

Tuscarora Township

4.0 Financial Administration

4.1 Financial Administration

The township adopts the Michigan Department of Treasury's Accounting Procedures Manual and shall comply to the extent possible with both the required policies and the best practices identified in that manual.

The following policies are intended to represent compliance with the Accounting Procedures Manual and Tuscarora Township's administrative structure and procedures. No policy manual can anticipate all possibilities that may be encountered when administering the finances of the township. The following policies establish a framework for adequate controls over the financial administration processes. When questions arise, the township board must refer to this manual and agree to a solution to the question, and add, delete or amend this manual.

4.2 Employee Compensation (passed by the Board of Trustees January 3, 2023)

The Tuscarora Township Board shall require all compensation matters concerning all departments, commissions, committees be approved with motions by the board:

- Establish the need for additional work requiring compensation.
- Create and approve a Job Description for all required work with roles, responsibilities, deliverables, skills, and experience agreed upon.
- Establish the classification for the work (Full time, part time, seasonal, consulting, etc)
- Establish compensation as Hourly, using time cards with \$/hour range or Salary with yearly maximum.
- Shall approve all compensation budgets to assure annual costs, benefit costs (if required by contract), budget centers, and GL accounts are approved by the Board (other than Board compensation), which includes, but not limited to:
 - Meeting Stipends (per diem / per meeting pay)
 - Other officials', appointees, and employee's salary or wages (including deputy pay)
 - Compensation to board members for additional, non-statutory duties
 - Expense or mileage reimbursement
 - Officials' benefits
 - Employees' benefits

The fact that the Board must determine all Township employment compensation is not a new requirement. However, it must be documented and acknowledged by the Board as well as the Public. This policy statement provides full transparency and fiscal responsibility. MCL 41.75, MCL 41.75a, and Michigan Township Association (MTA) best practices can all be referenced to enable this best practice. For reference:

MCL 41.75 Approval and payment of claims against township; filing and preservation of accounts; authorized payments.

In addition to other business matters that may be acted upon at a regular meeting of the township board, the township board shall approve claims against the township and authorize payment of allowed claims. Accounts approved by the township board shall be filed and

preserved by the township clerk. The payments authorized shall be paid by the treasurer, on the order of the township board, signed by the township clerk.

MCL 41.75a Township manager and other employees; employment; duties.

The township board may employ a township manager and other employees as are necessary. They shall serve at the pleasure of the township board and shall perform duties lawfully directed by the township board, except those duties that are delegated by law to another township official, unless consent has been granted.

Budget

4.3 Development

The township shall use the following approaches to develop the budget, as recommended by the Government Finance Officers Association:

- The budget shall be based on expected revenues, including base revenues, any new revenue sources and the potential use of fund balance.
- The results or outcomes that matter most to citizens and those of the township Strategic Plan will be identified, and based on that, the township board shall determine what programs are most important to their constituents.
- The budget allocations shall be made in a fair and objective manner.
- The board shall budget available dollars to the most significant programs and activities to maximize the benefit of the available resources.

4.4 Timetable

The proposed budget shall be developed according to the following schedule:

<u>Date</u>	<u>Activity</u>
April 1st	Department heads, Boards and Commissions submit proposed revenue/ expenditure plans to Supervisor.
April 15th	Supervisor meets with department heads
May Board Meeting	Supervisor presents proposed budget to township board. Board posts on the township web page.
June Board Meeting	Budget public hearing held by township board
Before June 30	General Appropriations Act adopted and posts final budget on the township web page.

If necessary, the Supervisor may call a special meeting Budget Workshop to discuss the budget.

4.5 Methods

The township board shall use the line-item approach when developing the proposed budget. The budget shall be adopted at the revenue by source and expenditures by activity level.

4.6 Format

The proposed and adopted budgets shall:

- Provide financial data on revenues, other resources and expenditures for at least a three-year period, including prior year actual, current year budget and/or estimated current year actual, and proposed budget
- The budget will not be artificially inflated and must show true and accurate projections based on requirements (Zero-based Budget).
- The proposed and adopted budgets shall also include a narrative that:
 - Summarizes the major changes in priorities or service levels from the current year and the factors leading to those changes,
 - Identifies the priorities and key issues for the new budget period,
 - Identifies and summarizes major financial factors and trends affecting the budget, such as economic factors; long-range outlook; significant changes in revenue collections, tax rates or other changes; current and future debt obligations; and significant use of or increase in fund balance or retained earnings.

Use the format at Tab 4B at the end of this chapter.

Budget Adoption

4.7 Adoption

Prior to the beginning of each fiscal year, the township board shall annually adopt a budget using a departmental method of adoption unless otherwise directed in the General Appropriations Act (cost center).

The board shall monitor and amend the budget as needed to approve and control all expenditures.

4.8 Designation of Budget Officer

The Supervisor shall be the township budget officer and shall be responsible for the development and administration of the township budget.

4.9 Transfer Authority within Budget Cost Center

The department shall have the authority to make transfers within a cost center without prior board approval, excluding personnel costs and capital expenditures. Under no circumstances may the total general and all special revenue fund budget be changed without prior board approval. All budget adjustments will be recorded in the budget system/record by the Clerk.

4.10 Budget Monitoring

The township shall use the following approaches to monitor the budget, as recommended by the Government Finance Officers Association:

- The board shall establish measures of annual progress. These measures should spell out the expected results and outcomes and how they will be measured.
- The board shall use periodic financial reporting and performance measures to compare actual versus budgeted results.
- The board shall communicate performance results so that township personnel and the public will be informed of the results in an understandable format.

Fund Balance (enacted 10/3/2017)

4.11 Fund Balance

The township board believes that sound financial management principles require that sufficient funds be retained by the township to provide a stable financial base at all times. In order to do so, the township needs to maintain a fund balance sufficient to fund all cash flows of the township, to provide for financial reserves for unanticipated one-time expenditures, revenue shortfalls, and/or emergency needs.

The purpose of this policy is to identify the size and composition of the township's desired fund balance for governmental funds and to identify certain requirements for classifying fund balance in accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

1. Classifications The following individual components shall constitute the fund balance for all of the township's governmental funds:

Classification		Definition	Examples
Non-spendable		Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	<ul style="list-style-type: none"> • Inventories • Prepaid items • Long-term receivables
Restricted		Fund balance should be reported as restricted when constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.	<ul style="list-style-type: none"> • Restricted by state statute • Unspent bond proceeds • Grants earned but not spent • Taxes dedicated to a specific purpose • Revenues restricted by enabling legislation
Unrestricted	Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. To be classified as "committed," formal action must be taken by the township board prior to the end of that fiscal year.	<ul style="list-style-type: none"> • Amounts the township board sets aside by resolution
	Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. These amounts can be "assigned" by the Clerk.	<ul style="list-style-type: none"> • Township board delegates the authority to assign fund balance to the Clerk • Future roads, non-motorized transportation are examples
	Unassigned	Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.	

Committing Fund Balance - In order to commit fund balance, the township board, as the highest level of decision-making authority, must pass a resolution to commitment funds for a specific purpose. These funds must be fully expended for their committed purpose. To make committed funds uncommitted, a new resolution must be passed by the board. Action must be taken before the last day of the fiscal year to commit funds for that year.

Assigning Fund Balance - In order to assign fund balance, the township board designates the Clerk as the authority to assign fund balance.

2. Levels of Fund Balance the Township will establish and maintain levels of fund balance for the general fund as follows:

The goal of the township board shall be to maintain a minimum unassigned fund balance of no less than 50% of general fund expenditures. For purposes of this calculation, “expenditures” will be the annual budgeted expenditures amount less non-recurring capital expenditures. If unassigned fund balance levels fall below 50% of expenditures, the general fund budget for the following year will be adjusted to restore fund balance to the 50% level.

If unassigned fund balance approaches a level that greatly exceeds 50% of expenditures, the township board will consider using unassigned fund balance for the following purposes: pay down future debt (pensions/bonds), transfer funds to capital projects fund for future capital improvements, and other future obligations of the township.

Fund balance levels will be analyzed each fiscal year after the financial statement audit.

Capital Improvement Planning

4.12 Capital Improvement Plan (CIP)

The Township Supervisor shall be responsible for the development and updating of the township capital improvement plan (CIP), subject to final approval of the township board. The capital improvement plan will be reviewed annually, with such review completed at least two months prior to initiating the development of the proposed township operating budget.

4.13 Scope

The capital improvement plan (CIP) shall address the medium and long-range needs of the township regarding building, lands, major equipment and infrastructure. The capital improvement plan shall prioritize such needs for the next six years beyond the current fiscal year.

