

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

February 6, 2024

FROM

SHARON NEVINS, Department of Aging and Adult Services

SUBJECT

Establish Special Purpose Account with Wells Fargo Government and Institutional Banking for Older Americans Act Program Reimbursement Payments

RECOMMENDATION(S)

1. Authorize the Department of Aging and Adult Services to utilize a special purpose account for reimbursement payments to contracted providers in the Title III B, Title III C, and Title III E Programs under the Older Americans Act.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to establish the special purpose bank account for the Department of Aging and Adult Services with Wells Fargo Government and Institutional Banking and make the necessary arrangements for direct deposit of reimbursement payments to contracted providers in the Title III B, Title III C, and Title III E Programs under the Older Americans Act.

(Presenter: Sharon Nevins, Director, 891-3917)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

This item does not require additional Discretionary General Funding (Net County Cost). The special purpose bank account will have an initial balance in an amount not to exceed \$400,000 and will be funded by the Older Americans Act (OAA) Title III B, Title III C, and Title III E funds within the existing Net County Cost included in the current Department of Aging and Adult Services (DAAS) budget. Adequate appropriation and revenue have been included in the DAAS 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

As the designated Area Agency on Aging, DAAS receives funding for a wide range of programs and supportive services with a mission to assist seniors and dependent adults in improving or maintaining choice, independence, and quality of life. The recommended establishment of a special purpose account, with an initial balance not to exceed \$400,000, will allow DAAS to expedite reimbursements using a direct deposit process to contractors providing services under the OAA Title III B, III C, and III E Programs. In accordance with the Auditor-Controller/Treasurer/Tax Collector (ATC) Internal Controls and Cash Manual, approval from the Board of Supervisors is required if the bank account exceeds \$2,500.

Establish Special Purpose Account with Wells Fargo Government and Institutional Banking for Older Americans Act Program Reimbursement Payments
February 6, 2024

The OAA Title III B is a supportive services program which provides a variety of services to address functional limitations, maintain health and independence, and promote access to services intended to help older adults remain independent in their own homes and communities. Currently, there are 10 contractors providing supportive services for San Bernardino County (County) under this program.

The OAA Title III C provides nutrition services with the aim of reducing hunger, food insecurity, and malnutrition; assists with access to nutrition and other disease prevention and health promotion services, promotes socialization, and delays the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior. Services are provided in congregate meal sites located in a variety of settings, which can include senior centers, senior cafes, schools, churches, farmers markets, and other community settings. Currently, there are eight contractors providing nutrition services in the County under this program. However, the largest vendor, Family Services Association, has stated it does not have a payment issue and will continue to be paid through the regular County payment process.

The OAA Title III E the Family Caregiver Support Program (FCSP), provides support where families are the primary providers of long-term care for older and disabled Americans. Caring for elderly or a disabled member of the family can potentially impact the caregiver's mental and physical health. FCSP provides a wide range of services to assist family and informal caregivers in caring for their loved ones at home as long as possible. Services include, but are not limited to, counseling, training to aid in the care of a senior, day care, and respite care. Currently, there are two contractors providing supportive services for the County under this program.

DAAS is requesting the establishment of a special purpose account with Wells Fargo Government and Institutional Banking (Wells Fargo) to implement a direct deposit process to reduce the turnaround time of reimbursement payments to contracted providers under OAA Title III B, III C, and III E programs. The current standard fiscal provisions in the County's contracts for all programs stipulate contractors are to submit invoices for reimbursement by the tenth working day of the month following the month services are provided and indicates the County's normal processing time for payment is approximately 60 days after receipt of invoice. This can result in delay of reimbursement of funds for up to a possible maximum 100 days from the date services first are rendered in any given month, thereby creating financial hardship for contractors due to cash flow shortage needed for successful daily operation. This has prevented vendors from spending additional funding as the vendors do not have the cash reserves to advance funding for multiple months.

Upon consultation with ATC and the Purchasing Department, it was determined a special purpose account with Wells Fargo was the best option to ensure timely and efficient reimbursement payments to OAA Title III B, III C and III E providers. Upon approval of this item, DAAS's Office of Aging, which manages all of its OAA programs, through ATC, will establish a special purpose account with Wells Fargo. DAAS will be responsible to manage and reconcile the special purpose account. DAAS will follow and adhere to the bank account guidelines outlined in the ATC Internal Controls and Cash Manual. Once vendor payments are issued via direct deposit, DAAS's Office of Aging will replenish the account using an internal County

**Establish Special Purpose Account with Wells Fargo Government and Institutional Banking for Older Americans Act Program Reimbursement Payments
February 6, 2024**

financial payment document through ATC. Itemizing the payments made to the vendors will allow for tracking of the expenses through the County financial reporting system.

As this vulnerable population increases, the provisions for daily, healthy meals and other support services remains critical. DAAS aims to support our contracted providers by shortening the turnaround time of reimbursements and avoid potential insolvency. Control over the account and direct access to payment information will allow DAAS to quickly deliver reimbursements to vendors, and readily research payments when necessary. Eliminating undue hardship increases chances of contractors' success, which in turn increases the County's chance of success in these senior programs.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jacqueline Carey-Wilson, Deputy County Counsel, 387-5455) on January 17, 2024; Auditor-Controller/Treasurer/ Tax Collector (Denise Mejico, Chief Deputy Auditor, 382-3107, and Wendy Sieruga, Banking & Settlement Compliance Manager, 382-3008) on January 19, 2024; Finance (John Hallen, Administrative Analyst, 388-0208) on January 18, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on January 19, 2024.


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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 6, 2024



cc: File – Aging and Adult Services
MA 02/9/2024