

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

September 23, 2025

**FROM**

**MATTHEW ERICKSON, County Chief Financial Officer, Finance and Administration**

**SUBJECT**

Sales and Use Tax Revenue Auditing, Monitoring, Reporting, and Access to Confidential Records

**RECOMMENDATION(S)**

1. Approve a five year **Agreement No. 25-727** with Hinderliter, de Llamas and Associates, for services related to sales and use tax revenue auditing, monitoring, and reporting, for a cost of 35% of revenue recovered by the contractor plus a \$6,000 annual administrative fee, to be adjusted annually, for the period of October 1, 2025 through September 30, 2030.
2. Rescind Resolution No. 2020-204 adopted on November 17, 2020 relating to the access of confidential sales tax records and information on file with the California Department of Tax and Fee Administration.
3. Adopt **Resolution No. 2025-201** relating to access of confidential sales tax records and information on file with California Department of Tax and Fee Administration.  
(Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

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

**FINANCIAL IMPACT**

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). Compensation for this contract will include a 35% contingency fee of misallocated revenues recovered due to Hinderliter, de Llamas and Associates' (Contractor) efforts as a result of audit finding. These audit findings result in the correction of sales and use tax revenue erroneously allocated to other jurisdictions. This fee will be applied to misallocated revenues that are recovered due to the Contractor's efforts. In addition, a \$6,000 annual fixed administrative fee, paid in equal quarterly payments, will be charged by Contractor. This annual administrative fee will be adjusted every year by the percentage change in Consumer Price Index – West Urban (CPI-WU), with a minimum increase of 2%. Adequate appropriation and revenue have been included in the County's Countywide Discretionary Fund 2025-26 Recommended Budget.

**BACKGROUND INFORMATION**

Approval of Recommendation No. 1 will approve a five-year contract with the Contractor to examine, audit, and report on the County's sales and use tax revenues, and to continuously monitor, identify, and correct misallocations of revenues to other jurisdictions. An effective program of sales and use tax management can increase sales and use tax revenues, improve

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identification of sales tax opportunities as they relate to economic development, and provide for more accurate sales tax forecasting.

Approval of Recommendation No. 2 will rescind Resolution No. 2020-204 on file with the California Department of Tax and Fee Administration (CDTFA) relating to access of confidential sales and use tax records and information. Revenue and Taxation Code Section 7056 allows CDTFA to release confidential sales tax information to local agencies, the use of which is limited to specific purposes, when requested by resolution of the agency's legislative body. Upon approval of Recommendation No. 3, a new resolution will be adopted that details the positions in the County Administrative Office, Finance and Administration, Auditor-Controller/Treasurer/Tax Collectors' Office, Assessor-Recorder/County Clerk's Office, and the Economic Development Department that are authorized to receive and view confidential sales tax information; the resolution also includes the Contractor as the County's sales tax consulting firm.

The 2025-26 Recommended Budget includes \$33.3 million in sales and use tax discretionary revenue. Since 1990, the County has retained services for a sales tax consulting firm to enhance the proper reporting, allocation, and collection of sales and use tax revenues. Sales tax revenues can be increased through a system of continuous monitoring, identification and correction of "point of sale" errors.

**PROCUREMENT**

On July 14, 2025, the Finance and Administration department released a Request for Proposals CAO125-CAO4-5962 for services related to sales tax revenue analysis through the County's e-Procurement network. Finance and Administration received one proposal from the Contractor. The proposal was responsive and met the needs of the department.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant County Counsel, 387-5455) on August 25, 2025; County Purchasing Department (Ariel Gill, Supervising Buyer, 387-2070) on August 25, 2025; and County Finance and Administration (Amanda Trussell, Principal Administrative Analyst, 387-5423) on August 25, 2025.

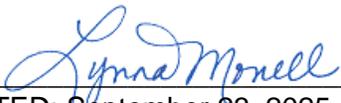
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Record of Action of the Board of Supervisors  
San Bernardino County

**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: September 23, 2025



cc: F&A - Trussell w/agree  
Contractor - c/o F&A w/agree  
File - w/agree  
MBA 09/24/2025