A capital improvement is defined as a major project or purchase that is generally not recurring, has long-life expectancy, costs more than \$15,000.00 and generally fits into one of the following categories:

- Acquisition, lease or development of land
- Construction of new buildings and facilities and/or additions, including design, engineering and other pre-construction costs. This includes major building improvements that are not routine expenses and that substantially enhance the value of a structure by adding capacity or square footage.
- Construction or extension of sewer and/or water systems
- Construction or extension of roads or pathways
- Acquisition or replacement of large vehicles or equipment (police car, tractor, backhoe, etc.)
- Renovation of an asset where the renovation cost would exceed \$15,000.00.

4.14 Budget

The capital improvement budget shall constitute those projects scheduled for the first fiscal year of the six-year CIP. The capital improvement budget is enacted as a part of the annual budget adopted by the township board and will be the basis upon which funds are appropriated during the budget year for identified projects.

4.15 Program Forms

One completed Project Request Form shall be submitted for each project being recommended for the CIP.

Departments are to prioritize their proposed projects and complete a Project Request Form for each one. The Project Request Form at TAB 4-A will be used as a tool to select projects for the draft CIP.

4.16 Project Requests/Form

The Parks Commission, department heads and elected officials shall submit any suggested projects to be included in the capital improvement plan to the Township Supervisor, who shall develop a capital improvement plan that includes the following information on each project:

1. Priority of need within the requesting department
2. Justification for priority ranking
3. Estimated year project to commence
4. Estimated year project should be completed
5. Total estimated acquisition or construction cost
6. Proposed method of financing acquisition or construction
7. Annual debt service requirements of the project
8. Estimated annual operating expenses after completion
9. Method of financing operating expenses.

See TAB 4-A.

4.17 Public Hearing

The township board shall hold a public hearing on the capital improvement plan prior to adopting the plan.

The township board may hold additional hearings on the capital improvement plan.

4.18 Adoption

Prior to beginning the development of the proposed township budget for the ensuing fiscal year, the Township Supervisor shall recommend a capital improvement plan for Board approval. All parties involved in the development of the proposed township budget shall address any implications of the capital improvement plan in the proposed budget.

Audit

4.19 Audit

The township board shall contract with a certified public accountant to annually audit the financial systems of the township. The audit contract may be for a period up to five years.

Fiduciary Bonds

4.20 Fiduciary Bonds

The township shall provide a surety bond for all township officials required by law to be bonded.

Note: The Township shall provide a public employee dishonesty (surety) bond for all employees authorized to handle money.

Financial Reports

4.21 Periodic Expenditure and Revenue Report

The Clerk shall prepare monthly a financial report for the board. The report will be current through the last day of the previous month, and shall be presented to the board at its next regular meeting. The financial report for each fund will show the following information for revenues and expenditures:

1. Account number
2. Description
3. Amended budget
4. Current period
5. Year to date
6. Budget balance

4.22 Periodic Balance Sheet Report

The Clerk shall prepare, not less than quarterly, a balance sheet showing the assets, liabilities and equities for each fund.

4.23 Investment Performance Report

The treasurer shall prepare, not less than quarterly, a report of all interest-bearing activities, including the name of the financial institution, type of investment, anticipated yield and date of maturity. (See 4.31-Bank Reconciliations)

4.24 Summary Report of Cash Activity by Fund

The treasurer shall provide the township board with a monthly summary report of cash activity by fund and a summary report of cash activity by bank account, certificate of deposit and investment account.

Internal Controls

4.25 Financial Employee Training

The township shall provide education and training for township officials and other personnel involved in financial administration on accounting procedures, investments, budgeting and fraud prevention as annually approved in the township budget.

4.26 Segregation of Duties

The functions of authorizations, recordkeeping and processing financial transactions shall be segregated where possible.

4.27 Cross Training

Bookkeeping duties shall be periodically shifted between two or more employees (e.g., during vacations, etc.).

Cash Management Policy (Adopted June 14, 2022)

4.28 Cash Management

This policy was developed to set forth the regulations and procedures regarding all cash management activities of Tuscarora Township, including:

- Bank Account Management
- Cash and Check Handling (Receipting)
 - Central
 - Off-site
 - Lockbox
- Cash Accounting and Bank Reconciliations
 - Cash Accounting
 - Bank Reconciliations
- On-line Banking
 - Administration/Authorization
 - Electronic Payments
 - Account Transfers
- Petty Cash
- Compliance with § 200.305

Policies covering the authorization of payments are documented in a separate policies and procedures document.

Note: The terms Cash Accounting Staff and Cashier are used throughout. At this time this refers to the Tuscarora Township Treasurer, Deputy Treasurer, Clerk, Deputy Clerk or Office Assistant.

4.29 Bank Account Management

All bank accounts must be in the name of Tuscarora Township and established using the township EIN. The opening of new bank accounts and appointment of signors must be initiated by the Treasurer and approved by the Clerk. Should a new bank account be required, the requesting department must contact the Treasurer.

Requests to close bank accounts must also be initiated by the Treasurer and approved by the Clerk.

All general-purpose cash of Tuscarora Township is deposited into the general pool. Funds required by an external party (e.g. USDA construction bonds) shall be held in a separate bank account shall be maintained in a segregated pool and are not available for use for general township operations. Any funds not needed immediately for operations are invested in accordance with the township's Investment Policy.

4.30 Cash and Check Handling (Receipting)

Central

- All cash received at the township hall are processed by the cashier or the Treasurer's office.
- All receipts must be processed using BS&A Cash Receipting.
- A receipt must be created for each transaction.
- The Treasurer or the Deputy Treasurer shall review the cashiers' reconciliations and prepare all deposits.
- All cash is to be secured at all times either in a locked drawer, cabinet or safe. Locations that have a cash drawer are to ensure that the cash is never left unattended.

- Checks shall be restrictively endorsed as soon as they are received.
- All cashiers shall balance their cash to the cash receipting system.
- Petty cash drawer shall maintain a minimal amount in order to make change. Petty Cash shall be kept in the Treasurer's office
- The outdoor lockbox is checked daily by office staff and delivered to the cashier or Treasurer for receipting.
- Tax payments are collected at Citizens National Bank and deposited directly into the township's account. Receipts are collected and entered into the cash receipting program by the cashier or Treasurer.
- Boat Launch payments are collected by the Tuscarora Township Police Department and delivered to the township on no less than a weekly basis.
- Vault/safe combinations and key locations shall be changed as soon as possible if a person with access to either no longer works in that location.

4.31 Cash Accounting and Bank Reconciliations

Cash Accounting

The accounting and reconciling of cash activity is performed daily when needed but no less than weekly. The "daily work" has two main categories, 1) Recording of daily transactions 2) Reconciliation of the daily activity and deposits.

Recording of Daily Transactions

- a. All cash coming into the township is receipted into the BS&A cash receipting system.
 - i. Receipts/Bank credits – certain recurring receipts are deposited into the bank by EFT. Cash Accounting Staff identifies and manually inputs the accounting for these items. They identify the accounting treatment based on knowledge of the transactions.
 - ii. Withdrawals/Bank debits – all debits (with the exception of returned items) are supported by documentation which consists either of one of the following: Check/ACH Disbursement Authorization Form, Offline Wire Requests, Inter-pool Transfer Request, Trustee Disbursement Memos, and other support as deemed appropriate. The accounting treatment is indicated on the respective form used for input into BS&A by Cash Accounting staff.
 - iii. Reconciliation of Daily Activity and Pools after all transactions have been verified and entered (step ai).

Cash

Accounting staff must perform the following procedures:

- Confirm that the ending balances in the BS&A software matches the cash received.
- Confirm that all cash deposits prepared and sent to the bank by the Treasurer's office are journalized in the BS&A cash receipting system.
- Confirm that activity within the pools is in balance.

Bank Reconciliations

Monthly, all bank accounts are reconciled between the bank accounts and the cash accounting software. Reconciliations are to be prepared by the Treasurer and reviewed and approved by the Clerk. The Reconciliations are to be completed by the 20th of each month and reviewed and approved by the end of each month. Any unusual differences should be researched and corrected as soon as possible. If these differences arise the bank account shall be reconciled and approved no more than 60 days from the date of the bank statement. Once approved by the Clerk, such report shall be presented to the Township Board.

4.32 On-line Banking

The Treasurer and Clerk shall have access to the online banking systems with banks approved by the Township Investment and Depository Designation Resolution.

Administration

The On-line banking Administrator shall be the Treasurer.

Electronic Payments/Disbursements

All payments made by EFT shall follow Tuscarora Township's ACH and Electronic Transaction Resolution dated November 13, 2018.

All receipts received by Tuscarora Township via EFT shall follow Tuscarora Township's Acceptance of Payments by Financial Transaction Device Resolution dated May 7, 2013.

