



# Voting Modernization Board

## Modernizing Voting Equipment in California

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December 6, 2002

**TO:** All County Clerks/Registrars of Voters (02336)

**FROM:** \_\_\_\_\_  
JOHN MOTT-SMITH  
Executive Officer, Voting Modernization Board

**SUBJECT:** REVISED GUIDE AND FORMS

Subsequent to discussions with bond counsel and accounting auditors, the staff of the Voting Modernization Board (VMB) has made several clarifications to the Funding Application and Procedural Guide. The Revised Guide will be considered at the meeting of December 17, 2002.

New Appendices D-1, D-2, and E have been created for use in the funding process. The attached Revised Guide:

- Replaces the Funding Agreement and clarifies the funding award procedure;
- Adds provisions previously set forth in the Funding Agreement;
- Outlines the payment and reporting procedures; and
- Includes certain provisions so as to retain the tax-exempt status of the bonds to be sold pursuant to the Act.

Document revisions are highlighted in gray. The following are some of the key revisions:

1. References to "Agreement" or "Funding Agreement" in all VMB documents and former Appendix D, the Funding Agreement, are deleted.
2. The VMB will issue a funding award pursuant to the Voting Modernization Bond Act of 2002 and issue a Funding Award Letter (Appendix D-1).
3. The Funding Award Letter sets forth the award amount. A Project Completion Date is also established. The funds revert to the VMB on failure to complete project by the Project Completion Date. An extension of this date may be submitted and approved on a showing of good cause.

4. The county loses its funding allocation if it fails to submit the Project Documentation Package by the date specified by the VMB.
5. The county is to return an Acknowledgement of Funding Award (Appendix D-2).
6. Each county receiving a funding award is to submit an annual fiscal and progress report by January 30 of each year, prepared on a standardized report provided by the VMB.
7. The payment process is further outlined. The Payment Request Form (Appendix E) has been revised.
8. Pursuant to discussions with bond counsel, funds are to be used in the following manner:

#### Required Use of Funds

For Paid Invoices (Financed): In the event that the non County matched portion of the purchased voting system is financed, all funds received by the County from the VMB shall be paid within 60 days to the voting system vendor or to the third party that is financing the County's obligation, so as to immediately satisfy all or a portion of that debt obligation.

For Invoices Not Fully Paid (Under Terms, Net 45): In the event that the non County matched portion of the purchased voting system has not been paid (e.g., pursuant to terms, net to be paid within 45 days), all funds received by the County from the VMB shall be paid within 60 days to the voting system vendor. County shall thereafter provide documentation to the VMB of payment to said vendor.

For Paid Invoices (Paid by County): In the event that the County has paid for the voting system from its own funds, all funds received by the County from the VMB shall be transferred within 60 days to the County's general fund or to such other County fund as used to pay for the purchased voting system.

Also attached is a list of VMB Policy Decisions and Instructions issued through County Clerks, Registrar of Voters (CCROV) memoranda. Following each VMB meeting, a CCROV memorandum detailing VMB Policy Decisions and Instructions will be issued and added to this list as necessary.

The Revised Guide, forms, and VMB Decisions and Instructions will be available on the Prop. 41 website at <http://www.ss.ca.gov/elections/vma/home.html>.

If you have any questions, please contact me directly at 916/653-3228 or my assistant, Debbie Parsons, at 916/653-1424.