

**SECOND AMENDMENT TO
MEMORANDUM OF UNDERSTANDING FOR THE
PROVISION OF SERVICES BY THE COUNTY TO THE COURT**

THIS SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is made and entered into by and between the County of Orange ("County") and the Superior Court of California, County of Orange ("Court") as of as of _____, 2014.

WHEREAS, County and Court entered into a Memorandum of Understanding dated, June 25, 2013 (the "MOU"), by which the County agreed to provide certain services to the Court; and

WHEREAS, the COUNTY and the COURT desire to amend the MOU to provide for the payment of CAPS+ Upgrades by the Court to the County as provided herein in Attachment A – Auditor Controller (Amended).

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. Attachment A, of the MOU entitled "Auditor Controller," is hereby deleted and replaced with Attachment A "Auditor Controller (Amended)," which is attached and incorporated by this reference into this Amendment.
2. Except as modified in this document and in prior amendments, all other terms and conditions of the MOU shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to MOU as of the date written above.

Superior Court of California, County of
Orange

County of Orange

ALAN CARLSON
Chief Executive Officer

MICHAEL B. GIANCOLA
County Executive Officer

Date

Date

AUDITOR-CONTROLLER (AMENDED)

I. SCOPE OF SERVICES

The services described below are intended to be the same type of services as provided to Court prior to January 1, 1998 and amended to reflect the Court's requested services for FY 2013-14. Additional services are not included and will be charged to Court in accordance with the provisions in Section VI of the MOU.

1. Payroll

- a. Process routine payroll payments and data reports in the same manner as for County departments and agencies, with the exception of employee reimbursements for out of pocket expenses and educational reimbursements, which shall be processed by the Court.
- b. Maintain payroll records in the same manner as for County departments and as required complying with applicable laws.
- c. Act as agent for the Court, including the Court's payroll reporting, payroll tax deposits and reports, and year-end W-2 forms as part of the normal reporting for such items for the County.
- d. All other reports, payroll runs (including separate unemployment insurance reports) or other items not specifically mentioned above will be considered extra work and costs will be calculated in accordance with Section VI of the MOU.
- e. Payroll activity shall be charged to the fund, agency, and account coding associated with each Court employee as provided by the Court and in accordance with the existing capabilities of the County's payroll and timekeeping systems. The Court agrees to maintain adequate cash on hand in such fund to allow for the smooth and automated processing of Court payroll charges.
- f. The County shall not be required to make custom modifications to its current or future payroll or timekeeping systems to accommodate specific Court needs. The County shall only make any minor changes or alterations to its systems based on the County's ability and willingness to do so from time to time.

2. Claims and Disbursing

Beginning July 1, 2008, the Superior Court of Orange County does not submit and the Auditor-Controller does not process, any vendor payments, employee reimbursements, travel advances, or revolving fund reimbursements on behalf of the Court, except for items specifically requested by the Court on an exception basis and paid as a convenience to the Court.

3. Check Writing

The Superior Court of Orange County shall continue to maintain and operate trust funds in the County's financial accounting system; therefore, the Auditor-Controller Check Writing Unit shall continue to provide trust fund payment services. It is understood by all parties that trust fund payment processing services are for the purpose of inputting or processing trust fund payment requests and do not include

Attachment A: Auditor-Controller (Amended)

payment auditing services. Trust fund payments shall be processed by the Auditor-Controller based upon appropriate signature or electronic approvals provided by the Court. Auditor-Controller will recover direct costs of postage associated with mailings for the Court.

Check Writing shall continue to reissue lost or damaged County issued checks and stale dated County issued checks in the same manner as for all County departments as long as the Court maintains a fund on the County's financial system from which such checks can be reissued. If, at a future date the Court no longer maintains an accounting fund from which checks can be reissued, the County and the Court will mutually determine how County issued checks can be reissued by the Court.

4. General Accounting

Includes services provided by General Ledger Unit. Maintain accounting records for Court expenditures, encumbrances, revenues, and balance sheet accounts through the accounting system for Fund V110 and trust related funds. Input and approve transactions affecting Court financial records to the accounting system through this unit. Compliance in timely issuance of 1099-INT Forms for reportable interest payments from Court Trust Funds on behalf of the Court. Any additional reports or system modifications required by Court over and above current levels will be charged to Court at incremental cost including system and labor costs in accordance with Section VI of the MOU.

