

CITY OF DES PERES

**FINANCIAL POLICIES
AND PROCEDURES
MANUAL**

Updated: February 2020

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Introduction/Goals

The Accounting Policy and Procedures Manual (the Manual) has been developed to assist City departments with the operation of the accounting infrastructure. The City consists of the following departments: Administration, Public Safety, Courts, Parks and Recreation, Street Maintenance, Licensing, and Permitting. The Manual will assist City departments in complying with statutory requirements and administrative procedures. Furthermore, the Manual documents the policies and procedures related to budgeting, revenue and receipts, expenditures and disbursements, purchasing, fixed assets, and other areas of the Finance department. The City promotes transparency and sound fiscal policies. This manual elicits the financial policies the City employs and the accounting procedures for each department.

Manual Update and Distribution

Revisions to the Manual will be made periodically as needed. The Manual will be available on the City's website at www.desperesmo.org.

SECTION 1

FINANCIAL POLICIES

1.1 - Accounting and Financial Practices

The financial statements of the City of Des Peres are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Reporting Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by both GASB Statement No. 39, *Determining whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or because the potential component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

Basis of Presentation

The City's basic financial statements include both government-wide (reporting on the City as a whole) and fund financial statements (reporting the City's major, and in the aggregate nonmajor funds).

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds." The total fund balance for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all

governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the City.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the city are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Park Fund - The Park Fund is a Special Revenue Fund used to account for a ½ cent parks sales tax for the operation of a community center.

Capital Improvements Fund – The Capital Improvements Fund is a Capital Projects Fund used to account for the accumulation of resources, primarily from a ½ cent capital improvement sales tax, for the acquisition or construction of major capital items.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

The other governmental funds of the City are considered non-major. They are special revenue funds which account for the proceeds of specific revenue sources that are legally committed to expenditures for specific purposes.

Fiduciary Fund Type – Agency Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency fund accounts for deposits collected on behalf of the Municipal Partners for Inclusive Recreation.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds used the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses verses expenditures.

1.2 – Budgeting Policy

The City uses the following procedures in establishing the budgetary data for the governmental fund types reflected in the financial statements:

- a. Prior to September 15, the City Administrator submits to the Board of Alderman a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them. The City prepares its budget for all governmental fund types on a modified accrual basis of accounting.
- b. Following review by the Board of Alderman, public hearings are held on the budget in late November and early December.
- c. Prior to January 1, the budget is legally enacted by passage of salary ordinances and an adopting resolution.
- d. Transfers of budgeted amounts between departments within the same fund are made by the City Administrator and approved by the Board of Aldermen.
- e. Current year budget includes amendments. Although not required, amendments to the budget for changes of expenditures by object class are approved periodically throughout the year by the Board of Aldermen. Although not required by City Ordinance, City policy dictates that department appropriations may not be exceeded without supplemental appropriation or transfer. Expenditures may not legally exceed appropriations at the department level in the General Fund or at the fund level for all other funds as they are not departmentalized. At the end of the fiscal year, all unexpended appropriated balances lapse.

1.3 - Investment Policy

The City's investment policy was adopted by resolution 03-1408 and updated by resolution 17-3137.

Section 1. Purpose

The purpose of this Investment Policy is to set forth Des Peres' investment policies and objectives. Recognizing that economic conditions and securities markets are in a constant state of flux, this statement will outline the overall goals and objectives that will guide the City's investments. With the understanding that investments in virtually all securities entail some degree of credit risk, interest rate risk, market risk, and/or timing risk, this policy will provide realistic risk parameters to guide the City toward long-term rate of return objectives, which will serve as standards for evaluating investment performance. The policy also will establish certain investment restrictions and will outline procedures for policy and performance review. A system for investment management oversight and controls will be implemented.

Section 2. Scope of Investments

The City of Des Peres has established this Investment Policy to apply to all financial assets of the City that are not required for the immediate, day-to-day needs of the City. This pertains to all City funds currently existing or anticipated, unless excluded by legal or contractual restrictions such as moneys established under bond indentures or funds received from other governmental entities as a fiduciary. Specifically excluded from this Investment Policy are the funds of the City of Des Peres, Missouri Money Purchase Pension Plan, whose investments are covered by a separate contract with ICMA Retirement Corporation and all funds otherwise invested in accordance with, and governed by, a Bond or Trust Indenture separately approved by the Board of Aldermen.

Section 3. General Objectives

The primary objectives, in order of priority, of investment activities shall be safety, liquidity, and yield:

1. SAFETY

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

A. Credit Risk

The City of Des Peres will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City of Des Peres will do business.
- Diversifying the portfolio so that potential losses on individual securities will be minimized.

B. Interest Rate Risk

The City of Des Peres will minimize interest rate risk; the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - Investing operating funds primarily in shorter-term securities or similar investment pools.
2. **LIQUIDITY** - The investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in local government investment pools, bank deposits or repurchase agreements that offer same-day liquidity for short-term funds.
3. **YIELD** - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Investment return is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities may not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

Section 4. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The investing officer, acting in accordance with the investment policy and

exercising due diligence, shall not be held personally responsible for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate actions are taken to control adverse developments.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Administrator any material interests in financial institutions with which they do business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City of Des Peres.

3. Delegation of Authority

Authority to manage the investment program is granted to the Director of Finance, hereinafter referred to as investment officer, and is subject to the superintending control of the City Administrator,

Responsibility for the operation of the investment program is hereby delegated to the investment officer, who, with the advice and consent of the City Administrator and the Audit and Finance Committee, shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the investment activities of subordinate officials.

Section 5. Safekeeping and Custody

1. Authorized Financial Dealers and Institutions

The Investment Officer, with the advice and consent of the Audit and Finance Committee, will select the financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for

investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of FINRA certification
- Proof of state registration
- Certification of having read and understood and agreeing to comply with this investment policy.

A periodic review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

2. Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Des Peres are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Clear written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

Section 6. Suitable and Authorized Investments

1. Investment Types

Investment Instruments should be chosen for their ability to preserve capital, maintain liquidity and maximization of yield. Funds for the City of Des Peres may be invested only in the following authorized types of investments:

- A. United States Treasury Securities: Obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. United States Agency Securities: Obligations issued or guaranteed by an agency/instrumentality of the United States Government.
- C. Repurchase Agreements: Contractual agreements with commercial banks. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.
- D. Collateralized Public Deposits (Certificates of Deposit): Instruments issued by financial institutions, which state that specified sums have been deposited for specified periods of time, and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute.
- E. Local Government Investment Pool ("LGIP"): Securities invested by the LGIP, either state-administered or through joint powers statues and other intergovernmental agreement legislation as permitted under the Missouri Constitution.

2. Security Selection

The following list represents the entire range of United States Agency Securities that the City of Des Peres will consider and which shall be authorized for the investment of funds by the City of Des Peres. Additionally, the following definitions and guidelines should be used in purchasing the instruments:

- A. Govt. Agency Coupon and Zero Coupon Securities. Bullet coupon bonds with no embedded options.
- B. U.S. Govt. Agency Discount Notes. Purchased at a discount with maximum maturities of one (1) year.
- C. U.S. Govt. Agency Callable Securities. Restricted to securities callable at

par only with final maturities up to three (3) years.

- D. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of up to three (3) years.
- E. U.S. Govt. Agency Floating Rate Securities. The coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
- F. U.S. Govt. Mortgage Backed Securities. Restricted to securities with final maturities of up to three (3) years.

3. Investment Restrictions and Prohibited Transactions

To provide for the safety and liquidity of the City of Des Peres funds, the investment portfolio will be subject to the following restrictions:

- A. Borrowing for investment purposes ("Leverage") is prohibited.
- B. Instruments known as Structured Notes (e.g. inverse floaters, leveraged floaters, and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a "derivative" instrument (e.g. options, futures, swaps, caps, floors, and collars), is prohibited.
- C. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.
- D. Common stocks or other equity interests of foreign or domestic corporations.
- E. Mutual Funds or Investment Pools where the underlying investment(s) include common stocks or other equity interests of foreign or domestic corporations.

4. Collateralization

All investments which exceed the financial institution's insurance limits shall be secured through eligible collateral. The market value of the collateral must be equal to or greater than the value of the investment instrument plus accrued interest, less the amount of insurance coverage. Eligible collateral shall mean

securities otherwise qualified for purchase under this policy, preferably U.S. Government securities, and shall also include the State Treasurer's list of Securities Acceptable as Collateral to Secure State Deposits. (The City will maintain an updated version of this list).

All Investments purchased under this policy are to be verified in writing by the financial institution indicating clearly the amount, rate of return maturity date and itemized collateral.

Collateral will always be held by an independent third party. A clearly marked evidenced of ownership (safekeeping receipts) must be supplied to the City and retained.

The right of collateral substitution may be granted, provided that the Director of Finance and City Administrator approve of the substitution in writing. Any substituted collateral must otherwise meet all the criteria contained in this policy.

5. Repurchase Agreements

The securities for which repurchase agreements will be transacted will be limited to Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fed wire book entry system. Securities will be delivered to the City of Des Peres' designated Custodial Agent. Funds and securities will be transferred on a delivery vs. payment basis.

Section 7. Investment Parameters

1. Diversification

The investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

- A. U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government.....Up to 100%
- B. Collateralized time and demand deposits.....Up to 100%
- D. U.S. Government agencies, and government sponsored enterprises up to 100%
- E. Collateralized repurchase agreements..... Maximum of 50%
- F. U.S. Government agency callable securities No more than 15%

2. Maximum Maturities

To the extent possible, the City of Des Peres shall attempt to match its investments with anticipated cash flow requirements. All investments shall mature and become payable not more than five (5) years from the date of purchase, unless circumstances warrant other consideration, as approved by the City Administrator. The City of Des Peres shall adopt weighted average maturity limitations that should not exceed two and one half (2.5) years and is consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as in Local Government Investment Pools (LGIP), bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Section 8. Reporting

1. Methods

The investment officer shall maintain, at all times, a list of all current investments and shall file same with the City Administrator. This list shall include, for each investment: the Cost, Principal, stated interest rate or yield calculation, for zero-coupon issues, Purchase date, Maturity date, and the name of the firm holding the investment.

The investment officer shall be responsible for providing a year-end summary of investment activity and returns to the Audit & Finance Committee, City Administrator, Mayor and Board of Alderman of the city of Des Peres. The report will include information on the issuing financial institution, the type of security, the term to maturity, the interest rate, the amount of principal, performance, and interest earnings, etc.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

3. Marking to Market

The market value of the portfolio shall be calculated at least annually and a statement of the market value of the portfolio shall be issued at that time.

Section 9. Policy Considerations

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such moneys shall be reinvested only as provided by this policy.

2. Adoption & Amendments

This policy shall be adopted by a resolution of the Des Peres Board of Aldermen. This policy shall be reviewed from time to time by the Finance Director and the Audit and Finance Committee. Any changes must be approved by Resolution of the Board of Aldermen.

1.4 - Purchasing Policy

The rules governing purchasing policies and procedures for the City of Des Peres can be found in:

- Division 3. *Purchasing Code* of Chapter 2. *Administration of the Municipal Code That code encompasses Sections 2-311 thru 2-348 inclusive.*

While the purchasing policy is written as if the city has a strong centralized purchasing system, practice has been to delegate responsibility for preparing bid documents to the operating departments with central coordination by the Office of the City Clerk in the areas of bid advertisement, bid award, website posting (results summary) and contract retention. Departments, prepare their own specifications, route documents to the City Clerk (who obtains required review and approval), then departments mail, post documents to the website and coordinate notification of the approved bid documents and specifications with the awarded vendor.

