



COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450

FAX: 707-445-7608

TOLL FREE: 877-448-6829

EMAIL: taxinfo@co.humboldt.ca.us

The Honorable Christopher Wilson
Humboldt County Superior Court
825 Fifth Street
Eureka, CA 95501

July 7, 2010

Dear Judge Wilson,

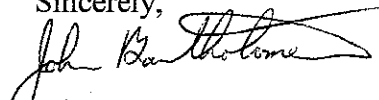
Per the Grand Jury request dated June 24, 2010, the following is my response to Recommendation 5:

As County Treasurer I look forward to a policy addressing aging of 'Accounts Receivable' in keeping with generally accepted accounting practices, and will abide by that policy as directed and as adopted by the County.

The failure to recover grant claims reduces the amount of interest generated by the County portfolio. As mentioned in the report, this "negative interest" currently results in a very real 'time value of money' loss to the General Fund. Current procedure is to charge negative interest to the General Fund with this office keeping track of which funds generated that negative interest and in what amount. An alternative is to post negative interest against the perpetrating fund, thereby increasing its negative balance. This would place the negative interest repayment burden onto the offending fund and those responsible.

My belief is that current procedure exacerbates the problem by passing on the financial pain to the General Fund, and not the responsible party to which it belongs. In addition, current procedure makes for convoluted accounting, compared to the straight forward alternative suggested above.

Sincerely,


John Bartholomew
Treasurer-Tax Collector

cc: Board of Supervisors
Grand Jury