



Yolo County Housing

Lisa A. Baker, Executive Director

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DATE: July 14, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
Mark Stern, Finance Director
SUBJECT: **Review and Approve Proposed Increased Authorized Limits for ACH Payments to \$1,000,000.**

RECOMMENDATION:

Staff recommends that the Board approve increased limits for the Executive Director and Finance Director to authorize ACH payments to landlords.

BACKGROUND/DISCUSSION:

The Finance Director and Executive Director are currently authorized to approve ACH payments to landlords of up to an aggregate total of \$500,000. Since ACH landlord payments were instituted in May of 2009, participation has increased from 93 landlords and \$115,000 rent to 157 landlord rent payments totaling \$250,000. Now that the Landlord Access portal is open and YCH is requiring payment to be made via ACH effective in September, the authorized limit for ACH payments needs to be increased to a sufficient amount to cover our full monthly HCV voucher cost of over \$825,000 and 560 landlords. With the addition of 240 vouchers for Anderson Place, staff anticipates voucher cost will approach \$1,000,000 and asks the Board to approve the increased authorization limit.

The system contains checks and balances to protect YCH funds. New landlord paperwork is prepared and approved by HCV and submitted to Finance. The Finance Specialist II enters the landlords into the system and prepares monthly the ACH payment file but cannot authorize the transactions to be posted by First Northern Bank. The Finance Director authorizes the bank to post the transactions. The Executive Director is back up in the event the Finance Director is away from the office and unable to authorize the transactions. The Senior Accountant is authorized to approve up to \$250,000 only.

FISCAL IMPACT:

YCH currently mails over 400 landlord checks and 150 voucher stubs monthly at a cost of \$242. With the conversion to full ACH, we should realize a savings of over \$2,900 in postage alone and several hundred dollars of paper cost.

CONCLUSION:

Converting to full ACH will be more convenient for our landlords and reduce YCH costs. To complete this project, staff requests approval of the proposed authorization limit increase.