General Rules and Regulations

The Purchasing Rules and Regulations attempt to strike a reasonable balance between a policy which states that competitive purchasing in theory, helps net the city the lowest reasonable price on a good or service. General procedures that must be followed and DOCUMENTED include:

Purchases Greater than \$10,000 Required	Formal Bidding & Bid Summary Sheet
Purchases >\$3,000 & < \$10,000 Required	Written Quotes & Bid Summary Sheet
Purchases >\$1,500 & < \$3,000 Required	Oral Bids & Bid Summary Sheet
Under \$1,500	Prudent Man Standard – employees should take necessary prudent steps to ensure best pricing

Bid Process Workflow

All formal bid documents will be routed through the Office of the City Clerk who will be responsible for seeking review and approval from designated agents. Once bid documents are approved, solicitation signature page is emailed back to Department (which allows department to proceed with process) and City Clerk then coordinates advertisement of the bid with the St. Louis Countian. Bid documents must be submitted in electronic format to the City Clerk including bid specs: draft of advertisement (solicitation page) and list of potential vendors the bids will be mailed to. Operating departments will post bid solicitation and corresponding bid documents on city webpage module BID POSTINGS.

Please note in your bid specs that all bids should be submitted in DUPLICATE to the Office of the City Clerk. In all cases, the City Clerk will maintain the original file at City Hall and the second copy is for the operating department. If you fail to include requiring duplicate bids, the department will be responsible for any copying necessary to establish a departmental copy.

2-319 Formal Competitive Bidding – Purchases in Excess of \$10,000

Formal bidding is required in all cases where the purchase is expected to cost \$10,000 or more. This is not a per item threshold but rather includes procurement of several similar items at substantially the same time as a “single purchase” under the code. Bids should not be “split” in an attempt to avoid the formal bid process.

What constitutes “formal competitive bidding”?

- Seeking bids requires approval of the “Purchasing Agent” (City Administrator or, in his absence the Assistant City Administrator or Director of Finance). That approval is evidenced by signature on the solicitation page of the bid documents and bidding shall not proceed without that signature.

To obtain approval, departments should:

- Electronically submit the bid documents at least four days (4) prior to publication request to the Office of the City Clerk who will route to City Administrator for review and approval. The form and scope of the bid documents is dependant upon the complexity of the item being bid. **A sample of a bid document package can be found on the “I: Management” drive under the folder Purchasing.** Typically this includes:
 - Solicitation Page (Advertisement)
 - Bid Document (instructions and specs)
 - Affidavit of Compliance
 - Non-Collusion Affidavit of Prime Bidder
 - Prevailing Wage Order (Required for construction/landscape projects)
 - List of potential Vendors (at least three) to whom the bid will be mailed
- Bid documents should be written to a generic standard so as to not give preference to an individual bidder or manufacturer. The bid documents need to include such detail as necessary to ensure that the city can compare bids received on an “apples to apples” basis and to ensure that the items bid meet the departmental needs.
- Sealed bids are to be accepted only in the Office of the City Clerk until the date and time advertised for opening. Bids are not to be accepted in the operating departments.
- Bid Opening shall be done publicly, typically in the council chambers, with at least two city officials present. One of the city officials should be from the operating department and the other a representative of the Purchasing Agent – the City Clerk, City Administrator, Assistant City Administrator or Director of Finance.
- A summary of bids received should be prepared immediately and signed by the two city officials present at the opening. Bid documents, once opened, are public record and are immediately available for inspection by all bidders unless otherwise noted in the bid specifications. **City Clerk will be responsible for posting all bid results (summary page) to the City website under the BID POSTINGS module.**
- At least one week prior to the Board of Aldermen meeting for which purchasing approval is to be requested, the Department Director shall submit a **written report** to the City Administrator containing his/her recommendation for purchase including a

summary of all bids received, a copy of the bid from the recommended vendor (including vendor's address) and identification of the amount budgeted for that purchase.

- The originals of all bids received, bids specifications, evidence of advertisement and any written reports or recommendations on the bid must be retained for a period of five (5) years after the contract expires by state law. Rejected bids must be kept on file for 3 years. All original bid documents are to be kept by the City Clerk for retention. It is recommended that departments keep a copy of the bid specs, bids results and a copy of the winning bid in your files along with any maintenance or instruction manuals etc...
- Approval of contracts in excess of \$10,000 requires approval by Resolution of the Mayor and Board of Aldermen adopted at a regular or special meeting.

2-320 Open Market Purchasing – Purchases Under \$10,000

The purchasing agent is authorized to make purchases under \$10,000 using an open market purchasing system without the need for formal bids or approval by the Board of Aldermen prior to contract award.

The Purchasing Agent (City Administrator) has delegated the decision making on purchasing under \$10,000 to Department Directors who do not need prior approval to make such purchases provided that budgeted funds are available and proper procedures are followed. Department directors may in turn delegate responsibility to their staff but retain responsibility for compliance.

Open market purchasing does NOT exempt operating departments from comparison shopping to obtain the best price available within reason. Departments are required to obtain at least three (3) quotes for any purchases in excess of \$1,500 and to document the prices received by use of a form or memo.

- Purchases in excess of \$3,000 require written quotes from at least (3) vendors.
- Purchases in excess of \$1,500 require documented oral quotes from at least three (3) vendors.

2-321 Emergency Purchases Under \$15,000

The City Administrator, with approval of the Mayor, has certain authority to make "emergency purchases" under \$15,000 without following the formal bidding process.

There is no pre-authorization for emergency purchases in excess of \$15,000 which require a special meeting of the board normally done by conference call. During major emergencies, the board may suspend the usual purchasing rules and impose a "prudent man rule" for purchasing during emergency periods.

2-322 Negotiated Purchases

The Board of Aldermen may authorize by resolution the negotiated purchase of items in excess of \$10,000 if no bids have been received or if all bids have been rejected.

2-323 Sole Source, Specialized or Nonstandard Items

If an item being purchased is available from a sole source or is nonstandard, a department may seek approval of the Board of Aldermen for a negotiated procurement. Such request shall be in writing and submitted through the City Administrator for consideration prior to soliciting a bid from the vendor.

Bid specification shall be written in as generic a format as possible to avoid use of sole source vendors.

3-338 Purchasing Using Cooperative Agreements

Purchasing may be done without bidding by using cooperative purchasing agreements with other governmental entities provided that such agreements are in the best interest of the city and the method of procurement by the cooperating entities generally follows professional purchasing standards and procedures. Typically I want a copy of both the Cooperating Purchasing Contract as well as a contract number.

Please be careful in this area. Many vendors refer to their “governmental pricing” or “governmental contracts” and portray those as “cooperative purchasing agreements”. They may or may not meet this requirement. Typically, a copy of the Cooperating Purchasing Contract (not just the contract number provided by the vendor) must be filed with the City Clerk in addition to the request for approval.

Other Purchasing Questions/Issues

- **Local Purchasing Policy:** While the city certainly hopes to purchase as many goods and services from local merchants as possible, the city does not give any quantitative advantage to local businesses in the bid evaluation process.
- **Buy America Policy:** The city does have a policy to encourage purchases from vendors whose products are manufactured or assembled in the United States. Notice of that policy is included in the standard bid specs and we are required to obtain as a part of the bid a statement of what percentage of the product is American made. However, this is not an overriding factor in the final bid award.
- **Prevailing Wage Policy:** The State of Missouri requires that the city pay prevailing wages for all “workers on public works construction projects in Missouri, such as bridges, roads, and government buildings.” The prevailing wage rate differs by county and for different types of work. The Prevailing Wage Law applies to all public works projects constructed by or on behalf of state and local public bodies. Departments bidding this type of project must solicit from the state a prevailing wage ruling on each project BEFORE BIDDING. This requires specialized language in the bid documents and attachment of the most current prevailing wage order. For more information on prevailing wage and the most current wage order forms, please visit: <http://labor.mo.gov/DLS/prevailingwage/>
*The Director of Public Works should be consulted in preparing any construction bid packages. **The City Clerk will file required notice of Prevailing Wage project with the State of Missouri if your project is required to complete this document.***

- **Professional Services:** There are specialized rules for securing PROFESSIONAL SERVICES which involve use of a Request for Proposals/Qualifications in lieu of bidding. While the city need not advertise an RFP/RFQ, we typically do so. However, departments need to identify and mail an RFP/RFQ to at least three (3) potential vendors when soliciting professional services. You may do a Request for Qualifications prior to soliciting an RFP to pre-screen for professional services. These types of purchases should be discussed with the City Administrator in advance of proceeding.
- **Warrant List:** No invoice may be paid in excess of \$3,000 without prior approval of the Board of Alderman. Such bills are presented on a WARRANT LIST at each board meeting.

To include an item on the Warrant List, the bill needs to be fully processed by the departmental administrative assistant before noon on the Wednesday prior to the meeting OR a copy of the bill given the Department of Finance with a request that it be placed on the Warrant List.

- **Tax Exemption Letter:** The City's tax exemption identification number is to be used for City purchases only. Employees are not to use the City's tax exemption number to avoid paying taxes on personal purchases.

A copy of the purchase summary sheet is located in section 3.1 of the appendix.

1.5 - Capital Asset Policy

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation is computed on the straight-line method, using asset lives as follows:

<u>Asset</u>	<u>Years</u>
Land improvements	15 - 30
Buildings	20 - 45
Vehicles	5 - 20
Furniture, fixtures and equipment	3 - 5
Infrastructure	30 - 50

1.6 - Sale of Surplus Property Policy

The sale of surplus property policy was established in Section 2-329 of the purchasing code.

All using agencies shall submit to the purchasing agent, at such times and in such form as he/she shall prescribe, reports showing stocks of all supplies, materials and equipment which are no longer used or which have become obsolete, worn out or unusable.

The purchasing agent shall have the authority to transfer surplus supplies, materials and equipment to other using agencies, or he/she shall have the authority to exchange such personal property on new supplies, materials and equipment.

Surplus, unusable or obsolete supplies, materials and equipment whose estimated value is in excess of two thousand dollars (\$2,000.00) shall be sold by formal written contract to the best responsible bidder, after due notice inviting bids in a manner similar to the process provided for procurement by competitive bids.

Sales of surplus, obsolete, or unusable personal property valued at less than two thousand dollars (\$2,000.00) shall be made in the open market, and in accordance with the procedure set forth for open market purchases.

1.7 – Travel and Expense Policy

Dues & Memberships

The city will reimburse the cost of membership in organizations for community involvement as a representative of the city, city related business, or professional development. Prior to joining an organization, the department head should carefully examine the cost in dollars and time away from work against the educational or operational benefits to the city of membership.

Continuing membership in organizations shall be detailed as a part of the budget proposal for approval by the Board of Aldermen. Care should be taken to avoid duplicative memberships involving multiple staff members within the same department except for purposes of professional development. Participation in meetings and events of the type addressed in this guideline is completely voluntary on the part of the employee. Thus attendance at functions involving such organizations outside of normal work hours shall not be considered “hours at work” for compensation purposes.

Meetings & Conferences

Prior to attending an out-of-town meeting or conference which involves an overnight stay, a “*Request for Travel*” should be completed by the employee, approved by the department head, and forwarded to the City Administrator for review and approval. This includes all seminars whether the expenses are being paid by the city or “by others”, including the employee, if time off with pay is involved. Such requests should be submitted prior to registration for a conference and at least two weeks in advance to allow sufficient time for review.

Efforts should be made to minimize duplicative attendance at conferences. Sending more than two employees to the same conference is discouraged and requires prior approval by the City Administrator.

Expenses for conference registration, transportation, mileage, parking expenses, materials and supplies, lodging and meals in conjunction with the conference shall be reimbursable expenses. Personal phone calls to the employee’s family may be reimbursed up to \$10.00 per day. Ancillary costs such as entertainment, recreational activities and in-room movies shall not be reimbursed.

Spouses may accompany employees to conferences or seminars. However, no expenses attributable to the spouse will be reimbursed except the cost of the ticket to a banquet if one is held in conjunction with the conference and attendance by spouses is customary in the organization.

Reservations for lodging will be reimbursed on receipt only and shall be limited to the room rate at the conference hotel. Reservations should be made sufficiently in advance to ensure that lodging is secured at moderate rates. Lodging shall generally be limited to the cost of a single room at a rate no higher than the rate at the conference hotel. Employees are not required to “double up”.

Lodging expenses in conjunction with a conference or seminar will be limited to the number of nights required to conduct city business. If an employee chooses to arrive early or stay

beyond the date of the conference, the cost of such additional days shall be a personal expense. In instances where early arrival or late departure will result in overall savings to the city due to travel discounts for airfare etc., such extended stay may be mandated by the city and reimbursement of such expenses will be authorized.