All disbursements of funds using an electronic transfer shall be conducted by the Clerk's office. All disbursements require supporting documentation detailing the goods or services purchased, the date of the purchase, the departments and activities serviced by the payments, the department head authorizing the purchase or contract authorizing the purchase.

- All electronic funds transfers must be entered through the general ledger with the exception of transfers between pooled accounts for funding purposes.
- All invoices being paid via electronic transfer shall be approved by the normal accounts payable review process.
- The following payments are not processed through accounts payable and do not follow the accounts payable review process:
 - Payroll
 - Federal and State withholdings
 - Investments, including payment of deferred compensation amounts to the appropriate institution
 - Other exceptions as defined by the Clerk.
 - Transfers between cash pool
- No vendors shall be allowed to automatically withdraw funds from township accounts. With the exception of payments made to state or federal agencies, per contract.
- The payment will be entered into the online banking system by one individual and reviewed and approved by another individual.
- Support for the transfer will remain on file at the Clerk's office subject to the document township retention policy.

Account transfers

There are generally three reasons for account transfers 1) purchasing or maturing of investments (bonds, CDs), 2) transfers of cash between pools, 3) transfers from savings accounts to disbursing accounts to cover cash flow needs.

Transfers required for the purchase or maturity of investments are supported by applicable paperwork (trade tickets, copies of CDs, daily polling report for deposits from maturities, etc.) and the printout of the confirmation of the online transfer/wire.

Transfers of cash between accounts are supported by a transfer request to the Treasurer, signed by an authorized person and supported by the printout of the confirmation of the online transfer/wire.

Transfers from savings accounts to disbursing accounts (or vice versa) to cover cash flow needs should be supported by the printout of the confirmation of the online transfer/wire with "Funding Transfer" noted on the support.

Each transfer is entered into the township's accounting system.

4.33 Petty Cash

Petty Cash Funds shall be used for incidental purchases of services and supply items which meet all of the following general criteria:

1. The item is considered essential to the operation of the requesting department.
2. The supply item is not carried in the Stockroom.
3. The item does not require prior written approval of an authority other than the requesting department.
4. The item is allowable under Tuscarora Township's policies.
5. Other forms of payment are not possible.
6. Coffee and food item purchases, if related to training and/or public consumption.

Expenses Disallowed

1. Cash loans to employees.
2. Purchasing items at a reduced rate or resale to employees.
3. Cashing of paychecks, personal checks, government checks, travelers checks or money orders.
4. Expenses such as: gifts, flowers, greeting cards, coffee, parking not related to township business, food items such as snacks, donuts, beverages, and lunches.
5. Travel expense reimbursements.
6. Travel advances.
7. Payment for items that are to be purchased through the purchasing system.
8. Payments to independent contractors, consultants, awards, etc., to non-Tuscarora Township employees. These should be processed through the Accounts payables payment process.
9. Payments to employees for services, awards, bonuses, etc.

When requesting the establishment of a Petty Cash Fund or an increase in an existing Petty Cash Fund, the initiating department must complete a "Request for Petty Cash Fund" form. The initiating department must complete a voucher for the amount requested to establish or increase a Petty Cash Fund. The completed form and voucher must be submitted to the Clerk for payment. Payment and delivery of a petty cash check will be made to the Petty-Cash Custodian. It will be the custodian's responsibility to cash the check, monitor the use of and replenish the cash.

4.34 Security

Petty cash must be kept locked and restricted to the custodian and Cash Accounting staff. Cash boxes with locks for additional security are also recommended.

4.35 Use of Petty Cash

Payments for services and supplies must be supported by an original receipt or invoice.

4.36 Replenishments

Replenishment of petty cash funds must be obtained by means of a voucher. The replenishment vouchers must summarize the Petty Cash Vouchers paid since the last replenishment and include the original receipts or invoices for those transactions.

4.37 Loss of Petty Cash Advances

When a loss or shortage of petty cash is discovered due to theft or other causes, the department head will immediately notify the Clerk, and confirm the notice with a written communication providing details of the loss or shortage, as known.

4.38 Compliance with § 200.305 - Payments

Reference Tuscarora Twp Federal Awards Policy dated 06/07/2022

Depositories

4.39 Bank Accounts

All bank accounts shall be in the name of the township. The use of the township's tax ID number shall be strictly controlled by the treasurer, and it shall not be used to open non-township bank accounts.

Tax collections shall be deposited in a separate bank account in the name of the township.

Bank signature cards shall be kept current and the authorized signers limited to the township clerk, deputy clerk, treasurer and deputy treasurer.

4.40 Authorized Depositories

This policy is applicable to all public funds belonging to the township and in the custody of the township treasurer. The treasurer is authorized to deposit funds in approved financial institutions and administration of investments in conformance with state and federal law and policies as set forth in this resolution.

The township board authorizes the following financial institutions as depositories of township funds: **Citizens National Bank and Awakon Federal Credit Union.**

The treasurer shall recommend financial institutions for approval for the safekeeping of township funds based on an evaluation of the performance and solvency of the institution, as well as past performance in exercising due care and prudence in managing the custody of township funds held in trust, if applicable. The treasurer shall periodically evaluate approved and potential financial depositories and shall make recommendations as to appropriate changes in approved depositories when warranted.

In determining safekeeping and custody qualifications, financial institutions document a minimum capital requirement of at least \$10,000,000 and at least five years of operation. All financial institutions and brokers/dealers shall be pre-qualified by supplying the following:

- Audited financial statements
- Proof of NASD certification, or FDIC or NCUA insurance
- Proof of state registration
- Certification of having read, understood and agreement to comply with the Tuscarora Township investment policy.

The treasurer shall annually examine the financial condition and registrations of qualified financial institutions and brokers/dealers by obtaining annual updates of the information listed above.

4.41 Authority to Make Bank Deposits

The township treasurer is responsible for making all bank deposits. The treasurer may authorize other township personnel to make deposits if the township board has agreed to incorporate that function in the job description for that position.

The following positions are authorized by the treasurer to make bank deposits: Clerk, Treasurer and their deputies; Administrative Assistant and Office Assistant

All deposit, withdraw, or account transfer receipts should be returned to the Treasurer to be used for bank reconciliation purposes.

Investment

4.42 Notice of Investment Policy Depositories

The following financial institutions may be used as depositories of township funds: **Citizens National Bank and Awakon Federal Credit Union.**

Investments

The treasurer may invest township funds in certificates of deposit, savings accounts, deposit accounts or depository receipts of a bank, but only if the bank, savings and loan association, or credit union meeting all criteria as a depository of public funds contained in state law. The standard of prudence to be used shall be the “fiduciary” standard and shall be applied in context of managing an overall portfolio.

The prior approval of the township board shall be required for the treasurer to invest in any other lawful investment instruments. The township board’s standard of prudence shall be the “fiduciary” standard, which shall be applied in context of managing an overall portfolio.

The township board may authorize the treasurer to invest in the following:

(a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

(b) Repurchase agreements consisting of instruments listed in subdivision (a).

(c) Bankers’ acceptances of United States banks.

(d) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

(e) Mutual funds registered under the Investment Company Act of 1940, Title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

(i) The purchase of securities on a when-issued or delayed delivery basis.

(ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

(iii) The limited ability to borrow and pledge a like portion of the portfolio’s assets for temporary or emergency purposes.

(f) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, Public Act 7 of 1967 (Ex Sess), MCL 124.501, et seq.

(g) Investment pools organized under the Surplus Funds Investment Pool Act, Public Act 367 of 1982, MCL 129.111, et seq.

(h) The investment pools organized under the Local Government Investment Pool Act, Public Act 121 of 1985, MCL 129.141, et seq.

Levels of Risk

Decisions and actions involving the township's investment portfolio shall meet the following criteria:

Safety: Safety of principle is the foremost objective of the township's investment practices.

Diversification: The investments shall be diversified by avoiding over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and insured certificates of deposits).

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment: Return of investment is of secondary importance compared to safety and liquidity objectives. Investments shall be selected to obtain a market average rate of return. The core of investments is limited to relatively low-risk securities.

The treasurer may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the township treasurer on a quarterly basis, sufficient documentation and acknowledgment of the investment instruments held on behalf of the township.

The treasurer shall provide on a quarterly basis a written report to the township board concerning the investment of township funds.

Compliance with State and Federal Laws

The township shall comply with all applicable statutes related to public fund investments. Any provisions of this resolution in conflict with applicable statutes is void.

Accounts Receivable

4.43 Accounts Receivable

The Treasurer shall be responsible for processing all accounts receivable.

4.44 Invoice Preparation

The following positions shall be responsible for preparing invoices for revenues due to the township: The Administrative and Office Assistants.

All invoices shall include a remittance advice or invoice to be returned to the township with payment. The remittance advice or invoice shall include the name, amount invoiced, purpose and that payment is to be made to the township and mailed to the township treasurer.

