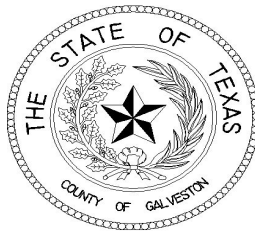


GALVESTON COUNTY



Office of County Auditor

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January 15, 2025

County Judge Mark Henry and Members of Commissioners Court
Galveston, TX 77550

Re: Request to create a "One America Employee/Employer Contributions" bank account

This request is to meet the terms of the One America contract regarding timely funding of the employer and employee contributions for the AUL plan after each biweekly payroll.

The contract requires the County to allow One America to draft a Galveston County bank account for the purposes of transferring the employer and employee AUL contributions to the company. In my opinion, it would be poor internal control to allow One America to draft our primary bank account. Opening a new separate account will permit the County to meet its obligations for depositing the contributions with One America in a timely fashion and allow the county to replenish periodically with new contributions.

The basis for the amount needed to pay the contributions will be the biweekly report submitted to One America by the County and audited by my office. The account will be funded and replenished by a transfer of money from the primary bank account of the County.

The Commissioners Court is permitted to transfer the funds to this new bank account based on Local Government Code 113.004 (d), which states "The commissioners court by order may transfer money on hand from one fund to another as it considers necessary but amounts that belong to the first class of funds may not be transferred from the payment of claims registered in that class unless there is an excess amount in that class."

This transfer of cash from one account to establish another does not require a budget amendment. The bi-weekly amount contributed by the County and the employee is an average of \$425,000; however, with the retirements and changes this first payout will be for \$542,489.14. My recommendation and request is that we fund the account at \$550,000 to allow for a cushion as needed. This amount will be transferred from the primary bank account to this new account set up at the bank and funded every two weeks based on the payroll for that period.

Thank you for your consideration.

Randall Rice CPA

Randall Rice CPA
County Auditor