No lodging expenses will be reimbursed for conferences held in the St. Louis Metropolitan area except by prior approval of the City Administrator.

Reimbursement for attendance at conferences must be submitted within ten (10) calendar days following return from the conference. While in attendance at a conference, "hours at work" shall be limited to the normal work schedule not to exceed eight hours per day.

Meals

Generally meals are considered a **personal expense** and will not be reimbursed by the city except as authorized herein. Meals for which reimbursement may be appropriate:

- Meals in conjunction with attendance at a conference or seminar
- Meals in conjunction with a meeting of a professional organization
- Meals as a part of an official meeting sponsored by the city
- Meals with an elected official(s) or a member of a Board or Commission which you staff in which city business is the primary purpose of the meeting
- Meals with professional peers from other communities or jurisdictions if the primary purpose of the meeting is business not social. Department heads are expected to exercise good judgment in making the determination regarding the business materiality of such meals
- Meals while in transit to/from an out-of-town conference
- Meals intended as a "compensation" for assistance in a specific city sponsored event, e.g. outsiders serving on an interview panel; working or attending an evening special event as a representative of the city, etc.
- Special events sponsored by the department or city to show appreciation to employees, volunteers etc. for their contributions to the organization; this could include lunch with a new hire, retirement of a long term employee, staff retreats etc.
- Other events where the sole benefit is to the city not the employee

Purchase of alcoholic beverages, whether independent of or as a part of a meal is not reimbursable, and is considered in all instances to be a personal expense. Submission of detailed receipts will be required in order to seek reimbursement or if paid with City credit card.

Nothing herein shall prohibit the City Administrator or an operating department from establishing a per diem maximum for reasonable meal expenses applicable generally or to a specific conference. Use of per diem allotments without evidence of actual expenses incurred is prohibited. Reimbursement shall in all cases be based on actual expenses as documented by receipts up to the per diem maximum established.

In the event of a lost receipt, the employee shall be required to provide written justification for reimbursement including identification of the restaurant and estimated cost of the meal but shall be limited to maximum reimbursement as follows for meals without receipts:

Breakfast \$ 5.00 Lunch \$10.00 Dinner \$25.00

Transportation and Mileage

Members of city staff are expected to use city vehicles **when available** for all business related activities including out-of-town conference attendance. An evaluation shall be made on a case-by-case basis to determine if travel by commercial carrier (air or train) is financially beneficial to the city. The employee shall receive reimbursement of the lesser cost of mileage or the cost of commercial transportation at coach rates. Generally, out of town travel which requires more than a day to drive will be done by commercial carrier.

When personal use of a car is necessary, the city will reimburse at the IRS approved mileage rate based upon a written log detailing the date, mileage and purpose of each trip.

When traveling by air, maximum reimbursement of expenses shall be based on coach class. Reservations shall be made sufficiently in advance to take advantage of 14 day or 30 day pre-purchase discounts. When scheduling travel, care should be taken to take advantage of discounts offered for overnight stays such as Saturday but such savings should be balanced against the additional cost of hotels and meals to obtain such discounts.

Rental of cars is not considered a necessary expense for conferences and will not be reimbursed except when pre-authorized by the City Administrator.

City assigned vehicles which allow for commuting shall be subject to tax in accordance with IRS regulations for personal use. Driving of such vehicles is limited to the employee and may not be extended to other family members except in an emergency.

Use of City Telephones and Cell Phones

Personal use of city phones is expected to be diminimus. City staff must reimburse the city for the cost of all personal long distance calls made on city phone systems when such calls result in an out of pocket cost to the city.

Use of cell phones in excess of plan limits shall be considered to be personal and shall be reimbursed except when the cause of such excess use is documented to the satisfaction of the department head or City Administrator as being business related

Use of City Credit Cards and Store Charge Cards

Use of a city credit card or store charge for personal business is prohibited.

Issuance of city credit cards shall be limited to the Mayor, City Administrator, Assistant City Administrator and Department Directors. Any expansion of cards beyond the management team shall require prior approval of the City Administrator.

Employees assigned a city credit card are personally responsible for all charges made to those cards.

Employees are expected to process requests for payment of city credit cards in a timely manner. Any late fees due to delays in processing will be the personal liability of the card holder.

At the end of each month, employees with such city credit cards shall submit a detailed "Reimbursement Voucher" along with their credit card statement detailing the purpose of all charges. While the check will be written by the city direct to the credit card company, all charges to your city credit card will be considered a "personal expense" until the reimbursement is approved by the City Administrator.

If an employee inadvertently uses a business credit card for personal expenses, the employee shall immediately reimburse the city by personal check for the full amount of the expenses plus 10%. Repeated personal use of city credit cards is subject to disciplinary action and/or loss of charge privileges.

A copy of expense reimbursement form is located in section 3.2 of the appendix.

1.8 – Fund Balance Policy

The City's fund balance policy was adopted by resolution 13-2729 and updated in resolutions 16-3039 and 17-3143.

INTRODUCTION

The City of Des Peres has enacted the following policy to define the fund structures to be utilized in its accounting system; to define the purposes of each fund and the revenues associated therewith; to define and designate categories for the various types of fund balances within each fund and to define a target for the target levels for total fund balance and the minimum fund unassigned fund balance in each fund.

INTENTION

A formal Fund Balance Policy enacted by the Board of Aldermen is recommended in an effort to ensure financial security thru the maintenance of a healthy reserve fund to guide the creation, maintenance and use of financial resources for long term financial stability. It is also the intention of the Board of Alderman to provide governmental services to the community, utilizing all resources available. This policy will provide for keeping necessary funds in reserve, as well as, allow for needed flexibility running the operations of the city government.

DEFINITIONS

The Governmental Accounting Standards Board (GASB) is an independent, private-sector, not-for-profit organization, established by the Financial Accounting Foundation in 1984, that establishes and improves the standards of financial accounting and reporting in the United States for state and local governments. While GASB does not have specific enforcement authority to require compliance with their standards, governments, the accounting industry and the municipal bond industry, generally recognize and endorse the General Accepted Accounting Principles (GAAP) established by GASB.

Effective with financial statements for fiscal years ending after December 31, 2010, GASB has required that fund balances be distinguished in five (5) different categories as defined herein:

1. **Non-spendable Fund Balance** – amounts that are not in a spendable form, such as inventory or are required to be maintained intact such as the corpus of an endowment fund.
2. **Restricted Fund Balance**- amounts constrained to a specific purpose by their providers such as grantors, bond indentures, or higher levels of government through constitutional provisions as stated by enabling legislation.
3. **Committed Fund Balance** – amounts constrained to a specific purpose by the government itself using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
4. **Assigned Fund Balance** – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official to which the governing body has delegated authority to do so.
5. **Unassigned Fund Balance** – amounts that are available for any purpose; these amounts are typically reported only in the General Fund.

The City of Des Peres will conform to these fund balance designations effective with financial statements issued from and after the Fiscal Year which commences January 1, 2017.

FUND STRUCTURE

The following funds are hereby established within the accounting system for the City of Des Peres. No additional funds may be created except with the consent of the City Administrator or action of the Mayor and Board of Aldermen.

GENERAL FUND

This is the general operating fund of the city. Funds may be used for any lawful purpose established for cities by statute including operations, capital equipment and construction and payment of debt obligations as may be approved by the Mayor and Board of Aldermen as a part of the annual budget process and approval. Funds held in the General Fund shall be designated as “non-spendable” or “unassigned”. Non-spendable items would be pre-paid expenses or inventory such as insurance or gasoline.

All revenues of the City, except those otherwise noted for the other funds, shall be deposited into the General Fund. Funds deposited into the General Fund may be transferred to any other fund of the city as approved by the Board of Aldermen as a part of the budget process or by Resolution.

FIRE FUND

The Fire Fund is intended to segregate and track funds received from the fire sales tax approved by voters. Fire funds are restricted for use by statute for any lawful purpose relating to fire or emergency medical services provided by the city including operating, capital and related debt service costs. The Fire Fund is designated as a “restricted” fund.

Fire Equipment Reserve Account - within the Fire Fund, the Board of Aldermen hereby establish the Fire Equipment Account as a separate amount that is “restricted” within the Fire Fund. The intention of the Fire Equipment Reserve Account is to accumulate funds committed for purchase of major fire and EMS equipment including pumpers, rapid response vehicles, ambulances and fire incident command vehicles.

No funds may be expended from the Fire Equipment Reserve without approval of the Board of Aldermen as expressed in the budget adoption or subsequent resolutions.

Ten (10.0%) of the revenues from the Fire Sales Tax shall be deposited into the Fire Equipment Reserve annually until or unless the reserve has sufficient funds to cover 100% of the costs for replacing all major fire and EMS equipment owned by the city.

PUBLIC SAFETY FUND

The Public Safety Fund is intended to segregate and track use of funds received by the City from the Prop P (Public Safety) sales tax approved by county voters in April 2017. Public Safety Funds are not restricted for use by statute but were clearly identified to voters as being for “public safety purposes” which the city defines to be police, fire, emergency medical services, emergency dispatching, court operations and emergency preparedness. The funds may be used for either public safety operations or equipment as designated by the board of aldermen by transfer to other funds as a part of the budget process or by Resolution. The Public Safety Fund is designated as a “restricted” fund.

Other similarly restricted funds for police training and livescan fingerprinting fees shall also be deposited into the Public Safety Fund and transferred by the Director of Finance to the General Fund to reimburse the General Fund for any costs incurred by the city for operation of the livescan fingerprint system or for police training.

PARK FUND

The Park Fund is intended to segregate and track the revenues received from the Parks Sales Tax and all revenues and expenses associated with operations of The Lodge Des Peres. The Fund Balance within the Park Fund shall be classified as either “committed” or “assigned”.

All revenues from the Park Sales Tax and all income of any kind relating to parks and recreation and operations of The Lodge shall be deposited into the Park Fund.

Park Fund monies may be used only for purposes relating to the acquisition, construction, maintenance or operation of parks and recreation facilities including municipally owned parks and The Lodge. Funds from the Park Fund may be transferred to the Capital Improvement Fund for capital construction or purchases relating to parks & recreation or to the Debt Service Fund for payment of interest and principal on any debt service obligations directly related to parks and recreation facilities or equipment.

Lodge Building Reserve Account– within the Park Fund, the Board of Aldermen hereby establishes a Building Reserve Account as a “committed” fund balance. Funds from the Building Reserve Account are intended for use to finance major repairs or upgrades to The Lodge including roofs, swimming pools, HVAC and other such mechanical equipment. No funds may be spent from the Building Reserve Account without authorization of the Mayor and Board of Aldermen as expressed in the budget adoption or subsequent resolutions.

A minimum of ten (10.0%) of the annual revenues from the Park Sales Tax shall be deposited into the Building Reserve account. The Board of Aldermen may, from time to time, transfer additional funds from the restricted fund balance into the Building Reserve Account, as needed.

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund is intended to segregate and account for all funds received from the Capital Improvement Sales Tax, any bond issue proceeds and grant funds received by the city for capital equipment or construction projects. The Fund Balance within the Capital Improvement Fund will be classified as either “restricted” or “committed”.

All revenues from the Capital Improvement Sales Tax shall be deposited into the fund together with any grants received by the city for capital purposes. In addition to dedicated revenues, the Capital Improvement Fund may receive transfers from other funds provided that the use of those funds is consistent with the purposes of the transferring fund.

Capital Funds may be used only for: (1) land acquisition and building acquisition, construction or repair; (2) street, park, sidewalk, storm water and similar construction or improvements including related; (3) purchase or lease of capital equipment with a life expectancy of more than three years; (4) any professional services relating to any of the items enumerated herein; and (5) payment of debt service (by transfer to the Debt Service Fund) including principal or interest for any items associated with those enumerated herein.

Tree Fund –within the Capital Improvement Fund, the Board of Aldermen hereby establishes the Tree Fund as a “committed” fund balance within the Capital Improvement Fund. The intention of such fund is to segregate and track funds received by the city from donations or from payments made by developers under the Tree Preservation Ordinances of the City.

