expenditures on their reports (the original warrants to vendors and the warrant written and held by the county treasurer.)~~
5. School districts should consider whether it is feasible to take an advance on their monthly apportionment. School Districts should contact the ESD before registering warrants

Issuing Registered Warrant Process

1. The district or county department issues a signed Letter of Understanding for the Issuance of Registered Warrant and Promissory Note warrant to the county treasurer. Said Letter of Understanding must be signed by the District Board Chair or authorized representative, and the head of the district or department signs a "Letter of Understanding".
2. Verify with the State Pool (LIGP) for the current interest rate and add 2% for the registered interest rate.
3. Write that interest rate on the original warrant and attach it to the Letter of Understanding. Place in vault for safekeeping.

4. Write a treasurer's check payable to the county treasurer; ~~give it to the district/department to~~ **and receipt** deposit back to us on **using** their transmittal form ~~using their~~ **containing** the fund and BARS #391.60, Anticipation Notes/Warrants. This is like an investment check, so in the description box in the checkbook it should say "TDC Registered Warrant Investment". **This is not a remittance.**
5. Create an entry in the investment ledger (i.e.: Registered Warrants).
 - a. Enter in the **Quickbooks Chart of accounts & MUNIS** ~~computer~~ for TDC. There is a separate account number.
 - b. Enter on the front of the cash sheet, as a deposit in "TDC Registered Warrants" line.
 - c. ~~Write~~ **Enter the investment information in the investment calendar in the Registered Warrant Ledger (J Drive – Investment Folder)** ~~the new registered warrant investment on the projected maturity date.~~
 - d. **On the office calendar – at least one day prior to redemption date (28 – 29 days from date of issuance) – note that registered warrant needs to be redeemed on specified date (30 days from issuance).** ~~On the last day of the month or sooner, close all registered warrants.~~

Redeeming Registered Warrant Process

6. Calculate the interest to be paid based on the Bank Method: "The annual interest rate will be computed on a 365/360 basis; this is, by applying the ration of the annual interest rate over a year of 360 days, multiplied by the outstanding warrant amount, multiplied by the actual number of days the registered warrant is outstanding
7. On the "Letter of Understanding" write **"release", the date of payment and "PAID"** and **give a copy** ~~it back~~ to the district or department. **Original should be filed in the "Redeemed Registered Warrants" file, in the Investment file cabinet.**
8. a) For taxing districts **create a miscellaneous receipt and remit the matured registered warrant amount and interest due from the districts appropriate fund.** write a Treasurer's check for the **matured registered warrant amount and interest** ~~create a miscellaneous receipt for the interest only and deposit to the Treasurer's Current Expense Fund – BARS 361-10. (see #11 below "Mature the Investment")~~ and ~~put it~~ **enter** on the cash sheet under "Interest" with the notation of Registered Warrant Interest and the district name. This is a remittance process, but a disbursement on the cash sheet.
 - b) ~~For taxing districts attach interest check to a deposit transmittal (into Treasurer's Current Expense, BARS #361-10) and give to the head cashier.~~
9. ~~B~~ a) For county departments, **using the county payment remittance process, send a remittance request to the Auditor's Office. Upon approval create a miscellaneous receipt and remit the interest due from the appropriate county fund to the Treasurer's Current Expense – BARS 361-10 (this will be a zero receipt).** ~~the Chief Deputy or Finance Accounting Deputy II Banking/Investments will process the interest payment via Miscellaneous Receipts in Terrasean using the Payment Remittance process.~~

b) For county departments, create invoice for interest using J/Registered Warrants/Registered Warrant Interest Invoice. Then create the Payment Remittance form in J/Registered Warrants/Payment Remittance and follow procedure as noted on the payment remittance form. May need to have 48 hour advance notice waived.

11. **Mature the investment:** Create a **separate deposit** (not a miscellaneous receipt) for the original warrant written to
~~us. This will have a stale date of up to 30 days. (It is okay with the St. Examiners that we hold registered warrants in our vault for that length of time).~~
- a. Write **Enter** on the front of the cash sheet for the matured investment.
 - b. Enter on the back of the cash sheet as a deposit.
 - c. Enter in the checkbook
 - d. Mature the investment in **the QuickBooks Chart of Accounts, MUNIS and the Registered Warrant Ledger (J Drive – Investment Folder)**. ~~MUNIS and Quickbooks~~

12. If the registered warrant is redeemed early enter “matured and the date” under the original entry **following the process as listed above.**

13. If a new registered warrant investment is done enter that under the new projected maturity date.

If the district or county department wishes to stay on registered warrants they will need to go through this whole process again. **There is no rollover of this type of investment unless approved by the Treasurer. Call and reissue at a higher amount.**

Approved this _____ day of _____, 2022.