4.45 Posting and Distribution of Accounts Receivable

A copy of all invoices or bills for money owed the township shall be given daily to the Treasurer and Clerk.

The Treasurer will use the invoice copy as verification when payment is received.

The Clerk will use the invoice copy to record the receivables in the general ledger. Invoices are to be reconciled to the general ledger control on a monthly basis.

4.46 Accounting for Accounts Receivable

For all payments received, the Clerk shall credit the receivable. A monthly listing of all amounts invoiced but not yet received shall be prepared and reconciled to the general ledger.

4.47 Accounts Payable

The township clerk/deputy clerk shall be responsible for processing all accounts payable. The clerk may designate other township personnel to process accounts payable if the township board has agreed to incorporate that function in the job description of that position.

4.48 Processing of Bills

Requests for payments to vendors shall be documented in writing by a vendor invoice or, in the few instances where no invoice is forthcoming, by a written request by the department head requesting payment. Except for rare exceptions, only original invoices shall be processed for payments, as statements or copies of invoices may result in duplicate payments. Appropriate documentation (supporting invoices) shall be attached for all disbursements. Original bills, not copies, must be used for documentation.

Employee expense reimbursements shall be documented on an expense voucher prepared by the employee. All invoices, departmental check requests and expense vouchers shall include the following:

1. Vendor name
2. Purpose of payment request
3. Unit price and units delivered (if applicable)
4. Date goods delivered or services rendered
5. The related purchase order (if applicable)
6. General ledger line item to post the expenditure and
7. date that the voucher was authorized for payment

All requests for payments shall be approved by the department to which the expense shall be posted by initialing the document.

All requests for payment shall be submitted to the Clerk at least 6 days prior to the board meeting at which claims will be approved.

The Clerk shall verify the payee, amount, purpose and the disbursing fund of each request. After verification, the clerk shall prepare a warrant, enter it into the general ledger and make a copy for township records.

4.49 Bills Reports

The Clerk shall prepare a bills report to the board showing the fund, vendor name, nature of the expense, invoice number and warrant number (i.e., check number). Any items paid prior to board audit shall be noted on the warrant report or on a separate report.

Invoices and bills supporting the claims report shall be available for board member review in board packets. Board members are responsible for scrutinizing the bills prior to board approval.

4.50 Board Approval required for all bills

All bills shall be approved by the township board prior to payment, with the exception of tax collection disbursements and claims authorized by policy for post-auditing by the township board (See 4.85 for the Post Audit Policy 9/14/21, amended 12/20/21).

4.51 Check Controls

Numerically controlled, pre-numbered checks shall be used. Checks shall not be signed prior to being completely filled out. Cleared checks must be returned to the township or electronically stored.

4.52 Authorized Check Signers

The following officials are the only persons authorized to sign checks:

- Clerk or deputy clerk (to signify board approval)
- Treasurer or deputy treasurer (to make it a check)

A check-signing (stamp, machine or electronic signature) shall be limited to use by the clerk or deputy clerk, and treasurer or deputy treasurer, respectively, and shall be locked or password-protected when not in use.

4.53 Check Processing

Each disbursement shall be signed by the clerk or deputy clerk to document board authorization of that payment and forwarded to the treasurer within the next three business days following the board meeting at which they were approved. If payment is made in compliance with the board-adopted post audit policy, the disbursement shall be forwarded to the treasurer not later than the next business day after the disbursement is signed by the clerk or deputy clerk.

The treasurer or deputy treasurer shall verify that the funds are available, sign the disbursement and distribute it. Checks shall not be returned to the clerk or the originating office for distribution.

4.54 Electronic Payments

Following township board approval or in compliance with the board policy for post-auditing payments, the clerk or deputy clerk shall initiate electronic payments and the Treasurer or deputy treasurer shall review and accomplish.

Electronic payments or ACH agreements are authorized if in compliance with the following policy provisions.

4.55 Electronic Payment (ACH) Definitions

“Automated clearing house” or “ACH” means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.

An “ACH arrangement” means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An “ACH transaction” means an electronic payment, debit or credit transfer processed through an automated clearinghouse.

An “ACH policy” means the procedures and internal controls as determined under this written policy developed and adopted by the township treasurer.

4.56 Authority to Enter into ACH Arrangements and Electronic Transfers of Public Funds

The township treasurer may enter into an ACH arrangement, after receiving Board approval.

4.57 Responsibility for ACH Agreements

The Board is responsible for approval. The clerk typically is responsible for accounting and reporting. Treasurer is responsible for compliance.

The clerk shall submit to the township board documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by each payment of public funds made by electronic transfer. This report may be contained in the township’s electronic general ledger software system or in a separate report to the township board.

4.58 Internal Accounting Controls to Monitor Use of ACH Transactions Made by Township

The following system of internal accounting controls will be used to monitor the use of ACH transactions made by the Township:

The treasurer shall prepare a list of vendors authorized to be paid by ACH transaction and provide that list for Board approval.

The clerk initiates the transaction upon receipt of an invoice included on the authorized ACH list approved by the appropriate township official. ACH invoices must be approved before payment. The clerk signs the ACH invoice, which then acts as the warrant.

The clerk presents the warrant or check, a list of bills for payment, and a separate list of the electronic payments for township board approval. The board approves all transactions prior to disbursement.

Following board approval, the treasurer signs the ACH warrant, initiates the electronic transaction with the vendor and makes the actual transfer of funds.

The treasurer shall retain all ACH transaction documents for audit purposes.

The clerk shall retain all invoices for audit purposes.

A township should use a separate imprest bank account for EFTs. A township may wish to consider using a separate bank account to accomplish ACH electronic transactions, effectively creating a “firewall” between the township’s funds and outsiders. Include in the ACH policy the list of specific types of payments pre-authorized for post-audit by the board.

- Recommend disbursement accounts
- Accounts payable (small dollar, limited individual transactions)
- Accounts payable (larger transactions)
- EFT account
- Payroll account
- Property tax

This policy supersedes ACH resolution of November 13, 2018.

4.59 Credit Card Use Policy (Standardized form to be developed)

The clerk is responsible for issuing, accounting for, monitoring, retrieving and generally overseeing compliance with the township’s credit card policy.

Township credit cards may be used only by an officer or employee of the township for the purchase of goods or services for the official business of the township.

Township officers and employees who use a township credit card shall, as soon as possible, submit a copy of the vendor’s credit card slip to the clerk. All credit card slips shall include this information: name of vendor, goods or services purchased, the date of the transaction, the amount, general ledger line item to charge the expenditure and the business that required the transaction.

An official or employee who is issued a credit card is responsible for its protection and custody. If a credit card is lost or stolen, the clerk shall be notified immediately. The entity issuing the lost or stolen credit card shall be immediately notified to cancel the card.

An officer or employee issued a credit card shall return the credit card to clerk upon termination of his or her employment or service with the township.

The clerk shall maintain a list of all credit cards owned by the township, along with the name of the officer and employee who has been issued the credit card, the credit limit established, the date issued, and the date returned. **Each employee shall initial the list beside his or her name to indicate agreement that the credit card has been issued, and that the employee has received and read a copy of this policy.**

The clerk shall review each credit card statement as soon as possible to ensure that transactions comply with this policy. Any transactions that appear on the statements that are not documented with a credit card slip shall be immediately investigated. Transactions that do not appear to comply with this policy shall be reported to the township board.

The township board shall not approve a payment to the entity issuing the credit card until all transactions have been verified, including the approval of all transaction invoices if issued.

The balance, including interest due on an extension of credit under the credit card arrangement, shall be paid for within not more than 60 days of the initial statement date.

Officers and employees who use a township credit card in a manner contrary to this policy shall be subject to disciplinary action, including possible termination of employment, reimbursement to the township for unauthorized expenditures, legal action or criminal liability.

The use of credit card is limited to the following circumstances:

- purchases of up to \$2500.00 for travel, meals and accommodations while on township business (*excluding expenses incurred in operating a privately owned automobile*)
- gas, oil, and other necessary expenses incurred in operating a township-owned vehicle
- purchases of up to \$1500.00 for goods and services used in the official business of the Township.

Officers and employees who use a township credit card in a manner contrary to this policy shall be subject to the following disciplinary actions, as deemed appropriate by the township board:

- verbal counseling
- written reprimand
- suspension
- termination
- reimbursement to the township for unauthorized expenditures.

Tax Account Disbursements

4.60 Tax Account Disbursements

The township treasurer shall create a separate bank account in the name of the township and shall account for the tax fund separately from other township funds.

Expense Reimbursements

4.61 Expense Reimbursements

The township shall reimburse all officials and employees for necessary expenses incurred in performing their duties. Authorization for any travel or business expense shall be obtained prior to incurring the cost.

