

**CALIFORNIA CITRUS PEST AND DISEASE PREVENTION PROGRAM  
SUBCOMMITTEE MEETING**

Meeting Minutes  
Wednesday, September 11, 2013

**Opening:**

The meeting of the Finance Subcommittee was called to order at 10:30 p.m. on September, 2013 in Fresno, California by Subcommittee Chair James McFarlane.

**CPDPC Members Present:**

Jim Bates	Bob Felts, Jr.	James McFarlane
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**CPDPC Members Absent:**

None

**C DFA Staff:**

Jason Chan*	Victoria Hornbaker	Scosha Wright
Cong Chan*	Debby Tanouye*	

**Guests:**

None

**\* Participated via telephone**

**Opening Comments:**

Chairman, James McFarlane, welcomed the Committee and staff participating in person and online.

**Public Comment:**

There were no public comments.

**REVIEW REVISED FINANCIAL DISPLAYS 2012/2013**

**a. Funding Sources (Level 1)**

Jason Chan discussed the revisions made to the Funding Sources Display by Jim Bates, Cong Chan, and by himself. The display was made more consistent and easier to follow and read. The changes are summarized:

- The reporting fiscal year was added under the title.
- All amounts shown in the report are adjusted to the reporting fiscal year regardless of agreement year (not all agreements run 10/1 – 9/30).

- Excess funds cannot be from federal agreements and cannot be transferred to next year's agreement. Though a beginning balance may be displayed, it is carrying over funds from the prior reporting fiscal year and not from the prior agreement year. Agreement terms are displayed at the end of each objective.
- Some agreements overlap with multiple reporting years.
- Renamed and split 'Adjustments (in or out)' under 'Revenues and Transfers'. A row for transfer out was added.
- These transactions are made clear when revenues + transfers in and transfers out are split. For example:
  - Under CHRP (Federal Contract) in the original FCS:
    - The adjustments of \$(324,250) can be split into the following.
      - The addition (transfer in) of \$490,000 from Enhanced Trapping (FY13 Farm Bill)
      - The reduction (transfer out) of \$(814,250) represents the 7.8% reduction of the \$10,439,109 caused by sequestration.
- Removed cents, all amounts are now rounded to the nearest dollar.
- Moved the objectives portion at the bottom to a separate sheet. This allowed for increased font size.
- Added the following rows to Assessment funds to improve clarity of expenditures versus budget versus revenue.
  - 'Allowable Expenditures (budget amount) – represents budgeted amount.
  - 'Budget Balance' – represents balance based on actual expenditures and budget.
- Added references for each funding source to tie specifically to their respective level 2. (i.e. Schedule A-F)
- For Assessments under '2012-13,' all numbers are now changed to actual.
- Projected 13/14 budget is now in agreement with the projected expenditures for 13/14 in cell L17.

The subcommittee was pleased with the revisions, but was concerned about accuracy and timeliness of the numbers. Victoria discussed the lag time for expenditures to show up on the MARS report. Jim asked if it would be practical for the program to accumulate the invoices. Debby and Jason reported that some items are direct charges to the Program, such as personnel, postage, communications, to name a few. Victoria did mention that many programs are keeping either paper or electronic copies of everything as backup in the case of an audit. Jason said that they keep both paper and electronic copies. The Program will work on maintaining copies of all invoices.

### **b. Budget Displays (Level 2)**

The level 2 displays for the Assessment budget, CHRP Budget, Citrus Commodity Survey, TASC Grant and all other funding sources were presented and discussed. Several changes were made to the version that was emailed to the subcommittee that included:

- Shifted the total budget to the left-hand side (preference).
- Removed 'Unallocated.' The previously unallocated amount now shows up as the

balance between total YTD allowable expenditures and total budget allowable expenditures).

- Added the same rows as 2a and 2b from above.
- Labeled each as Schedule A-F.

Level 2 displays provide more detail than the level 1 display, they provide a similar level of information that was displayed on the old budget forms, but they are easier to follow. Level 3 displays will have even more information, for example, the ACP Urban Treatment will have a level 3 budget that is updated monthly and rolls into the level 2 Assessment Budget.

The subcommittee discussed the appropriate accounting format for the Committee, currently CDFA uses a cash accounting procedure, only debiting expenditures after they are invoiced. Most businesses use an accrual process, applying charges prior to invoicing and reconciling them when invoices are received. Debby suggested that the Program can keep two spreadsheets to aid in accurately tracking expenses. It would be a modified accrual system. Items will be tracked as accruals, with the understanding that adjustments may have to be made, for example, if an employee gets a merit salary increase, there will be a delay in the increase taking effect and the employee may receive a supplemental check that would need to be adjusted to a previous period of time. The subcommittee was ok with this as long as the adjustments are tracked and explained to the Committee.

## **REVIEW REVISED 2013/2014 PROJECTIONS**

Victoria expressed concern about the 2013/2014 projected Assessment and CHRP budgets and asked for input from the subcommittee. The subcommittee was hesitant to provide too much input as they felt that the full Committee should make recommendations about the new budget. They suggested scheduling a meeting with the Executive subcommittee and the Chairs of the Outreach and Operations subcommittees and have them review the projections.

## **OTHER BUSINESS**

Nothing to report.

The meeting was adjourned at 12:00pm. The next meeting will be set at a later date.