5. Cost, Revenue, and Budget

If requested, prepare cost studies and maintain, reconcile, schedule, and distribute reports from the central cost accounting systems. Provide other cost information and assistance as requested.

6. Countywide Accounting and Personnel System (CAPS_±) Administration and Systems

County shall provide all CAPS_± related services and access levels to Financial Systems and Human Resources Systems to the Court including, but not limited to the following:

- CAPS+ home page access
- CAPS+ Finance, CAPS+ HR/Payroll Systems as detailed on Court Users' approved CAPS+ Access Request Forms
- CAPS+ CLC-Finance, CAPS+ CLC - HR/PR
- CAPS+ Financial and CAPS+ Personnel Data Warehouse access
- ERMI access
- Master Agreement/Purchasing Internet page
- TSO (telephone service order) access
- Online Bidding – Court shall continue to have the ability to access historical records, documents, bids, etc., originally created and processed on the County Online bidding system

Attachment A: Auditor-Controller (Amended)

Court will continue to use the Extended Purchasing System to review and access historical purchase order contract data in a manner consistent with the County's decentralized purchasing program.

The CAPS cost pool is divided between financial system costs (CAPS Program Management FS) and human resources system costs (CAPS Program Management HR). Financial systems' costs are allocated based on the total combined financial system transactions. Human Resources systems' costs are allocated based upon direct hours paid by the departments. In FY 2013-14, the County will recover from the Court the remaining depreciation expense for the CAPS+ Finance Upgrade (years 3 - 5) and the CAPS+ HR System Upgrade (years 2 – 6).

The CAPS related costs include:

- **System Development CAPS+ Upgrade** - the development and implementation of upgrades and enhancements to the financial and human resource accounting systems.
- **Systems Operations** - oversees CAPS and maintains the CAPS accounting system. Responsibilities include scheduling programs and distributing reports. This area also reviews system requests and various other tasks related to CAPS.
- **CAPS Program Management** - provides oversight of CAPS by carrying out steering committee policy and by providing administrative support in the areas of: systems operations, security, short and long-range planning, resource management and CAPS budget preparation.

II. COST OF SERVICES

The estimated annual cost of each service identified is as follows:

Attachment A: Auditor-Controller (Amended)

<u>Description</u>	<u>TOTAL</u>
Payroll	\$69,752
Claims & Disbursement	\$524
Check Writing	\$22,785
General Ledger	\$63,541
CAPS Administration & Systems	\$934,324
<u>CAPS+ Finance System Upgrade Costs of Remaining Depreciation</u>	<u>796,640</u>
<u>CAPS+ HR System Upgrade Costs of Remaining Depreciation</u>	<u>1,441,573</u>
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TOTAL	<u><u>\$3,329,139</u></u>

Except for the amounts for CAPS+ Finance System Upgrade Costs – Remaining Depreciation and CAPS+ HR System Upgrade Costs – Remaining Depreciation, these amounts are estimates only and the actual ~~—All~~ costs billed will be based on the FY 2012-13 CWCAP (Countywide Cost Allocation Plan approved by the State) using FY 2010-11 costs. ~~—except for CAPS+ Finance System and HR System Upgrade – Remaining Depreciation costs which will be included with the June 2013 invoice.~~ The amounts for CAPS+ Finance System Upgrade Costs – Remaining Depreciation and CAPS+ HR System Upgrade Costs – Remaining Depreciation are the final payments for any costs associated with these past upgrades. In the event the contract is terminated, the County will compute a final adjustment within a year from which services are last received from the County. The adjustment is needed to reflect the actual costs of services provided since the cost plan costs are two years in arrears. This adjustment will be invoiced or refunded to the Court as applicable. If an audit or review identifies that a transaction in FY 2012-13, would result in an adjustment to the Court, then the adjustment should be provided to the Court regardless of the number of days after which the services were received from the County.

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III. PAYMENT PROCESS

Payment for Auditor-Controller services shall be made via invoice method as specified in Section VI of the MOU.