Elisabeth Frazier, Treasurer, Chair

Paddy McGuire, Auditor, Secretary

Kevin Shetty, Commissioner

**LETTER OF UNDERSTANDING
FOR THE ISSUANCE OF REGISTERED WARRANTS
PROMISSORY NOTE**

RW# _____

The _____ (the department/district) and the Mason County Treasurer hereby agree to the terms and conditions of the transaction as set forth in this promissory note and agreement to wit:

WHEREAS, RCW 36.26.010 sets out the duties of the county treasurer with regards to the issuance of warrants by departments and districts for which there are not sufficient funds for payment.

WHEREAS, the Mason County Investment Policy makes provisions for investing in registered warrants. This investment type is secured by a promissory note issued by the department or district and will be held by the Mason County Treasurer in the same fashion as an "INTEREST BEARING WARRANT(S)" as set out in RCW 36.26.010.

THEREFORE, the Mason County Treasurer's Office will extend funds to cover the issuance of warrants for which the herein listed department or district does not have sufficient funds for payment in an amount and in accordance with the terms and conditions as follows:

Registered Warrant Principle	\$ _____
Interest Rate	<u>(State Pool + 2%)</u>
Issue Date	_____
Redemption Date <i>(Not be more than 30 days from date of issuance)</i>	_____
Term (# of days)	30 _____
Interest Calculation: Bank Method	365/360 Basis

The District acknowledges and agrees to conform to the requirement under Washington State law (RCW 36.29.060) that all warrants are called for payment in the order of issuance. **Accordingly, no warrant issued by the district subsequent to the herein described registered warrant shall be called or presented for payment until such time as the call has been made for the payment of the herein described registered warrant.**

The undersigned hereby acknowledge they have read the contents of this agreement and understand the conditions therein imposed and that each will abide by the terms as set forth in this agreement and provide for payment as outlined in this promissory note.

Dated this _____ day of _____, 20__.

Board Chair or Authorized Representative

Approved: _____
Mason County Treasurer

By: _____
Deputy Treasurer

REDEEMED _____
Date /Staff Initials

RESOLUTION # _____
COUNTY HELD REGISTERED WARRANT POLICY & PROCEDURES
AMENDING RESOLUTION #100-16

WHEREAS, Mason County recognizes that it is fiscally responsible to define policy and procedures for the use and approval of Registered Warrants as an approved Investment option as delineated in the Approved Mason County Investment Policy and,

WHEREAS, the Mason County Finance Committee has reviewed, updated and approved the policy and procedures for county held registered warrants as shown in Exhibit "A" on (DATE)

NOW THEREFORE, BE IT RESOLVED that the Board of County Commissioners upon the recommendation of the Mason County Finance Committee hereby approve the updated "County Held Registered Warrants Policy and Procedures" as set out in Exhibit "A".

Approved this _____ day of March, 2022.

Mason County Board of Commissioners

Kevin Shutty, Chair

Randy Neatherlin, Commissioner

Sharon Trask, Commissioner

Attest:

Mckenzie Smith, Clerk of the Board

Approved as to form:

Tim Whitehead, Chief Deputy Prosecuting Attorney



Office of the Treasurer

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Belfair (360) 275-4467 • Elma (360) 482-5269
Elisabeth (Lisa) Frazier, Treasurer

TO: Public Disclosure Commission
711 Capitol Way, Room 206
PO Box 40908
Olympia WA 98504-0908

FROM: Finance Committee
C/O Mason County Treasurer
411 N 5th St, Bldg 1
PO Box 429
Shelton, WA 98584

County of Mason

Email Address: emf@co.mason.wa.us

STATEMENT

I certify under penalty of perjury under the laws of the State of Washington that during the period of January 1, 2021 through December 31, 2021, no public funds under my control were invested in any financial institution in which I held an office, directorship, partnership interest, or ownership interest.

Mason County Treasurer Date:

Signature of Finance Committee Member (Counties)

Signature of Finance Committee Member (Counties)

Signature of Finance Committee Member (Counties)

I certify that during the period of January 1, 2019 through December 31, 2019, public funds for which I am responsible were held in the listed financial institution(s) in which I held an office, directorship, partnership interest, or ownership interest.

Name and Address of Financial Institution(s): _____

Aggregate sum of time and demand deposits on December 31, 2019: _____
Highest balance between January 1, 2019 through December 31, 2019: _____

Mason County Treasurer Date:

Signature of Finance Committee Member (Counties)

Signature of Finance Committee Member (Counties)

Signature of Finance Committee Member (Counties)