Such funds may be used only for planting or maintenance of trees or other landscaping located in city owned parks, city buildings and public rights of way owned by the city. Funds from the Tree Fund may be expended only in accordance with specific authorization of the Board of Aldermen included within the annual budget or otherwise authorized by resolution.

Street Infrastructure Fund – within the Capital Improvement Fund, the Board of Aldermen hereby establishes the Street Infrastructure Fund as a “committed” fund balance within the Capital Improvement Fund. The intention of the Street Infrastructure Fund is to segregate and track monies received from forfeitures from developers and from payments made for street wear and tear caused by infill development in accordance with the formula adopted by the Board of Aldermen.

Street Infrastructure Funds may be used only: (1) in the case of forfeitures from developers for completion of public improvements within the subdivision to which the forfeiture is generated; and (2) for construction or major improvements to residential streets preferably in areas where significant infill housing has occurred.

Funds from the Street Infrastructure Fund may be expended only in accordance with specific authorization of the Board of Aldermen expressed with adoption of the annual budget or otherwise by resolution.

Bond Issues Funds – the city may, from time to time, establish additional “restricted” funds within the Capital Improvement Fund in association with Bonds issued by the city consistent with the purposes of the Capital Improvement Fund. Such funds shall be classified as a part of the “restricted” fund balance.

DEBT SERVICE FUND

The Debt Service Fund is intended to provide a means for tracking and payment of all debt issued by the city in the form of bond issues, whether general obligation bonds or other similar financial instruments. The fund balance within the Debt Service Fund shall be classified as “assigned”.

General Obligation Bonds include authorization for levy of a tax on real and personal property sufficient to meet the annual payment obligations of the fund. All such tax revenues shall be deposited directly into the Debt Service Fund along with any residual bond revenues after completion of the projects. In addition to, or in lieu of a dedicated debt property tax, the city may transfer funds from other funds into the Debt Service Fund to meet payment obligations for bonds associated with the intention of the transferring fund. Funds transferred into the Debt Service Fund cannot subsequently be transferred back to the sending fund or transferred to other funds and may be used only for payment of principal, interest and associated issuance and administrative fees relating to the bond issues.

SEWER LATERAL FUND

The Sewer Lateral Fund is intended to segregate and track revenues generated from the annual Sewer Lateral assessment made by residential property owners. The fund balance within the Sewer Lateral Fund shall be considered "restricted".

Funds within the Sewer Lateral Fund may be used for investigation and repair of the sewer lateral running between the residential structure and sewer main or for conversion of residential properties from septic systems to the MSD sewer system for those properties that pay into the fund. Eligible costs may include the costs of administration, investigations, inspections, permits, and residential sewer later repair in accordance with policies established by the Board of Aldermen.

FUND BALANCE POLICY

The City's primary objective in establishing this policy is to maintain a prudent level of financial resources to allow the city to (1) pay its obligations in a timely manner given the difference that can occur between the inflow of revenues and the timing of expenditures; (2) protect against the need to reduce service levels or raise taxes in the short term in response to temporary revenue shortfalls or unpredicted one-time expenditures; and (3) to position the City to attain and maintain the highest possible credit ratings which are dependant, in part, on the City's maintenance of an adequate fund balance.

The Government Finance Officers Association of America (GFOA) recommends that governments establish a Fund Balance Policy relating to the unassigned fund balance for the General Fund. The city has chosen to also establish a policy relating to all funds of the city: General, Fire, Park, Capital Improvement, and Sewer Lateral.

GFOA guidelines do not recommend a specific minimum or targeted fund balance but instead recommend that the amount of the minimum or targeted fund balances should be assessed and based on each cities own circumstances including (1) the predictability of its revenue stream; (2) the volatility of its expenditures; (3) the perceived exposure for significant one- time or infrequent outlays (such as major fire equipment, natural disasters); and (4) cash flow considerations in the timing of revenues versus anticipated spending patterns.

It is the city's intention to establish both a targeted and a minimum fund balance for each fund.

A "targeted" fund balance is the desired fund balance in any fund that the city wishes to maintain at the beginning of each fiscal year. The targeted fund balance is accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

A "minimum" fund balance is the absolute minimum fund balance the city intends to maintain in each fund and is intended to cover cash flow needs and a cushion against short-term volatility in its revenues or expenditures

In the event that a fund balance falls below the minimum as established herein, the City Administrator shall first notify the Mayor and Board of Aldermen and then develop a plan of action in conjunction with the Audit & Finance Committee for submittal to the Mayor and Board of Aldermen to restore the minimum balances. This document may be amended as needed in the future by the Board of Alderman. Should there be temporary shortcomings with this policy, which represent timing issues and not long term impairments, this policy will not be considered as violated.

GENERAL FUND

The city shall maintain a targeted fund balance in the General Fund of forty to sixty percent (40-60%) of annual operating expenses and any transfers out of the General Fund. The minimum unassigned fund balance in the General Fund shall be forty percent (40.0%) of annual operating expenses in the General Fund. This provides an adequate buffer for the city in the event of a natural disaster or economic calamity. It should be noted that the city presently holds and plans on maintaining Sales Tax Interruption Insurance on West County Center, (the city's major source of sales tax revenue). This insurance covers events such as natural disaster, fire or terrorist attack.

FIRE FUND

The city shall maintain a minimum fund balance in the Fire Fund equal to 100% of the accumulated depreciation for major fire equipment including fire trucks (2), ambulances (2) and a mobile fire command vehicle.

PUBLIC SAFETY FUND

It is the intention of the Board of Aldermen that the balance in the Public Safety Fund shall be drawn down annually by transfer to either the General Fund or Capital Improvement Funds approved by the Board of Aldermen and that no minimum fund balance shall be required in the Public Safety Fund.

PARK FUND

The city shall maintain a targeted fund balance in the Park Fund of forty to sixty percent (40-60%) of annual operating expenses and any transfers out of the Park Fund, plus the amount in the Building Reserve Fund. The minimum fund balance in the Park Fund shall be forty percent (40.0%) of annual operating expenses in the Park Fund.

CAPITAL IMPROVEMENT FUND

The city will maintain a targeted fund balance in the Capital Improvement Fund equal to the lesser of \$2,000,000 or the amount of capital improvement sales taxes generated in the prior fiscal year. The minimum fund balance in the Capital Improvement Fund shall be \$1,000,000 plus the amount in the Tree and Infrastructure Funds.

DEBT SERVICE FUND

There is no targeted fund balance in the Debt Service Fund. The minimum fund balance in the Debt Service Fund shall be in accordance with bond restrictions.

SEWER LATERAL FUND

This fund balance is dependent on the demand for sewer later repairs, which is based on failure of homeowner sewer lateral lines. Funds will be accumulated in this fund based on the amounts paid into it through residential billings. The fund balance will, by definition, fluctuate based on inflows and outflows. The Board of Aldermen will set the reimbursement rate for lateral line replacement, and will change this rate as needed based on associated costs. There will not be a targeted fund balance or a minimum fund balance for this fund.

1.9 - Cell Phone Policy

Cell Phone Stipend

Employees may bring their own cell phone in lieu of a city issued cell phone and receive a \$30.00 per month stipend. A personal cell phone stipend request form must be submitted to the City Administrator for approval. The employee must sign the document agreeing to:

- Utilize their personal cell phone for City related business including carrying it while at work and for emergency on-call.
- Allow the City to publish the personal cell phone number among necessary City staff for use for business purposes.
- Provide a copy of the monthly cell phone bill to the Finance Department.

The employee will be responsible for paying their cellular phone provider. The City is not responsible for the cost of the hardware of the cellular phone or applications.

A copy of the cell phone stipend agreement is located in section 3.3 of the appendix.

Public Information

Call detail (e.g. time, number called, date, duration of calls) appearing on the City cell telephone billing is public information, except when exempt by statute.

The City cannot and does not imply, extend, or guarantee any “right to privacy” for voice calls and/or electronic communications placed over City provided cell phones, including but not limited to call detail recordings, logs, voice mail messages, data storage, text messages, emails, and address books.

Employee Responsibility

Employees shall not use the City supplied cell phones for illegal, disruptive, unethical or unprofessional activities, or for personal gain, or for any purpose that would jeopardize the legitimate interests of the City.

1.10 – City Issued Purchasing Credit Cards

Prior to issuing a City credit card, the employee must sign a credit card agreement to be approved by the City Administrator. A copy of the credit card agreement is located in section 3.4 of the appendix.

City issued credit cards are to be used only for business purposes and all purchases must conform to the Purchasing Rules and Regulations and any other applicable policies of the City. Improper use of the card is considered misappropriation of City funds and may result in disciplinary action up to and including termination of employment. Any personal purchases on a City issued credit card are subject to a 10% surcharge and forfeiture of the card. The employee is responsible for submitting all detailed receipts to the Finance department monthly.

If a City issued credit card is lost or stolen, the employee is to contact the credit card company and confirm the call by mail, email, or fax with a copy to the Director of Finance.

1.11 - Fraud Policy

This policy was adopted by ordinance #2286, 5-25-04 and is located in section 2.13 of the Personnel Rules and Regulations.

The City encourages any employee who suspects that a fraudulent act may have been or is being perpetrated by any official or employee shall report their concern or complaint in writing as follows:

<u>Complaint Involves</u>	<u>Report Concern/Complaint to</u>
Fellow Employee	Department Director
Department Director	City Administrator
City Administrator	Mayor & Board of Aldermen
Elected Official	Mayor & Board of Aldermen

Complaints shall be investigated confidentially under the direction of the party to whom the report was made as designated above and the results thereof reported in to the City Administrator. The complainant shall be notified when an investigation is complete and the person who is the subject of the inquiry shall be notified of the results. If the complaint involves the City Administrator or an elected official, the results of the investigation shall be reported to the Mayor and full Board of Aldermen and filed with the City Clerk. Access to reports and investigative documents and materials shall be governed by the City's Open Meetings and Records Policy.

Any employee who reports suspected fraud under this section shall be protected from retribution. However, any employee who submits continuous complaints that are proven to be false or attempts to use this fraud policy to harass other employees may be subject to disciplinary action.

SECTION 2

FINANCIAL PROCEDURES

2.1 City-Wide Accounts Payable Procedures

Updated: November 1, 2019

The Finance Administrative Assistant is responsible for processing accounts payable. The accounts payable software has the ability to process both check and EFT payments.

The City Administrator coordinates formal bidding of items costing more than \$10,000 and Board approval is required before contracts can be signed. A purchase order is required for all items submitted under the formal bidding process. The department Administrative Assistant will enter the requisition information into the financial software and the Department Director will approve the requisition in the financial software. Once the requisition is approved, it can be converted to a purchase order. Purchases under \$10,000 can be initiated by department heads. A requisition is not required, but can be used for items under \$10,000. All requisitions entered into the financial software for less than \$10,000 do not require director approval and are automatically approved. The administrative assistant can immediately convert the requisition to a purchase order.

The City's department heads have purchasing power for items included in the budget. The department head orders the items, and after an invoice and the product are received, the administrative assistant for the department prepares the payable voucher. The Finance Administrative Assistant prepares the payable voucher for the following departments: Finance, Administration, Court, Information Technology and Lodge refunds. The payable voucher includes general ledger account coding. The vendor's unique invoice number is used on the payable voucher so the software can cross reference this to see if it has already been paid. After the payable voucher is created in Public Works, Public Safety, the Lodge, or Finance, the department head approves the payable voucher and the supporting documentation. The payable voucher is sent to the Administrative Assistant in Finance to create the check. The Director of Finance reviews and signs the payable vouchers and signs the checks. The checks and payable vouchers are then sent to the City Administrator or Assistant City Administrator for approval and signature.