4.62 Expense Documentation and Requests

Expenses requested for reimbursement shall be substantiated with actual detailed receipts or other documentation such as a mileage log. All requests for expense reimbursement shall be made by memo or GSA Form 1164, Claim for Reimbursement for Expenditures on Official Business.

4.63 Allowed Expenses

All expenses requested for reimbursement shall be for amounts that a reasonable, prudent person would conclude benefits the township. Personal expenses that are unnecessary in conducting township business, such as entertainment and alcohol consumed, shall not be eligible for reimbursement. Commuting from residence to the township hall or the official or employee's official work location shall not be eligible for reimbursement. Board and commission members shall not receive mileage to attend board meetings that are a statutory duty of their office/position.

4.64 Travel Reimbursement

Travel shall be reimbursed at the IRS mileage rate when the employee uses his or her own vehicle to conduct township business. Commuting from residence to the township hall or the employee's official work station shall not be eligible for reimbursement. Township board and committee members shall not receive mileage to attend board meetings that are a statutory duty of their office.

Meals will only be paid if travel is greater than 50 miles from the township hall. Breakfast expenses will be paid only if travel commences before 6:30 a.m. and dinner will be paid only if travel extends beyond 7 p.m.

Reasonable meals and lodging expenses shall be reimbursed for the area and rates defined by the General Services Administration per diem rate schedule.

Any reimbursement in excess of these amounts shall be approved by the township board prior to incurring the expenses.

Identity Theft Prevention

Social Security Number Privacy Policy

4.65 Social Security Number Privacy Policy

It is the policy of the township to protect the confidentiality of Social Security numbers obtained in the ordinary course of township business from employees, vendors, contractors, customers or others. No person shall knowingly obtain, store, transfer, use, disclose or dispose of a Social Security number that the township obtains or possesses except in accordance with the Michigan Social Security Privacy Act (Public Act 454 of 2004) and this privacy policy.

Social Security numbers shall be collected only where required by federal and state law or as other-wise permitted by federal and state law for legitimate reasons consistent with this privacy policy.

Legitimate reasons for collecting a Social Security number include, but are not limited to:

- Applicants may be required to provide a Social Security number for purposes of a pre-employment background check.
- Copies of Social Security cards may be obtained for purposes of verifying employee eligibility for employment.
- Social Security numbers may be obtained from employees for tax reporting purposes, for new hire reporting or for purposes of enrollment in any township employee benefit plans.

- Social Security numbers may be obtained from creditors or vendors for tax reporting purposes.

4.66 Public Display

The township shall not place more than four sequential digits of a Social Security number on identification cards, badges, time cards, employee rosters, bulletin boards, permits, licenses, or any other materials or documents designed for public display.

Documents, materials or computer screens that display all or more than four sequential digits of a Social Security number shall be kept out of public view at all times.

4.67 Account Numbers

The township shall not use all or more than four sequential digits of a Social Security number as a primary account number for an individual.

4.68 Computer Transmission

The township shall not use or transmit all or more than four sequential digits of a Social Security number on the Internet or on a computer system or network unless the connection is secure or the transmission is encrypted.

4.69 Mailed Documents

Township documents containing all or more than four sequential digits of a Social Security number shall be sent only in cases where state or federal law, rule, regulation, or court order or rule authorizes, permits or requires that a Social Security number appear in the document. Documents containing all or more than four sequential digits of a Social Security number that are sent through the mail shall not reveal the number through the envelope window or otherwise be visible from outside the envelope or package.

4.70 Freedom of Information Act

Where all or more than four sequential digits of a Social Security number are contained within a document subject to release under the Freedom of Information Act, the Social Security number shall be redacted (blacked out) or otherwise rendered unreadable before the document or copy of a document is disclosed.

4.71 Storage

All documents containing Social Security numbers shall be stored in a physically secure manner. Social Security numbers shall not be stored on computers or other electronic devices that are not secured against unauthorized access.

4.72 Access to Social Security Numbers

Only personnel who have legitimate business reasons to know shall have access to records containing Social Security numbers. The department heads having access to records containing Social Security numbers shall determine which other personnel within their departments have a legitimate reason in the township's ordinary course of business to have access to such Social Security numbers. Personnel using records containing Social Security numbers must take appropriate steps to secure such records when not in immediate use.

4.73 Disposal

Documents containing Social Security numbers shall be retained in accordance with the requirements of state and federal laws. At such time as documents containing Social Security numbers may be disposed of, such disposal shall be accomplished in a manner that protects the confidentiality of the Social Security numbers, such as shredding.

4.74 Unauthorized Use or Disclosure of Social Security Numbers

The township shall take reasonable measures to enforce this privacy policy, and to correct and prevent the reoccurrence of any known violations. Any employee who knowingly obtains, uses or discloses Social Security numbers for unlawful purposes or contrary to the requirements of this privacy policy shall be subject to discipline up to and including discharge. Additionally, certain violations of Public Act 454 of 2004, the Michigan Social Security Privacy Act, carry criminal and/or civil sanctions. The township will cooperate with appropriate law enforcement or administrative agencies in the apprehension and prosecution of any person who knowingly obtains, uses or discloses Social Security numbers through the township for unlawful purposes.

Red Flags Rule Policy

4.75 Purpose

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the program in compliance with the Federal Trade Commission's Red Flags Rule (Part 681 of Title 16 of the Code of Federal Regulations) implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.

4.76 Definitions

"Identifying information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including: name, address, telephone number, Social Security number, date of birth, government-issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer's Internet Protocol address, or routing code.

"Identify theft" means fraud committed or attempted using the identifying information of another person without authority.

A "covered account" means:

- An account that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts and savings accounts; and
- Any other account that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation or litigation risks.

A "red flag" means a pattern, practice or specific activity that indicates the possible existence of identity theft.

4.77 Identification of Red Flags

The township identifies the following red flags, in each of the listed categories:

Suspicious Documents

- Identification document or card that appears to be forged, altered or inauthentic
- Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document

- Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged)
- Application for service that appears to have been altered or forged
- Suspicious Personal Identifying Information
- Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates)
- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a credit report)
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address)
- Social Security number presented that is the same as one given by another customer
- An address or phone number presented that is the same as that of another person
- A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law Social Security numbers must not be required)
- A person's identifying information is not consistent with the information that is on file for the customer
- Suspicious Account Activity or Unusual Use of Account
- Change of address for an account followed by a request to change the account holder's name
- Payments stop on an otherwise consistently up-to-date account
- Account used in a way that is not consistent with prior use (example: very high activity)
- Mail sent to the account holder is repeatedly returned as undeliverable
- Notice to the township that a customer is not receiving mail sent by the township
- Notice to the township that an account has unauthorized activity
- Breach in the township's computer system security
- Unauthorized access to or use of customer account information

Alerts from Others

Notice to the township from a customer, identity theft victim, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft

4.78 Detecting Red Flags

New Accounts: In order to detect any of the Red Flags identified above associated with the opening of a new account, township personnel shall take the following steps to obtain and verify the identity of the person opening the account:

- Require certain identifying information, such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification
- Verify the customer's identity (for instance, review a driver's license or other identification card)
- Review documentation showing the existence of a business entity
- Independently contact the customer

- Existing Accounts: In order to detect any of the Red Flags identified above for an existing account, township personnel shall take the following steps to monitor transactions with an account:
- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via e-mail)
- Verify the validity of requests to change billing addresses
- Verify changes in banking information given for billing and payment purposes

4.79 Preventing and Mitigating Identity Theft

In the event township personnel detect any identified Red Flags, such personnel shall take one or more of the following steps to prevent and mitigate identity theft, depending on the degree of risk posed by the Red Flag:

- Continue to monitor an account for evidence of identity theft
- Contact the customer
- Change any passwords or other security devices that permit access to accounts
- Not open a new account
- Close an existing account
- Reopen an account with a new number
- Notify the township manager for determination of the appropriate step(s) to take
- Notify law enforcement
- Determine that no response is warranted under the particular circumstances

4.80 Protect Customer Identifying Information

In order to further prevent the likelihood of identity theft occurring with respect to township accounts, the township shall take the following steps with respect to its internal operating procedures to protect customer identifying information:

- Ensure that its website is secure or provide clear notice that the website is not secure
- Ensure complete and secure destruction of paper documents and computer files containing customer information
- Ensure that office computers are password protected and that computer screens lock after a set period of time
- Keep offices clear of papers containing customer information
- Request only the last four digits of Social Security numbers (if any)
- Ensure computer virus protection is up to date
- Require and keep only the kinds of customer information that are necessary for utility purposes

4.81 Program Updates

This program shall be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the township from identity theft. The (supervisor, superintendent, clerk, manager, other) shall consider the township's experiences with identity theft situation, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the township maintains and changes in the township's business arrangements with other entities. After considering these factors, the (supervisor, superintendent, clerk, manager, other) shall determine whether changes to the program, including the listing of Red Flags, are warranted. If warranted, the (supervisor, superintendent, clerk, manager, other) shall present the township board with his/her recommended changes and the board shall make a determination of whether to accept, modify or reject those changes to the program.

