

Revenue Recording Payments to ORS — **5.3.**

PURPOSE

To provide best practices for recording the collection of revenue payments made to the Office of Retirement Services (ORS) for deposit into the Plan assets for the Federated City Employees Retirement Plan and the Police & Fire Department Retirement Plan.

AUTHORITIES

26 U.S.C. § 401(a) – Tax Qualified Status of Retirement Plans

Requirements for qualification. A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this section—

(1) if contributions are made to the trust by such employer, or employees, or both. . . for the purpose of distributing to such employees or their beneficiaries the corpus and income of the fund accumulated by the trust in accordance with such plan[.]

Cal. Const., Art. XVI § 17(a) – Retirement Boards’ Independent Control over Plan Assets

The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

San Jose Municipal Code Section 2.04.2020A.1 and 2.04.2020A.5

The Director of Finance shall administer and enforce all ordinances and regulations relating to the collection of City taxes. Administer and supervise the risk management function of the City.

POLICY

All payments made to the Federated City Employees Retirement Plan (“Federated Plan”) or the Police & Fire Department Retirement Plan (“P&F Plan”) revenues received by the City ORS must be deposited into the Federated Plan’s or the P&F Plan’s bank account, the City’s bank account(s) and entered into the Citywide Financial Management System (FMS) within three-seven (37) days of receipt.

SCOPE

This policy applies to all City employees working at ORS with the responsibility of receiving and

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processing payments and ensuring those funds are properly recorded in the Federated and P&F Plans and in the Citywide Financial Management System.

PROCEDURES

Funds received by the City ORS must be entered into the Citywide Financial Management System (FMS). This can be recorded by : 1) uploading it directly from interfacing systems or 2) booking it directly into the Financial Management System via the cash collections module, mail batch entry function.

Recording Revenue Booked by Interfacing System

1. Payments received through the mail or in person must be deposited daily (Please refer to City Administrative Policy Manual Section 5.3.3, Collection and Safeguarding of Revenue) in the bank by the collecting Department.
2. After the payments are deposited, they are entered into their relevant systems (i.e. Amanda, Business Tax System, Firehouse, and RevenuePlus) and uploaded into the Citywide Financial Management System.
3. Payments received via lockbox are processed daily. The information for these payments (which can consist of checks and/or credit cards) are recorded in an electronic file and sent to the City's Finance Department for uploading into the appropriate billing systems and into FMS.
4. The collecting Department must prepare a revenue voucher for each deposit listing the items, receipt or reference numbers, invoice numbers, visible codes (FMS accounting codes), and the amounts. The total amount of the voucher must match the total amount deposited.
5. Two copies of the revenue voucher must be printed and attached to the backup documentation.
6. The revenue voucher must be signed by the preparer of the voucher and signed by their supervisor.
7. One copy of the revenue voucher must be provided to the Finance Department Accounting Division to assist with reconciliation.

Recording Payments Revenue Directly into FMS

1. If a payment is made to the City and the Department Because ORS does not have a corresponding billing system to record the payments, the payment must be posted directly into FMS.

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2. ~~The collecting Department~~ORS must enter the payment into FMS through the cash collections module using the mail batch entry function.
3. After entry is complete, the batch preparer must print out the Cash Out Edit List and bundle it with the backup information. Upon completion of the batch review, the supervisor then logs into FMS and approves the batch. The Cash Out Approval Register will then be generated by FMS and must be attached to the batch, signed off by both the batch preparer and the supervisor.~~After entry is complete, the batch preparer must print two copies each of the Cash Out Approval Register and Cash Out Approval Summary. These reports must be bundled with the backup information. The batch must be signed by the preparer and reviewed and approved by their supervisor.~~

~~The check payments are then delivered to the Cashier's office at City Hall for deposit. The Cashier will send a confirmation of the deposit to ORS Accounting.~~

~~The batch must be signed by the preparer and reviewed and approved by their supervisor.~~

~~One copy of the Cash Out Approval Register and Cash Out Approval Summary~~The signed copy of the batch, along with the deposit confirmation, must be provided to the Finance Department Accounting Division to assist with reconciliation.~~This is all done via FMS.~~

~~The checks are then delivered to the Cashier's office at City Hall for deposit. with~~

~~5.1. The Cashier will send a confirmation of the deposit to ORS Accounting~~

- 5. In addition, a person may choose to pay via cash or credit card in person at the Cashier's Office at City Hall. If it is not in person, they can pay via ACH or wire. When the payment is made directly to the Cashier, the Cashier is responsible for recording the payment to FMS. ORS can either provide the account to record it in FMS or the Cashier can use their own account. In the latter instance, ORS must reclassify it to the correct account once the Cashier's Office notifies them of the payment. If a payment is made via ACH or wire, the payee must inform ORS of the payment so that ORS can follow up with Finance Treasury to ensure it is recorded in the proper account.~~n instances when~~