Upon receipt of the invoice for payment, either the department secretary or the Finance Administrative Assistant create a payable voucher (PV) in the accounting software and also enter the account coding. If a vendor is not active or not listed in the accounting software, the department secretary will contact the Director of Finance or the Accounting Supervisor to have the vendor added. In the vendor set up process, the payment type of check or EFT is selected. If a vendor has elected for EFT payments and provided their bank information, it is entered during vendor set up. The Administrative Assistants are not able to add new vendors, change payment addresses, or EFT bank information. The accounting software generates a report weekly that shows all additions and changes made to the vendor files and the staff member that made them. The Finance Director reviews the vendor report for unusual patterns, address changes, name duplication, and other activity that could be cause for concern (**Key Control -1**). The PV is printed and electronically signed by the person who entered the PV in addition to the department head, to indicate approval. All relevant documentation including the invoice, packing slip, bidding docs, etc. is attached to the PV and then given to the Finance Administrative Assistant. The Finance Administrative Assistant reviews the documentation and ensures that it is not a duplicate.

The warrant list requires two signatures to indicate approval before the report is sent to the Board. The Director of Finance, City Administrator, and Assistant City Administrator are all authorized to sign the warrant list. Any invoice over \$3,000 will show up on a Warrant List, which will later be approved by the Board of Alderman. To indicate that an invoice has been added to the Warrant List, the Finance Administrative Assistant writes "WL" on the PV and the date of the Board meeting in which it will be approved. After the Board approves the warrant list, the Finance Administrative Assistant mails the checks and files the payable vouchers. The Director of Finance will also send EFTs on the warrant list once it has been approved by the Board of Alderman.

Checks and EFT payments are processed approximately twice per week. In the accounting software, the Finance Administrative Assistant selects the payable vouchers that will be paid in the payment process. A preliminary check run register is generated from the system. The Finance Administrative Assistant compares this to her stack of invoices for differences and also reviews the preliminary register for any warnings (for instance, if it appears that a duplicate invoice has been entered for payment).

Pre-numbered, blank checks are stored in the vault in the Finance office, which is located in a separate locked room. The Finance Administrative Assistant obtains the blank checks and prints checks from her computer. The system automatically shows the next sequential number to be printed. If this is correct the Finance Administrative Assistant can begin the process to printing checks. When the checks have been printed the Finance Administrative Assistant will check to make sure all checks have printed correctly. She then prints a preliminary check register to ensure that the check numbers in the system match the check numbers on the physical checks. The Finance Administrative Assistant then stamps PAID on each payable voucher to prevent duplicate payments and then a final check register is printed. The unsigned checks and EFTs are attached to the related PVs and invoices, which are then given to the check signers, along with the final check register which is to be initialed to indicate their approval.

In the next step of the payment process, the Finance Administrative Assistant can create an EFT file in the accounting software. This file will be used to upload EFT payment information to the bank. EFT notices are also printed in this step if the vendor has elected to have the notice mailed. EFT notices will be sent when the EFT payments are sent via the bank.

All checks & EFTs require two signatures. Checks are usually signed by the City Administrator and the Director of Finance, but authorized check signers also include the Mayor, City Clerk, and the Assistant City Administrator. The check signers typically initial the PVs as they sign the related checks, but this may not always occur. The Finance Administrative Assistant runs a process in the accounting software that generates a Positive Pay electronic file. The Positive Pay file is a list of each check number, the amount, the payee and the date. Once in the bank's Positive Pay system, no check will clear if it has been altered in any way from the information on the list. When the checks are presented to the Finance Director for signing, the Finance Director logs onto the bank's website and uploads the Positive Pay electronic file into the bank's system. The bank's website generate a Positive Pay report which is printed and the Finance Director compares this report with the checks and the check register for accuracy (**Key Control - 2**).

The Director of Finance prepares an Approval Form to document the payment to be made for EFT accounts payable payments. The City Administrator must log onto the bank's website and approve the pending EFT before it will be processed. A report detailing the individual transactions in the EFT is printed from the bank's website and attached to the Approval Form, which is then given to the City Administrator along with the supporting documentation for approval.

Once the EFT payments have been uploaded and approved, they are sent to the vendor's financial institutions. The Director of Finance or Accounting Supervisor runs a process in the Accounting software to send EFT notices to vendors who have elected to receive payment notices via email. For those vendors who have elected not to receive payment notices via email, the EFT notice is mailed.

Signed checks are given back to the Finance Administrative Assistant. With the exception of payments for utilities, insurance, credit card bills, Charter and street deposit refunds, checks that contain an invoice on the Warrant List (invoices over \$3,000) are stored in the vault until the Warrant List has been approved by the Board at their next meeting. All other checks are mailed by the Finance Administrative Assistant after they have been signed.

After checks have been mailed, the related PVs are given to the Mayor for review and initialing. The Mayor will then give the PVs back to the Finance Administrative Assistant for filing.

Credit Cards

Several City employees have credit cards. The Director of Finance receives the monthly credit card statement, which includes individual employee statements and a consolidated statement for the entire City. Employees are provided a copy of their monthly statement. Each employee completes a reimbursement voucher to indicate the expense accounts that should be charged. The reimbursement voucher is given to the Finance Administrative Assistant along with detailed receipts for each purchase. The Finance Administrative Assistant matches the receipts to the credit card statement and then creates a PV. The transaction is then processed similar to other cash disbursements.

Electronic Payments (EFT/ACH)

Current transactions completed electronically include Payroll, Pension, TIF transfers, Lodge membership payments and Accounts Payable for vendors who have elected to receive payment via ACH.

Employees authorized to use the bank's website to process EFT/ACH transactions have a key FOB with a changing token password that must be entered to log onto the website. All EFT/ACH transactions are processed using templates that have been set up on the website. (For instance, the template for payroll contains employee IDs and bank account #s.) Approval by a second employee is also required to create, add, edit, or delete templates or payees within the bank's website. For all EFT/ACH transactions, an Approval Form is completed by one of the initiators (see below) and the transaction is initiated through the bank's website. The Approval Form and any supporting documentation is given to one of the approvers (see below), who sign the form to indicate approval. This person must then log onto the bank's website and approve the pending transaction before it will be processed. The bank's system will not allow the same person to initiate and approve.

Initiators:
City Administrator
Assistant City Administrator

Approvers:
Director of Finance
Accounting Supervisor

Reconciliation

Bank reconciliations are completed monthly for all accounts by the Accounting Supervisor and reviewed by the Director of Finance.

Budget to Actual Review

Departmental Directors have report only access to the financial information in the system. With this type of access they are able to drill down into line items and view the activity that is posted. They are unable to make changes in the system. Monthly financial reports are sent to Directors for their review. If the department is over budget they will notify the City Administrator. Directors can ask for a supplemental appropriation or a budget modification to adjust the budget. Supplemental appropriations must be brought to the mayor and approved through resolution. The City Administrator is able to approve budget modifications (moving budget amounts from one line item in a department to another). Departmental Directors review the budget to actuals monthly.

2.2 City-Wide Payroll Procedures

Updated: September 25, 2019

The Accounting Supervisor and Staff Accountant are responsible for processing Payroll. The Director of Finance, the Accounting Supervisor, and the Staff Accountant all have access to the payroll module in the accounting software.

New Hires

New employees are typically interviewed by the department head and the Assistant City Administrator. Part time employees are only required to be interviewed by the department head. Before an employee is officially hired, they must pass a drug test and criminal background check.

Once an employee is hired, the department head fills out a Personnel Action Form (“PAF”) containing the employee’s rate, account coding, and any extra pay (for instance, police officers and firefighters are given an additional amount per month for having completed related college education). The PAF is signed by the employee’s supervisor, department head, and the City Administrator, with the exception of part-time employees whose form is not required to be signed by the City Administrator. The signed form is provided to the Finance Director. The Staff Accountant enters the new employee’s information into E-Verify and the payroll module of the accounting software. The Director of Finance reviews all data entry for new full time employees. The Accounting Supervisor reviews all data entry for part time employees. The accounting software can generate a report that lists all new employee data and all changes to existing employee data, such as, address changes, rate changes, position changes. The Director of Finance reviews this report periodically for accuracy. **(Key Control -1)** At least twice annually, the rates for all part-time employees are exported from the software and compared to the PAFs by the Finance Director and the Supervisors at the Lodge, once during the part time merit increase process and once mid-year. **(Key Control -2)** The PAF is filed in the employee’s personnel file which is kept in a locked cabinet in the Finance Office. Personnel files in the Finance Office also contain other payroll related forms such as W-4, health insurance and pension info, etc. (A separate set of personnel files, containing the Personnel Action Form and HR-related items such as the employment application, background check, etc., are maintained in the City Administrator’s office.) The Accounting Supervisor is responsible for notifying insurance companies and enrolling new hires into the pension plan.

Pay Increases

Near the end of each year, the Board approves an ordinance establishing employee compensation and providing for a cost of living increase, if any, for the upcoming year. The Board specifically approves the salary for each department director, as listed in the ordinance. Other employees are paid based on a Board-approved salary schedule. The City has two salary schedules – one for commissioned employees (police and firefighters) and one for non-commissioned employees (all others). The Board typically approves a cost of living increase for all commissioned and non-commissioned employees. This increase is added to each cell of the salary schedules. The salary schedules contain grades 1.1 through 10.1 (each position has an established grade) and steps A through H (indicating rates of pay within each grade). Employees on a salary schedule are generally eligible for step increases after six months of employment and every July 1 after that, but merit increases are occasionally given to certain employees at different times during the year. A PAF is completed for all pay increases (including cost of living increases) and is signed by the employee’s supervisor, department head, Finance Director and the City

Administrator. The City Administrator can approve increases of up to two steps; an increase of more than two steps requires Board approval. Increases of less than a full step may also be given. The signed Personnel Action Forms are given to the Accounting Supervisor who enters the rate change into accounting software. The cost of living increases are completed by a pay scheduled process within the software that will automatically adjust the pay scheduled by a fixed amount or a percentage amount designated. The Director of Finance completes this process once the COLA has been approved by the Board. Authorized accounting staff can run a report from the accounting software that shows the new salaries and it is compared to the PAFs **(Key Control -3)**.

Processing Payroll

Direct deposit is mandatory for all employees. A check may be given to an employee only in special circumstances, such as a new employee's first check or if an employee closed a bank account without informing Finance. Payroll is paid on Tuesday, for the two weeks ending the prior Sunday (over one week prior).

All employees (both hourly and salary) complete a time sheet (electronic or paper) which indicates any paid leave, holiday, comp time, or overtime hours. The timesheets are reviewed and signed by the department heads. Some department heads also complete a Summary Sheet of the timesheets for all of their employees, which is signed to indicate approval. The individual employee time sheets are attached to the Summary Sheet and forwarded to the Finance Department. Almost all full-time employees enter their time into the online time and attendance website. For employees that do not have access to City computers, their supervisor acts as a delegate and enters their time. The time entered goes through one or two approval processes. Once it is approved, the Staff Accountant will upload the time entered through the payroll process. The Staff Accountant then selects the employee deductions that will be withheld from paychecks. (Most deductions are withheld every pay period, but deductions for health/dental insurance and typically child support are only withheld twice per month. Therefore, if there are three pay dates in a particular month, these items will not be deducted from the third payroll.) He will review the individual time sheets if the hours look unusual and any questions will be directed to the appropriate department head. Salaried employees receive regular bi-weekly pay. Adjustments are made to the employee's vacation and sick hours to reflect earning and usage of paid time off. The Staff Accountant provides the Accounting Supervisor with all documentation. The Accounting Supervisor performs a preliminary review of the data entered. The Finance Director will then review the full time employee wages.

After all hours have been verified, the Finance Director instructs the Staff Accountant to run the Summary Register and Detail Register. The Detail Register contains all hours entered for each employee for the pay period in addition to each employee's rate and department. This report and the Summary Sheets for each department are provided to the Director of Finance, who does a final review to ensure hours were entered correctly and that the hourly rates used for Park employees are accurate (since pay rates for Parks employees can vary depending on the particular position the employee worked during the period). Upon the Finance Director's verbal approval, the Staff Accountant chooses "Build Distribution," which posts all employee hours and creates a journal entry to record expenses for gross wages. The Distribution Review and Distribution Register are then available for review. Once everything is deemed to be correct, the Staff Accountant will choose "Lock for Payment Processing". This process creates a journal entry to record payroll liabilities and the City's payroll tax expenses. A preliminary check register is also

generated in the form of a data file and is automatically stored in the accounting software directory.