4.82 Program Administration

Responsibility for developing, implementing and updating this program lies with an identity theft committee for the township. The committee is headed by the (supervisor, superintendent, clerk, manager, other), with the (identify positions) comprising the remainder of the committee membership. The (supervisor, superintendent, clerk, manager, other) will be responsible for the program administration, for ensuring appropriate training of township staff on the program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the program.

4.83 Staff Training and Reports

Township personnel responsible for implementing the program shall be trained either by or under the direction of the (supervisor, superintendent, clerk, manager, other) in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. Township personnel shall provide reports to the program administrator on incidents of identity theft, the township's compliance with the program and the effectiveness of the program.

4.84 Specific Program Elements and Confidentiality

For the effectiveness of identity theft prevention programs, the Red Flags Rule envision a degree of confidentiality regarding the township's specific practices relating to identity theft detection, prevention and mitigation. Therefore, under this program, knowledge of such specific practices are to be limited to the identity theft committee and those employees who need to know them for purposes of preventing identity theft. Because this program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the program's general Red Flag detection, implementation and prevention practices are listed in this document.

Expenditure Approval and Post-Audit Policy (approved 12/20/2021)

4.85 Expenditure Approval & Post Audit Policy

The board is required at each regular meeting to audit all claims against the township presented for payment and authorize the payment of all allowed claims. Payments authorized by the township board shall be paid by the treasurer on an order signed by the township clerk. Accounts approved shall be filed and preserved by the township clerk. (MCL 41.75)

Each board member should have the opportunity to review or audit the documentation for any payment prior to voting to approve it. Board members must look for proper authorization for the expenditure, including board votes to authorize the actual expenditure (not simply inclusion of the item in the budget), original bills or purchase orders with purchase officer approval, receipts or logs for reimbursement, receipts for credit card statement items, correct Chart of Accounts numbers, and payee information.

Every payment of any kind (including payroll) leaving the township—with the sole exception of the current-year tax collection disbursement account—must be voted on by the board before being disbursed unless an exception is granted under this policy.

All claims shall be approved by the township board prior to payment, except the following:

- 1) Payroll (election workers, sexton wages, etc.)
- 2) Utility bills (phone, electric, fuel, etc.)
- 3) Invoices with penalties or discounts that would be incurred if payment is not received prior to the board meeting where claims will be approved (identify specifically)

These claims shall be post-audited at the next board meeting following their issuance and the township board must still vote to approve all those payments at the next meeting. No transfers of appropriations for line items related to personnel or capital outlays may be made without prior Board approval by budget amendment.

The Township Supervisor may authorize emergency expenditures not to exceed \$20,000.00 when deemed essential due to the imminent threat to the health, safety and welfare of the township and must notify all Board members within 24 hours of the expenditure and must be post-audited at the next regular meeting.

NOTE: *Monies not budgeted for cannot be spent as mandated in Public Act 621 of 1978.*

Bids and Quotes - Purchasing Policy (approved June 7, 2022)

4.86 Definitions.

As used in this policy:

- "Board" means Board of Trustees or Parks and Recreation Board, and any other Elected/Appointed Board with a Government (local or otherwise) approved budget. .
- "Department" means the established departments within a Board.
- "Department Head" mean the administrative officials of the established departments.

This policy does not apply to expenditures made within the Tuscarora Township Library that has an adopted policy or the Tuscarora Township Police Department, which is subject to the provisions contained within the Tuscarora Township Department Policy and Procedures Manual.

4.87 Purpose

The purpose of this purchasing policy is to provide services, supplies and other materials, including capital outlay items, which offer Township personnel the most effective and efficient means of performing or maintaining Township operations. Except as provided otherwise, this policy shall apply to every expenditure of public funds by Department Heads and Elected Officials within Tuscarora Township, regardless of the source of funds. When the procurement involves the expenditure of federal or state assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal or state laws and regulations. Adherence to this policy will facilitate budgetary control of Township funds in Township departments and budgetary oversight of Elected Officials, achieve closer oversight of and uniformity in the purchasing process, and standardize the bidding process.

4.88 Routine Purchases

1. Under the provisions of this policy, the Township Supervisor and Clerk are designated as the Purchasing Agents. In the Clerk's or Supervisor's absence, the Treasurer is authorized to act as the Purchasing Agent.
2. Every reasonable attempt must be made to ensure that purchases are being made in a manner that ensures that the Township is receiving the best value for the money being expended.
3. Department Heads are authorized to spend up to \$5,000.00 without prior approval of the Supervisor or Clerk, provided that the funds are available pursuant to the approved Department budget. No transfers of appropriations for line items related to personnel or capital outlays may be made without prior Board approval by budget amendment.
4. Purchase orders will be numbered and will be prepared in advance of any purchase greater than \$ 5,000.00.

- a. Department Heads will prepare purchase orders for the Supervisor's or Clerk's approval and signature. This purchase order will facilitate payment of invoices.
 - b. Department Heads may have subordinates make purchases. The employee making the purchase will sign the vendor's sales slip, and the Clerk will verify authorization prior to preparing payment by reviewing the purchase order. If the purchase is less than \$500, the Department Head will also sign the vendor's sales slip as authorization.
5. All purchases of goods or services in an amount higher than \$5,000.00, and all contracts for recurring services, must abide by the bid policy as set forth below.

Exempt acquisitions/purchases, regardless of the cost, include all credit card payments, lease payments (paid based on an executed agreement), payroll checks (including all fringes and taxes), postage, insurance premiums and utility billings (electric, gas, internet, and telephone) and any other payments currently deemed "prepaid"; (see separate Post Audit Policy). Also exempted are reimbursements for out-of-pocket expenses, mileage, and miscellaneous purchases while on Township business, whether by cash or credit card.

4.89 Bids for Goods and Services

It is the Board's intent to purchase the best product or service at the best price. Therefore, the following procedures shall apply to the purchase of those goods and services:

- **Up to \$5,000** - Order from any supplier in the normal course of business.
- **\$5,000.01 to \$25,000** - Written quotes may be obtained from three vendors. Internet quotes are acceptable. All written documentation should be submitted at the time the purchase order is requested.
- **\$25,000.01 and above** - Sealed bidding process applies; see Sealed Bidding Process section below.

Price quotes should include the complete cost, including shipping. If the goods or service is only available from a single source the additional quotes can be waived by writing "Sole Vendor" on the purchase order or voucher. This exception must be documented and provided to the Board prior to ordering the product or performance of the service, at which time the additional quotes may be waived. A single source supplier ("Sole Vendor") is defined as the only practical supplier available due to limitations of geographic location, timeliness of shipping, uniqueness of product (specialized equipment), or ability of supplier to serve the best interest of the Township.

4.90 Sealed Bid Process

Requests for sealed bids with appropriate bid specifications shall be solicited by advertising in a suitable medium for a minimum of one week. For products or services available from a limited number of sources, direct contact with potential bidders may be made by soliciting sealed bids and providing appropriate bid specifications as necessary. Internet quotes (price and terms) may be researched for the purpose of a benchmark. If the price and terms of the formal bids exceed the Internet quote, the Board can accept the Internet quote and reject all bids.

Exceptions to the sealed bidding process are as follows:

Emergency repairs, intergovernmental contracts and reauthorization of contracts that have been previously approved.

Third party competitive bids for materials, supplies and equipment through programs such as the State of Michigan Department of Management and Budget or similar programs. However, at the discretion of the Department Head, Elected Official, other bids may be solicited.

Individual items less than \$25,000 that are grouped together to total more than \$25,000, including capital improvement projects and vehicle or boat purchases which require installation of equipment, will be treated as follows:

The total package shall be advertised and treated as one item and bid as provided above.

When purchasing items which require significant research such as application software, specialized technology, and items requiring on-going service, price alone may not be the determining factor. Meeting with vendors to review product development may limit the number of vendors and thereby restrict the bidding process. Whenever possible, three products/price quotes should be obtained.

Bids received in this category must be opened by at least two individuals, Initialed and logged. As schedules permit, these two individuals should include the interested Department Head or Elected Official. This documentation shall be retained for one year. The Board shall award all bids on items over \$25,000 at a meeting of the Board unless the authority for a specific bid is delegated to a committee or individual.