The Staff Accountant initiates the process to email a pay stub for each employee from the accounting software. There are a small group of employee's that do not wish to receive their pay stub via email. Those stubs are printed. The Staff Accountant puts the pay stubs into envelopes. On pay day, someone from each department will come to pick up the pay stubs and distribute to their employees. No employees are given pay stubs before pay day.

When payroll is processed, a direct deposit file is generated from the accounting software and stored on the network. Prior to pay day, the Director of Finance uploads the direct deposit file to the bank's website and reviews for reasonableness. The Staff Accountant prints a detailed check register report from the system. The Director of Finance is given the last page of the check register with the total net pay and the page containing a summary of all taxes and deductions. She compares the total net pay per the check register to the total to be deducted from the bank. The Director of Finance prepares an Approval Form to document the payment to be made for direct deposits. A report detailing the individual transactions in the EFT is printed from the bank's website and attached to the Approval Form, which is then given to the City Administrator for approval. The City Administrator must log onto the bank's website and approve the pending EFT before it will be processed on pay day.

Pension

The Accounting Supervisor runs a report of the period's pension payments in the accounting software. The Accounting Supervisor inputs contribution amounts for each employee on the pension website. The Director of Finance reviews the pension calculation reports and approves the employee allocation on the pension website. The Finance Director initiates the payments as EFTs through the bank's website. A second employee (City Administrator or Assistant City Administrator) must approve the EFT transaction before it will be processed.

Reconciliation

Bank reconciliations are completed monthly for all accounts by the Accounting Supervisor and are reviewed and updated in the financial software by the Director of Finance.

Year-End Adjustments

Payroll - The accrued payroll is determined by multiplying the first pay of the new year by the percentage of the pay period related to the prior year.

Vacation - Employees can only carry over up to 80 hours of vacation after year end. If someone quits they can get vacation and comp time paid out, but not sick leave. Shortly after year end, the Accounting Supervisor prints a report which shows each employee's comp and vacation hours as of December 31. The hours are multiplied by each employee's hourly rate to determine the amount of accrued vacation.

Budget to Actual Review

Departmental Directors have report only access to the financial information in the system. With this type of access they are able to drill down into line items and view the activity that is posted. They are unable to make changes in the system. Monthly financial reports are sent to Directors for their review. If the department is over budget they will notify the City

Administrator. Directors can ask for a supplemental appropriation or a budget modification to adjust the budget. Supplemental appropriations must be brought to the mayor and approved through resolution. The City Administrator is able to approve budget modifications (moving budget amounts from one line item in a department to another). Departmental Directors review the budget to actuals monthly.

2.3 – Budget Procedures

Updated: November 9, 2018

Each year the City prepares a formal budget for all funds. The budget is a carefully constructed financial plan for operation of the City for the year. The proposed budget is prepared and approved in accordance with State law.

The budgetary process begins in July of each fiscal year. Budget worksheets (all funds) are distributed to Department Directors electronically. Department Directors must prepare Capital and Operating Budget requests, and the City Administrator, Assistant City Administrator, and Director of Finance meet with staff to review all budget requests. A preliminary draft of the Capital Budget is presented to the Board of Aldermen in September and a preliminary draft of the General, Sewer, Fire, and Debt Service Fund budgets are presented to the Board in October. Work sessions are held with the Board of Aldermen, City Administrator, Assistant City Administrator, Director of Finance, and all Department Directors prior to finalizing the budgets. A public hearing is held in November, and the final budget is approved by the Board of Aldermen in December (**Key Control – 1**).

The budget is monitored on a continual basis throughout the year. The City Administrator and Finance Director monitor actual to budget performance on a monthly basis for revenues and a quarterly basis for expenses. The approved budget is entered into the City's financial accounting software (Incode), and Department Directors have access to see the budget to actual progress for their areas of oversight. They are able to drill down into line items and view the activity that is posted. Monthly financial reports are sent to the Department Directors for their review. In addition, the Department Directors monitor their spending throughout the year and notify the City Administrator or Director of Finance if an emergency arises or if a budget amendment is needed (**Key Control – 2**).

Directors can ask for a supplemental appropriation or a budget modification to adjust the budget. Supplemental appropriations must be brought to the Mayor and approved through resolution of the Board of Aldermen (**Key Control – 3**). The approval of budget amendments is noted in the Board minutes. The City Administrator is able to approve budget modifications (moving budget amounts from one line item in a department to another).

The Audit and Finance Committee is the fiscal monitoring body for the City. The Committee has seven members, six citizens from the community, appointed by the Mayor, and one member of the Board of Aldermen. Throughout the year, the Audit and Finance Committee reviews the budget to actual progress (**Key Control – 4**). The Committee considers changes requested by departments and commissions and makes recommendations for changes to the Mayor and City Administrator.

In addition to the City's official budget, the City also prepares a comprehensive budget publication that has been awarded a Certificate of Recognition for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting. The City of Des Peres is one of only a few cities in the State of Missouri to achieve this recognition.

2.4 – Petty Cash Procedures

Updated: November 9, 2018

I. Purpose of Petty Cash

The purpose of petty cash fund is to meet the needs, on a daily basis, of City of Des Peres personnel encountering **last minute** authorized business related expenses, allowable for reimbursement through petty cash, limited to the maximum amount of \$50.00 per receipt, per vendor, per day. Receipts can be combined on one petty cash voucher. However, the limit per person is \$100 per day.

II. Purpose of Petty Cash Advance

To advance cash to City of Des Peres staff to make an allowable purchase without using their own funds. Petty cash advances are limited to \$50 per person at a time. Advance must be accounted for prior to issuance of another advance.

III. Allowable Transactions

- Purchases for small dollar needs
- Purchases for which the goods or services are received at the time of purchase.
- Examples: supplies, mailing services, copy services, luncheons approved by supervisor

IV. Unallowable Transactions

- Membership dues
- Travel reimbursement –airfare, mileage, gasoline
- Travel advances
- Sewer Lateral program refunds
- Ambulance refunds
- Scheduled training & conferences
- Employee Awards
- HRA Reimbursements
- Court Overpayment
- Donations

V. Administrative Responsibilities

- The Director of Finance is responsible for the control of all petty cash funds. The Director will authorize Departments to maintain a cash box and administer the funds.
- The Director of each department will be responsible for complying with these policies. They can authorize individuals to be custodians and maintain the cash box in the department.
- The Director of Finance shall be responsible for spot checking controls and investigating any significant reconciliation errors.

VI. Controls & Procedures

- Petty cash must be held in a locked cash box (drawer). A primary key to the box must be held by the custodian while a secondary key should be held by the department director.
- In the event the fund custodian has a scheduled absence, a temporary custodian can be assigned by the department director.
- If the custodian is the employee receiving the funds/check, another authorized employee should act as custodian to document the transaction and issue the funds/check.

- The total amount of the petty cash fund should always equal the cash on hand plus the petty cash vouchers.
- The fund custodian should reconcile the petty cash no less than once per month.
- The Director of Finance will periodically reconcile the petty cash.

VII. Forms and Documents

- Petty Cash Voucher –a petty cash voucher must be filled out with the name of the person receiving the funds, amount, general ledger number to post the expense to, and purpose of the expense. The person receiving the funds and the custodian must sign and date the voucher.
- Receipt of Advance from Petty Cash –a petty cash voucher must be filled out with the name of the person receiving the funds, amount, general ledger number to post the expense to, and purpose of expense. When the employee returns with the change and receipt, write the amount returned on the petty cash voucher and subtract it from the amount issued to the employee. Write the net at the bottom. Both the person receiving the funds and the custodian must sign and date the voucher.

2.5 City Clerk Procedures

Updated: September 27, 2019

Almost all business license applications come in the mail direct. These applications can be obtained from the City's website or the City Clerk. The applications are received by the City Clerk, who then verifies the business has an occupancy permit on file with the City. The City Clerk also receives a No Tax Due along with the applications for new businesses in the City in order to make sure the business has been paying its taxes.

The City Clerk then enters the license information into the business license software which calculates the fees. The application also has a formula for the fee. The fees for business permits are based on square footage for service companies, retail sales for retail stores, or a flat fee for business that do not fit into either of those categories.

After the City Clerk receives the payment in the mail (some are received from Public Works if they are paid at the same time as the occupancy permit) and verifies the application, she fills out the Daily Deposit spreadsheet and marks the application as paid in the system by posting the receipt in the business license software. The City Clerk then will prepare a deposit slip and place the money along with the white copy of the deposit slip into the safe. She then attaches the yellow copy to the cashiering End of Day Journal Register. The documentation is delivered to the Finance Department. This information is forwarded to the Accounting Supervisor, who reconciles the totals to the bank statements each month.

Liquor license applications are received in the mail by the City Clerk. The City Clerk will have Public Safety run a background check on the applicant. She also will request a photo id from the managing office. All application fees are flat fees. The City Clerk also ensures the business applying for the liquor license has a business license on file with the City by looking it up in the business license software. Fees are sent directly to the City Clerk and the process for deposits is the same as above for business licenses. The Board of Alderman reviews each new application prior to issuing a liquor license. Annually the Board approves a resolution on businesses that request to renew their liquor licenses.

After the due date, the City Clerk will run a report of past due business license fees. The City Clerk reviews the list to see which businesses have not paid and sends them a late notice. Late fees are incurred. A business will not be permitted to get a subsequent business license until all past due balances are paid in full.

Periodically, the Finance Department will run a report from the Missouri Department of Revenue's portal that lists all the businesses registered in the City of Des Peres with the State. The City Clerk will compare this list to the list of businesses on file to identify businesses that may not have applied for a business license from Des Peres or that may not be submitting sales tax.

2.6 Finance Department Procedures

Updated September 25, 2019

Most City revenue is received by direct deposit wire transfer to its bank including all sales taxes and all state shared revenues (Gasoline Tax, Motor Vehicle Fees, State Shared Auto Sales Taxes and Use Tax) which account for a sizeable portion of the municipal budget. The City receives by mail, paper copies verifying amounts wire transferred. Some utility taxes are direct deposited to the bank. Recurring revenues received by check include some utility tax payments.

Statements (remittance advises) come in from the paying agents through mail detailing the amount to be paid, month it is related to, etc. The Staff Accountant posts the payments into the financial software. The Accounting Supervisor reviews the journal entry, initials as approval and updates the entry in the financial software. The printed statements are put in that month's cash receipt folder.

Sales tax, which is received from the State and County, first goes to the City Administrator. The City Administrator forwards the remittance advices to the Director of Finance. The Director of Finance will enter the amounts received into spreadsheets that the City Administrator uses to track the revenue throughout the year. The Director of Finance keeps the support in the sales tax binder and reconciles City Administrator's figures to the EFTs in the bank statement. The Staff Accountant typically books the EFT receipts as they come in. The Accounting Supervisor reviews the journal entry, initials as approval and updates the entry in the financial software.

The rates received from each entity are approved by the Board. The entities typically let the City know if there will be any unexpected swings. At the end of each month the Director of Finance presents a budget to actual report with explanations to the Board. If the amount received is significantly out of line with the budget, the Board will approve an adjustment based on their expectations.

Checks are only received for cell phone taxes, Missouri American Water tax and EFT Gas taxes. The Director of Finance receives the checks, notes the account number, and forwards to either the Staff Accountant or the Finance Administrative Assistant to process and deposit. The Accounting Supervisor reviews, initials as approval, and updates these entries in the financial software.

At the end of the year, Director of Finance books an adjustment for accounts receivable based on actual receipts and the recognition criteria for the tax.

2.8 Parks and Recreation Procedures

Updated September 26, 2019

The Parks and Recreation Department is located in the Lodge at 1050 Des Peres Road . Payments are collected for membership passes, facility rentals, program registration (for example, to attend classes/lessons or participate in a sport), and various other point of sale purchases such as daily passes and concessions. The Lodge uses Max Galaxy Software.

The Lodge occasionally receives payment for miscellaneous items such as sponsorships or uniforms. Uniform payments and sponsorships are taken through MaxGalaxy so that staff may pay with check, cash, or credit card and a receipt is issued at the time of purchase.

There is a supervisor on duty at all times. Supervisors are responsible for overseeing cash handling and they are the only individuals that can give refunds. There are cash drawers in the following areas of the Lodge:

- Front Desk – 4 drawers (only 2 handle cash)
- Fitness Center – 1 drawer (no cash or checks at this drawer)
- Indoor Concession – 1 drawer
- Outdoor Concession (summer only) – 2 drawers
- Outdoor Pool (summer only) – 2 drawers (only 1 drawer handles cash)

At the beginning of the day, each cashier meets with the supervisor on duty to obtain the bank bag containing the starting money for a particular drawer. Each drawer contains \$200 starting cash. The cashier and supervisor meet in the conference room to count the funds and complete the “beginning of shift” portion of the Cashier Cash Verification Form. Cash is always counted in the presence of two individuals.

Customers may pay for services via cash, check (except for concessions and pool cashier) and credit card. If a cashier receives a large payment during their shift, they are to call the supervisor to put the funds in the safe. Max Galaxy is set up to always print a receipt for payments received at the Front Desk and Fitness Center. Receipts are only printed at Concessions upon request. Online payments are also accepted for programs through the Lodge’s website. These payments automatically post to the customer’s account in the recreation software.

Cash drawers are counted every day in the off-season and reviewed twice per day during the summer to determine if a new cash drawer is needed. All of the funds from the drawer are removed and put in the bank bag for that particular drawer. The cashier and supervisor count the funds in the conference room and complete the “end of shift” portion of the Cashier Cash Verification Form. The supervisor also completes an electronic shift closeout form for each area, which reconciles the total cash and check payments in the drawer(s) to the totals of each of these per the Shift Summary Report printed from Max Galaxy. The Shift Summary Report also includes the total credit card sales. Any cash over/short differences are noted on the Deposit Summary Form which is then signed by the supervisor. The supervisor prepares a deposit slip for each drawer that contains cash or checks and drops the funds for deposit and the deposit slip in the top portion of the safe. The starting drawer cash is put back in the bank bag and placed in the bottom

portion of the safe. The carbon copies of the deposit slips are attached to the Shift Summary Reports (from Max Galaxy), the Deposit Summary Forms and the Cashier Cash Verification Forms, and are forwarded to the Administrative Assistant. The Administrative Assistant checks the daily paperwork and deposit for accuracy then reconciles the shift in MaxGalaxy before forwarding the paperwork to Finance and taking the deposit to the bank.

The safe has 2 sections – the bottom portion, which can be accessed by opening the safe, and the top portion, which requires an additional pin number to be entered before it can be opened. All supervisors, The Administrative Assistant, and the Director of Parks and Recreation have access to the safe (the bottom portion). Only the Administrative Assistant, Director of Parks and Recreation, Facility Superintendent and Recreation Superintendent have access to the top portion of the safe where the monies for deposit are kept. Other supervisors cannot open the top portion of the safe, but there is a slot where funds and deposit slips can be dropped into the top of the safe.

Every weekday, the Administrative Assistant obtains the funds and deposit slips from the top of the safe and takes the money to the bank to be deposited. The Administrative Assistant may or may not receive the deposit receipt depending on how busy the bank is at the time, but it is forwarded to the Finance office by either the Administrative Assistant or the Bank.

The Staff Accountant receives the deposit receipt from the bank and matches this to the carbon copy of the deposit slip and other supporting documents received from The Lodge. He prints a Receipt Summary Report from the recreation software, listing the cash, checks and credit cards received for all areas for a particular day, and reconciles this to the total amount deposited at the bank. He also prints a GL Distribution report that will list all the credits used that day. It should match the GL export. The Staff Accountant then imports the GL export report from the recreation software into the accounting software, which matches the Receipt Summary Report printed from the recreation software. The Staff Accountant gives a copy of the entry and supporting documentation to the Accounting Supervisor for review. The Accounting Supervisor will update the entry in the accounting software and sign the paper copy of the journal entry, which is then filed by the Staff Accountant. Separate journal entries are imported from the recreation software and posted to the accounting software for each day's park receipts. Journal entries are posted every day for the prior day. On Monday the weekend's daily entries are posted.

Memberships

The Facility Superintendent is responsible for memberships. New memberships are generally set up at the Front Desk. The cashier verifies whether a new member is a resident by viewing a utility bill or other relevant info. Memberships are either paid in their entirety with one up-front lump sum payment or through automatic monthly credit card charges. Memberships are for a period of one year, but automatic monthly charges will continue until the membership is cancelled. (Memberships paid in full up-front expire after one year.) Deferred revenue is automatically calculated by Max Galaxy.

When a new member pays a lump sum for the entire one year membership, the following entry is booked:

Cash	\$XXX
------	-------

Deferred Revenue	\$XXX	(Equals total membership fee less revenue earned in first month)
Membership Revenue	\$XXX	(Equals portion to be earned through the end of first month of membership)

On the first of each month following the initial lump sum payment, Max Galaxy automatically books the following entry into the membership accounts:

Deferred Revenue	\$XXX	
Membership Revenue	\$XXX	(Equals one twelfth of entire membership)

Customers wishing to pay monthly are required to sign a form (Monthly Credit Card Charge Authorization depending) and provide the necessary information (credit card info) for the monthly payments. The cashier sets up the new membership in Max Galaxy, which automatically calculates a prorated amount due from the customer for the first month based on the current date. Customers are required to pay the prorated amount at the time the membership is established, in addition to a one-time processing fee that is charged for all new memberships not paid in full up front. The authorization forms are put in a file for the Facility Specialist, who checks the information that was entered into Max Galaxy by the cashier.

Scheduled monthly charges are automatically processed on the first business day of each month by Max Galaxy Software. These files are sent to the Director of Finance and she uploads them to the bank's website to complete the payment process. She prints reports from the bank's website detailing the direct debit and credit card charges by member. The Director of Finance reconciles the totals on the reports to the bank statements each month.

For members that pay through automatic monthly charges, the following entries are automatically recorded in Max Galaxy on the first business day of each month:

Accounts Receivable	\$XXX	
Deferred Revenue		\$XXX
Deferred Revenue	\$XXX	
Membership Revenue		\$XXX
Cash	\$XXX	
Accounts Receivable		\$XXX

2.7 Municipal Court Procedures

Updated: November 18, 2019

The Municipal Court is located in City Hall. The court currently uses the case management system IMDSPlus, contracted by REJIS. The court converted from IMDS to IMDSPlus in November 2015. The Municipal Court migrated to Show Me Courts software in June 2019 and will run both softwares until all cases are closed in IMDS Plus.

Court Fines and Fees

The City uses Mobile Ticketing, a program within the REJIS system. When an officer issues a ticket, the information is automatically uploaded into the REJIS system. The violator's copy is given to the defendant and a court copy is printed and signed by the defendant. The physical copy of the ticket is put in a drop box in the Dispatch office at the Public Safety building. The evening dispatch employee obtains the tickets and logs each ticket number in the Ticket Book maintained at Public Safety. Someone from Public Safety (usually the Chief) will then take the bond envelopes (see below), tickets, and the Ticket Book over to the court at City Hall the next morning. Starting January 1st, 2017, the court will receive tickets and reports in one book & bonds in a separate book. The prosecuting attorney assistant will sign for the tickets and reports and the court clerk will sign for the bonds. The court clerk compares the bond numbers from the envelopes they receive with the Bond Book and then signs the Bond book to indicate that the items were received and that the bond numbers are in sequence. The same will be done by the PA assistant for tickets and reports. Tickets are processed every day by the PA assistant. The PA assistant will prepare a backing sheet and labels for the file and check to make sure that the ticket information that was imported from Mobile Ticketing into REJIS is correct. Tickets are then put on the individual's case file. One of the court clerks prints a "Cases Imported from Mobile Ticketing Report" for the period; the tickets that haven't been received are highlighted in green. The Prosecuting Attorney then reviews and signs all tickets. Upon approval by the Prosecutor, the tickets are filed in with the Court. Clerks will prepare the court's tracking sheet and labeled files for each ticket received.

A violations bureau schedule with fees is approved by the Judge and posted outside of the municipal court office. Defendants may pay fines, court costs, and fees on violations including minor traffic and parking tickets before their scheduled court date so that they do not have to appear in court. Defendants are requested to wait until 2 weeks from the date a ticket is issued before making a payment. The court accepts all forms of payment including cash, check, money orders, cashier's checks, and credit cards. The City uses Ncourt for our credit card service for the courts. Ncourt is a third party company that the City uses to process credit card payments made at City Hall, over the phone or online. The fee is 3.5 percent when paid at the Court window and 7 percent when paid online or over the telephone. Defendants can pay fines and fees by going to the Des Peres Court designated payment website or by calling Ncourt's toll free number.

Bonds

Pre-numbered bond forms are used by the police department. When a bond form is completed, the police fill out a bond log with the bond number, date, defendant name and amount. Each bond form has three copies – one copy is given to the defendant as their receipt (separate cash receipts are not issued for cash collected) and one copy is maintained at the police department. The original is put into its own green bond envelope with any cash, checks, or credit card acknowledgment received and is sealed. Credit card

payments are also accepted at the police department for bonds. The officer writes the individual's name and the amount of the bond on the front of the envelope, signs the envelope, and places it in the bond drop box. The Public Safety Administrative Assistant, Director of Public Safety, and Records Clerk are the only individuals with access to the bond drop box. Once per day, the Public Safety Records Clerk collects the bond envelopes and sorts through them to ensure that the bond numbers are in sequence and none are missing. She documents the bond numbers in the Ticket Book maintained at Public Safety. Someone from Public Safety (usually the Chief) will then take the bond envelopes, tickets (see above), and the Ticket Book over to the court at City Hall. A Court Clerk opens the envelopes with money in them to verify the amount. The clerk also compares the bond numbers from the envelopes and if applicable, opens the envelope to verify the amount of money with the Bond Book documentation and then signs the Bond Book to indicate that the items were received and that the bond numbers are in sequence. Bonds are usually processed within a day or two of receipt, but must be processed by the defendant's scheduled court date. Bond envelopes are stored in a bond folder in a locked drawer in the court office until they are processed. A Court Clerk processes the bonds in sequential order. The bond transactions are entered into IMDSPlus or Show Me Courts. A Court Clerk enters the cash or credit card amount received for the bond into the cash register and includes the bond money with the daily deposit. A daily report of bond payments from the Court software is attached to copies of each bond form received and sent to the Finance Department. Names and any identifying information are blacked out.

Payment Processing

There are two cash drawers in the court office that are used by court clerks. One cash drawer is used in the register to process daily transactions. A second cash drawer is the back-up drawer and is rotated in at the start of a new business day. \$200.00 cash is kept in each cash drawer for startup money.

When payment is received for bonds or fines, the payment is logged into IMDSPlus or Show Me Courts and three copies of the receipt are printed. One copy goes to the individual, the second copy goes in the case file, and the third copy will be used as documentation in the cash register reconciliation process (**MC 1**). The payment received is also entered into the cash register. The IMDSPlus or Show Me Courts computer generated receipt number is handwritten at the top of the receipt printed by the cash register. This receipt is stapled on the individual's file. If the payment is made in cash, the money is put in the register drawer and the IMDSPlus or Show Me Courts receipt associated with the cash payment is put in a container under the court counter. Any other type of payment rung into the register (check, money order, online payment receipt, credit card receipt) is attached to the receipt from the respective Court software and then put in the container under the counter.