4.91 Local Supplier Preferences, Lowest and Best Bids

The Board hereby reserves the right to reject any or all bids, or to waive any formality or irregularity in the bid, and to accept the bid that serves the best interests of the Township.

The Board reserves the right to determine what serves its best interest through examination of a variety of factors, including but not limited to:

- The ability, capacity, and skill of the bidder to fulfill the requirements of the bid, including product knowledge and distance from the Township.
- The ability and capacity of the bidder to fulfill the requirements of the bid in the time specified the character, integrity, reputation, and experience of the bidder.
- The quality of service the bidder has previously provided to the Township.
- The previous and existing compliance by the bidder to all laws and ordinances which relate to the requirements of the bid.
- The resources (financial and other) available to the bidder, that will be required in the fulfillment of the bid.
- The ability of the bidder to guarantee, maintain and service the Township after the requirements of the bid is fulfilled, including ready representation of staff. The number and scope of conditions attached to the bid.

Suppliers and vendors whose primary place of business resides within the Township of Tuscarora may be selected over a business residing primarily outside the Township when the above factors are substantially equal and the price bid by the local vendor/supplier is no more than 5% (five percent) over the lowest bidder from outside the Township. It shall be deemed unethical and in violation of this policy to disclose prices or quotes from any vendor prior to the decision to make a purchase to give preference or favored treatment to any vendor or supplier.

For purchases of goods and services under \$5,000, township officials, department heads and employees will first check to see if the goods or services required are available from any source located in Tuscarora Township. Preference will be given to local vendors if cost effective.

For grants, applications and/or study services under \$25,000.00 which does not include goods or construction, Tuscarora Township may use the Northeast Michigan Council of Governments as a sole source.

Employees or Township officials involved in any purchase shall reveal to the Board any potential conflict, such as investment or employment with a vendor or firm, or a family relationship with a vendor or firm.

4.92 Bills

All bills submitted for payment must be signed or initialed by the appropriate Department Head, Elected Official, or authorized designee.

4.93 Accountability

No purchase or aggregate cost of a contract shall be divided for the purpose of circumventing the dollar thresholds contained in this policy.

Any purchase on behalf of the Township that is not in compliance with the policies and procedures stated herein shall be immediately discontinued. Intentional disregard or violations of this policy may result in restrictions imposed on a Department Head's purchasing authority or may result in an appropriate amendment to the budget of the Department or Elected Official.

Federal Awards Policy (enacted June 7, 2022)

4.94 Tuscarora Township Federal Awards Policy

SECTION 1: DEFINITION AND PURPOSE

For the purposes of this policy, a grant is defined as an award of financial assistance in the form of money or property from a funding source such as the federal government, state government, other local governments, non-profit agencies, private businesses, and citizens that the Board of Trustees of the Township of Tuscarora has the authority to accept or reject.

The purpose of the grant procedures outlined in this document is:

To ensure proper oversight of all funds appropriated to the Township.

To minimize the Township's risk of non-compliance with grant requirements.

To ensure proper administration and accounting of all grants.

Assurance of internal compliance controls that meet the Office of Management and Budget's 2 CFR 200 (the "Uniform Guidance") standards for federal grant funding administration.

These rules and procedures, however, are not intended to replace or limit federal or state laws or regulations, or the terms of specific grant agreements.

In the even that conflicting guidance on the administration of Federal awards is available, the Township has deemed guidance from the Office of management and Budget (OMB) to be most authoritative, followed by the guidance from the grantor agency and finally the state and local agencies.

For the purposes of this policy, it's important that definitions of grant management staff be defined as well. Both the Grants Policy, as well as the compliance supplement specifically refers to three categories of employees within a department. Terms listed below are specific to grant award activity, defined in OMB CFR 200.

Program Coordinator refers to federal grant award management staff. This employee or Board member is responsible for coordinating and executing any grant related activities as documented in the federal grant contract.

Prior to Board acceptance, all federal grant awards will require the names of staff persons responsible for the award's management and administration. To achieve this criterion, smaller departments may coordinate assistance from the Township Clerk, and Township Treasurer.

SECTION 2: SCOPE

This policy is applicable to any Township program, department, Elected Official, or division that uses the Township's central accounting system and is part of the same internal control structures as the Township primary government ("Departments").

This policy covers program activities including the preparation and submission of grant applications to agencies outside the Township government for funds, materials, or equipment to be received and administered by the Township or by an agency for which the Township acts as fiscal agent. The goals and objectives of the Township Departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received. If grant policies and regulations conflict with regulations and policies of the Township, the federal and state regulations will prevail unless less restrictive than Township policies-where Township policy prevails.

No grant award will be accepted that would incur management reporting costs greater than the grant amount. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant. Any unapproved submittal by any Township program, department, Elected Official, or division in violation of these grant procedures shall not bind the Township.

SECTION 3: CENTRAL RESPONSIBILITY

For Federal Grant Awards, the Township Board is responsible to ensure compliance with the Federal Office of Budget and Management (OMB) general requirements and any other state and/or federal requirements specified in the grant conditions.

SECTION 4: GRANT APPLICATION PROCEDURES

A township board member or department head desiring to submit a grant application soliciting funds will prepare the request as outlined by the grantor's requirements. A grant application will be reviewed by the Board to make an assessment of all financial aspects of the application to ensure funds availability. The Board member or department head applying for the grant is responsible for developing projections of all initial and ongoing direct and indirect costs associated with the grant program including but not limited to: staff wages and fringes, needed assistance for computer systems, office space, utilities, systems furniture, vehicles, office equipment, office supplies, computer software and hardware, telephone charges and/or allocations of indirect costs

Upon completing its financial assessment, the Board Member or department head shall prepare and submit a letter of *Intent to Apply* to the Board. Any parties interested in applying for grant awards must follow the outlined approval process below:

Grants over \$25,000, federal grants, or any grant requiring cash or in-kind matching funds must be pre-approved by the Township Board of Trustee's.

A Department seeking grants over \$25,000, federal grants or any grant requiring cash or in-kind matching funds must submit a motion to the appropriate committee and the Board of Trustees requesting approval to submit the grant application.

All grant award acceptances must have approval from the appropriate Board committee and the Township Board of Trustees, under the provisions of this policy. This action will involve preparation of a Board of Trustees agenda item for consideration at the next meeting of the appropriate committee and a subsequent Township Board meeting.

If a grant application is denied by the grantor, a copy of the denial letter must be sent to the Clerk for retention of records. Grants requiring a local match must go through the Township

Board. If the Township government intends to give a local match, monies must either (a) be recognized in the budget to pay the match, or (b) be granted through a budget amendment.

SECTION 5: GRANT ACCEPTANCE PROCEDURES

The grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements) will be forwarded to the Township Supervisor, who will review the grant award for reporting requirements, special conditions, and deadlines related to administering the grant.

Upon Supervisor approval, Departments shall prepare Board agenda materials for the Board of Trustees' approval for acceptance and signature of grant contracts. Upon obtaining a copy of the Board action approving a grant, the Clerk's Office will assign a chart of general ledger accounts to the grant and the applicable Department will be notified of the GL accounts. For reimbursable grants, all reimbursement requests should be copied and forwarded to the Treasurer's Office, noting the applicable account code for the receipting of the funds. The initiating Department will notify the Treasurer's Office of such anticipated receipts of revenue for those reimbursements made to the Township.

Departments should notify the Clerk and Treasurer:

- There is a subsequent alteration in the funding configuration
- There is a subsequent alteration in the Township's financial obligation
- Grant award funds may be carried forward into the next fiscal year; official notification and budget amendment to carry forward dollars would be required.
- There is any notification that the grant will be terminated.
- Departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant award period.

SECTION 6: GRANT MONITORING AND REPORTING

Grant Monitoring

Departments are responsible for continual monitoring of the financial status of grant awards.

Departments must prepare, review, and submit any periodic financial status reports and notify the Clerks' Office promptly of any discrepancies noted and/or any additional reports needed. If any "off system" accounting records are maintained, it is the responsibility of the Program Coordinator to ensure that the programs internal records agree to the Township's accounting records.

If grant funds have not been fully expended by fiscal year end, it is the responsibility of the Program Coordinator to notify the Clerk's Office that budget funds need to be carried forward to the new fiscal year, and to confirm the amount of such carry-forwards. Carry-forwards of grant award funds will be made at the maximum allowable amount based on the grant award agreement and/or OMB 2 CFR 200 compliance supplement guidance.

Grant Reporting

The requesting Department generally manages the program activities of a grant award and is therefore responsible for providing financial status reports and other reports to grantor agency and/or pass-through entity. Departments handling grant reporting are responsible for timely compliance with all reporting requirements.

SECTION 7: FINANCIAL MANAGEMENT SYSTEMS:

General Accounting and Financial Management

It is the policy of the Township of Tuscarora (the "Township") to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the Township will be maintained subject to the following provisions:

Policies and Procedures - The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

The Township will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.

The Township will comply with the provisions of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance").

The Township will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.

The Board will contract annually with an independent CPA firm for the purposes of conducting the Township's external financial audit. To the extent that the Township has expended federal awards in excess of \$750,000, the Township will have a single audit performed in accordance with 2 CFR 200.

The Township Clerk's Office shall maintain official policies adopted by the Board.

The Township shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled "Records Retention".

Purchasing and Procurement

It is the policy of the Township of Tuscarora (the "Township") to ensure that all disbursements of Township funds are properly reviewed and authorized, and consistent with sound financial management principles. To meet these objectives, all disbursements of Township funds shall be subject to the following provisions:

Board Policies - The following policies have been separately reviewed and approved by the Board, and are incorporated here by reference:

General Appropriations Act (GAA) - Annually updated and approved with operating budget.

Additional Policies and Procedures - The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

Purchases made with federal funds will be made using one of the five allowable methods specified by the Uniform Guidance. Where such regulations differ from the Township, the more restrictive of the requirements shall apply.

Micro-purchases — Purchases of services and supplies with an aggregate cost of \$5,000 or less (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Bids or quotations are not required, though the Township will attempt to make the purchase in the most economical fashion possible.

Small purchases — Purchases of services or supplies with an aggregate cost of \$150,000 or less. Quotations must be obtained from an adequate number of qualified sources.

Sealed bids — Vendors are invited to bid based on detailed specifications.

Competitive proposals — Vendors are invited to submit a proposal with detailed specifications. Unlike the sealed bid method, competitive proposals typically involve technical or professional services where the qualifications, experience, reputation, and other factors are considered in awarding the contract.

Non-competitive proposals — These purchases must be for an emergency, pre-approved by the grantor agency, or because the item is only available from a single source. This type of procurement should occur infrequently and be clearly documented. Invoices will be received by the Township. The employee responsible for the purchase will submit with the proper account number which will then be reviewed by the Department Head. Once approved by the Department Head, the department representative will submit through the accounts payable department in the Township clerk's office for payment processing. At this time, the expenditure is considered for allowability under grant agreements (see "Allowable Costs/Cost Principles" in the single audit section of this policy).

Appropriate general ledger expense accounts will be noted on the approved invoices by the Department Head.

Travel Policy

When an employee incurs work-related expenses including travel to be reimbursed by the Township, the following requirements apply:

The employee expense report will be submitted to the Department Head for approval. Once approved by the Department Head the expense report will be then submitted to the Township Clerk's Office along with all supporting receipts for processing of payment.

Receipts will be attached to the expense report for all expenses (excluding mileage and meals). If a receipt is not available, a Receipt Exception letter may be prepared and signed by the employee and the employee's supervisor.

An employee will not be reimbursed for any expense that is disallowed by Federal cost principles.

Mileage will be reimbursed by the Township at the current IRS rate per mile.

An employee making a disbursement using personal funds on behalf of the Township may be subject to State sales tax, while payments made by the Township directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the Township. This type of procurement should occur infrequently and be clearly documented.

Additional Policies and Procedures - The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Cash and check collections at the Township departments:

- a. Cash and checks collected by the Township must generate receipts for all amounts received.

Treasurer's Office then compares the deposit slip to the accounting software report and posts the transaction to the appropriate accounts.

Electronic Funds Transfers / Credit Cards are processed, reconciled, and reviewed by the Treasurer's Office.

Wire transfers and ACH/EFT payments received for Federal and State grant funds will be recorded by the Township Treasurer's Office or through general journal entries by the Township Treasurer's Office.

Payroll and Timekeeping

The following provisions apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles.

Additional Policies and Procedures - The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

All employees shall submit a timesheet for each pay period, with the following information:

The total number of hours worked each day

The use of any holiday, personal, vacation, sick, or other approved time off with pay

The total number of hours to be paid, including specific identification of hours worked on a federally-funded project

The dated signature of the employee and the Department Head

Submitted to the Township Clerks Office for payment processing

All time sheets must be reviewed by the Township Clerk's Office. Timesheets for manual timekeeping will be tracked through the Clerk's Office which allows hours by employee to be aggregated at the end of the pay period. The timesheet is reviewed and signed by the Department Head. The timesheet is then provided to the Clerk's Office for processing.

Pay rates are established at the time of hire. The Township Clerk's Office keeps them up to date.

Payroll Registers are reviewed by the Township Treasurer's Office prior to disbursement.

Annual Audit

Every Michigan government must have a financial statement audit completed each year by a certified public accounting firm.

Additional Policies and Procedures - The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

The Township will have a financial statement audit completed annually

An adequate written agreement (the "engagement letter") will be signed by the Township and its independent auditors. It will contain information on: period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies' requirements when applicable (2 CFR 200, GAAS and GAS). A copy of the engagement letter will be provided each year to the Board.

The Township Clerk and Township Treasurer shall be responsible for overseeing the process of preparing for the annual audit. To minimize errors in this process, all audit schedules and work papers should be reviewed by an individual other than the preparer.

To the extent that expenditures of federal awards equal or exceed \$750,000, the Township will also have a single audit completed in accordance 2 CFR 200. Refer to the section of this manual titled "Yearend Closing and Reporting" for information on the schedule of expenditures of federal awards.

The audit will be submitted electronically to the Michigan Department of Treasury on or before the statutory deadline. The electronic submission will be performed by the Township's independent auditors.

If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the Township and its independent auditors.

SECTION 8: OFFICE OF MANAGEMENT AND BUDGET (OMB) COMPLIANCE SUPPLEMENT

OMB Compliance Supplement General Information

Source of Information - Each year the Federal government (Office of Management and Budget) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. Each of the compliance requirements are considered individually in this manual.

The following pages document the policies and procedures of the Township related to compliance with such procedures, as applicable. In each year that the Township is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the Township's independent auditors.

Objectives - The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the Township have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the Township that all Federal awards are subject to the following policies and procedures.

Controls over Compliance - In addition to creating policies and procedures over compliance with provisions of Federal awards, the Township has implemented internal controls over such compliance, generally in the form of administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews are signed/initialed and dated.

Documentation - The Township will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the Township's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

Source of Governing Requirements - The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

OMB Compliance Supplement Activities Allowed/Unallowed and Allowable Costs/Cost Principles

The requirements for allowable costs/cost principles are contained in 2 CFR 200, subpart E, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for the development and submission of indirect (facilities and administration (F&A)) cost rate proposals and cost allocation plans (CAPs) are contained in 2 CFR part 200 Appendix X.

In order to ensure compliance with these requirements, Township of Tuscarora has implemented the following policies and procedures:

All grant expenditures will be in compliance with the Uniform Guidance. State law, Township policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that considered reasonable and necessary for the administration of the program.

Grant expenditures will be approved by Department Head initially through the purchase order process, if used, and again when the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Township Clerk's Office until necessary approval has been obtained.

Payroll costs will be documented in accordance with the Uniform Guidance as described in the section of this manual titled "Payroll and Timekeeping".

The Township will be permitted to charge indirect costs to federal grants at either (1) the federally negotiated indirect cost rate (if one exists) or (2) the de minimis rate of 10 percent. The selected rate will be applied to Modified Total Direct Costs (MTDC).

Approval

The policies included in this manual were approved as official policy of Tuscarora Township. All township officials and personnel are bound by these policies, and any deviation from established policy is prohibited. This policy supersedes all previous policies, implied or written.



TAB 4A Capital Improvement Plan Project Requests/Form

Project Requests/Form

The Parks Commission, department heads and elected officials shall submit any suggested projects to be included in the capital improvement plan to the responsible party, who shall develop a capital improvement plan that includes the following information on each project:

1. Priority of need within the requesting department
2. Justification for priority ranking
3. Estimated year project to commence
4. Estimated year project should be completed
5. Total estimated acquisition or construction cost
6. Proposed method of financing acquisition or construction
7. Annual debt service requirements of the project
8. Estimated annual operating expenses after completion
9. Method of financing operating expenses



TAB 4B Budget Narrative

Provide a brief budget narrative for your department or cost center. This should not exceed one page.

1. Department or Cost Center.
2. Describe revenues, other resources and expenditures including prior year actual, current year budget and/or estimated current year actual, and proposed budget.
3. Summarize any major changes in priorities or service levels from the current year and the factors leading to those changes.
4. Identify the priorities and key issues for the new budget period.
5. Identify and summarize major financial factors and trends affecting the budget, such as economic factors; long-range outlook; significant changes in revenue collections, tax rates or other changes; current and future debt obligations; and significant use of or increase in fund balance or retained earnings.