At the end of the day, the court staff balances the cash register by running the daily reports. A copy of the two register cash tape reports is made to be included with the bank deposit. The clerk takes the payment receipts from under the counter and enters them on the *Balance Sheet Document* found under the IMDSPlus Payment icon. The clerk enters the payment \$ amount received under the type of payment made (\$5 check, \$45 cash, etc) to generate the *Final Drawer Balance* for the day. NOTE: Each day is closed out with a minimum of \$200 cash; the amount in the drawer when the register was opened. If all the numbers match, 2 copies of the *Final Drawer Balance* document are printed and the register is closed for the day. The clerk attaches together (1) the payment receipts for the

day with (2) the copy of the cash register tapes and (3) a copy of the Final Drawer Balance document. The Show Me Courts end of day process displays the totals for the Court Administrator to verify that the amounts match the daily totals in the register. The Court Administrator counts the payments received for both IMDS and Show Me Courts to ensure that it balances to the receipts at the close of business each day. The reports and the cash drawer are kept in a locked fire proof safe in the Court. The Court Administrator, Court Clerk, and the PA Assistant have keys to the safe. The original cash register receipts are attached to the second copy of the Final Drawer Balance and is given to the court clerk who will complete the drawer reconciliation for the court on the following business day.

The next morning, the court staff will pull the back-up drawer, put it in the register and begin processing for the day. A member of the court staff will run several reports from IMDS: *End of Day Revenue Report* for the date or date range, *Payment Report* for the date or date range. Court Staff will also run the following reports from Show Me Courts: Trial Balance Report, Open Items Summary Report, Daily Cashier Report in Summary and Detail. The cash register tapes from the end of the previous day are filed with copies of these reports in the Court. (Per the directive of the Missouri State Auditor's office, a copy of both cash register receipt totals are to be kept in a separate file in the Court).

For payments made through Ncourt, the court receives a payment notification via email. This notification is printed and the payment is processed similar to cash and other payments received in person, as described above. There is a key on the cash register for online payments and the printed payment notification is put with the IMDSPlus or Show Me Courts receipt that is for the reconciliation process. Ncourt payments are processed by the court staff.

Bank Accounts and Checks Written

The court maintains their own checkbook for the IMDS Plus operating bank account. All monies collected and disbursed from this account are relating to court cases that occurred before June 2019, which are in the IMDS Plus software. The check book containing blank checks is kept in a locked drawer in the court office. Checks for the operating account are written manually and only one signature is required. The Court Administrator writes the checks and signs. The backup signor on the account is the Director of Finance. The check information is written on the pre-numbered check stub that is retained in the checkbook.

The court also maintains their own checkbook for the Show Me Courts operating bank account. All monies collected and disbursed from this account are relating to court cases that occurred after June 2019, which are recorded in the Show Me Courts software. The check book containing blank checks is kept in a locked drawer in the court office. Checks for the operating account are written manually and only one signature is required. The Court Administrator prints checks from the Show Me Courts Software during the month end close process. The backup signor on the account is the Director of Finance.

Daily Deposit

On a daily basis, the Court Administrator reconciles the drawer. The money, checks, credit card slips (and Ncourt payment notifications) will be counted and compared to the cash register receipt totals and the total per the IMDSPlus and Show Me Courts receipts and reports run by the court when the drawer was closed. When everything is reconciled, the Court Administrator or the Finance Administrative Assistant completes a deposit slip. The Court Clerk serves as the backup to the Court Administrator for this process. The Finance

Administrative Assistant reviews the deposit along with all supporting documentation and verifies that the bond amount on the report matches the deposit in the municipal court bond bank account for the same day. The Finance Administrative Assistant signs the report as evidence of her review. The deposit documentation is filed in the Court office. The Finance Administrative Assistant will also verify the beginning cash drawer is \$200. The Court Administrator provides the Finance Department with several reports from the IMDS Plus and Show Me Courts Software.

The Finance Administrative Assistant will then complete two *Court Register Reconciliation* forms: one for IMDS and Show Me Courts. She will then create a journal entry in the financial software to allocate the daily court revenue and liabilities based on the reports from the Court software. The Staff Accountant serves as the backup to the Finance Administrative Assistant for this review process. The Accounting Supervisor will review and approve the journal entry in the accounting software. The accounting supervisor initials the journal entry and signs the court cash register reconciliation form as evidence of her approval.

The deposit slip and funds are placed in the vault in the Finance office until they are taken to the bank by one of the Finance employees (Director of Finance, Accounting Supervisor, or Staff Accountant). This person will provide the Court Clerk with the deposit receipt from the bank, who will attach it to the daily receipt documentation filed in the Court.

Municipal Court

Court is held the first Monday of every month. After the defendant has entered a plea to the pending charge(s) the bond money may be refunded, applied or forfeited (per order of the Judge). Defendants that are applying bond funds to pay outstanding court fines and fees are required to sign a bond release form, indicating their approval of the amount that will be applied and the amount that will be refunded. A check will be written out of either the IMDS or Show Me Courts bank account to the City of Des Peres for the amount of the bond funds to be applied for deposit into the City's operating account. The "receipt" of the check written to the City of Des Peres is processed the same way as the receipt of court fines and fees, as described above.

No checks are written on court night. Defendants are told that any refund check owed to them will be mailed within two weeks or that they can come by the City during business hours to obtain a check.

End of Month

Each month the Court Administrator prints a *Stay Report* that shows all of the cases that the Judge instructed to stay fines. This report is reviewed and signed by the judge and is placed in the court night docket binder. A copy of this report is provided to the Finance Department.

At the end of the month, the court prints various bond reports from IMDSPlus and Show Me Courts to include bonds posted, paid/returned, and an open bonds report, which provides a total of the outstanding bonds. Bank statements are received by the Finance Department, who provides the Court Clerks a copy. One of the Court Clerks compares the items clearing on the bank statement with her reports from the IMDSPlus and Show Me Courts software, mainly to ensure that all checks clearing the bank were logged in the

court software. The Court Administrator provides the following reports from IMDS to the Finance Director: Fee/Tender Report, Fee Detail, Bonds Outstanding, Bonds Filed, Bonds Posted, and Bond Reports. The Court Administrator provides the following reports from Show Me Courts to the Director of Finance: Trial Balance, Check Register, Disbursement Summary, Disbursement Detail Listing, and Deposit Detail. The bank statement and reports from the court software are then provided to the Accounting Supervisor who records the checks written during the month in Incode. The Accounting Supervisor then reviews that bond numbers are in sequential order **MC-3**). The Director of Finance reviews the journal entry for checks written and initials as evidence of her approval. The Court Administrator completes the bank reconciliation with the Finance Director in the financial software. The Director of Finance reviews and approves the bank reconciliations once completed. The Director of Finance and Court Administrator initial the bank reconciliation as evidence of her approval (**MC 3**). The Finance Department and Court both keep a copy of the bank reconciliation and supporting documents.

The Court Administrator will also complete a bank reconciliation in the Show Me Courts software.

The Judge files the Municipal Court Certification (form MCC17-1 and the City Administrator files Addendum (form A17-1) annually to the Missouri State Auditor's office. The municipal Court certification states that the City has complied with all Municipal Court procedures during the year. The Addendum completed by the City Administrator is a calculation of the percentage of annual general operating revenue from court fines, bond forfeitures, and court costs for minor traffic violations.

2.9 Prosecuting Attorney Procedures

Updated: September 26, 2019

Beginning in September 2012, the Court opened an account dedicated to the collection and distribution of Restitution payments. These payments are collected and processed by the Prosecuting Attorney's Assistant. The restitution account collects money from the defendant (on a monthly basis until paid in full). Each payment received is deposited into the Restitution account and logged on a spreadsheet as well as documented on the court and Prosecuting Attorney file.

When the PA Assistant receives a restitution payment from the defendant, the payment is given to the Finance to deposit into the restitution bank account. Once the restitution amount is paid in full, the victim is contacted and arrangements are made to disburse payment. Most victims come to City Hall to pick up the restitution check, however, the check can be mailed in instances when a defendant or business is out of the State. Copies of the payment disbursed to the victim are documented on the court and Prosecuting Attorney files as well as logged on the restitution spreadsheet.

Reconciliation

Bank reconciliations are completed monthly for all accounts by the Accounting Supervisor and reviewed by the Director of Finance. The spreadsheet used by the Prosecuting Attorney's Assistant is reconciled to the bank statement **(Key Control -1)**.

2.10 Public Safety Department Procedures

Updated October 15, 2019

The Police Department receives payments for copies of police report, CD's and CAD Reports. The fee is \$5 per report. Cash and checks are accepted at the receipt window by the Public Safety Records Clerk, Assistant Records Clerk/Dispatcher, or Administrative Assistant. A pre-numbered receipt book is used for all amounts received. The method of payment is documented on the receipt, and the original receipt is provided to the customer, leaving a carbon copy that is retained at the Police Department.

Cash and checks are placed in an envelope that put into the locked bond drop box. The Public Safety Administrative Assistant, Director of Public Safety, Records Clerk and Assistant Records Clerk are the only individuals with access to the bond drop box. Weekly, the Assistant Records Clerk/Dispatcher reconciles the amounts per the receipt book with the cash and checks on hand. The Records Clerk/Dispatcher then puts the cash and checks in a separate envelope, keeping \$5 in the receipt book for change. The Records Clerk/Dispatcher logs the total amount in the Report, CD and CAD Log Book, which indicates that the funds are for records.

The Administrative Assistant is responsible for verifying the records and funds in the Report, CD, and CAD Log Book every Tuesday (or as needed).

The Report, CD and CAD Log Book and the envelope containing the cash and checks will then be delivered to the Finance Department at City Hall, every Tuesday where the funds will be processed and deposited, similar to other court receipts (see separate memo).

2.11 Public Works Procedures

Updated: October 7, 2019

Building permit receipts are handled by the Public Works Department by the Administrative Assistant or Office Associate.

There are two types of permits: residential and commercial. Both types of permits are initiated and recorded the same way. An applicant must fill out and submit an Application for Building Permit form and two sets of their plans. A Request for Street Deposit Refund is also filled out by the applicant at this time. The applicant's information from the application is input into the public works software by either the Administrative Assistant or Office Associate. The software then assigns the application a permit number. This permit number is printed on the application and the refund request form.

Both residential and commercial plans are reviewed by the Building Official.

Once the plans are approved they are picked up by the applicant and a deposit and fee is paid. Fees are determined based on the "Building Permits/Zoning Review Permit/Deposit Schedule." The fee is applied to a revenue general ledger account while the security deposit is applied to a liability account where it will be released from once the project is complete. The information for the deposit and fee are put into the public works software. The software generates a summary report after the plans have been approved. Three copies of the report are printed off. One copy is given to the applicant, a second one is kept in the file with all other related paperwork at Public Works, and the third is given to St. Louis County, which picks them up.

Cash and checks received for payment are posted into cashiering software when they are received. They are kept in a locked drawer in the Public Works Department. Public Works prepares a deposit at a minimum of once per week. A deposit is made the same day if cash is received. The yellow copy is stapled onto the End of Day Journal Register. The white copy is sent to the bank with the deposit. After the deposit is prepared, it is given to a member of the Finance Department. The Accounting Supervisor or Staff Accountant will then put the deposit into the safe. Deposits are made almost daily by the Director of Finance, Accounting Supervisor, or Staff Accountant. The deposit receipt is attached to the yellow deposit slip along with the support from the public works software and forwarded to the Accounting Supervisor, who reconciles the totals to the bank statements each month. The reconciliation is reviewed by the Director of Finance.

A final inspection is made by the Building Official after the project is completed. The Building Official signs the permit's application as an indication of his approval. After the final inspection, the Development Deposit Refund is initiated and the Administrative Assistant completes the purchase order for the refund. An ACH payment is made or a check is cut for the refund and mailed to the applicant.

SECTION 3

APPENDIX

CITY OF DES PERES PURCHASE SUMMARY SHEET

PURCHASE AMOUNT	PROCEDURE
Under \$1,500	Prudent Man Standard
Greater than \$1,500 but less than \$3,000	Oral Quotes – Documented on Summary Sheet
Greater than \$3,000 but less than \$10,000	Written Quotes – Documented on Summary Sheet
\$10,000 or more	Formal Bidding with Approval by BOA

VENDOR #1

Company _____ Contact Name _____

Street Address _____ City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____ Email Address _____

Description: _____

Date of Quote: _____ Attach quote if over \$3,000 Total Price (including Shipping): _____

VENDOR #2

Company _____ Contact Name _____

Street Address _____ City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____ Email Address _____

Description: _____

Date of Quote: _____ Attach quote if over \$3,000 Total Price (including Shipping): _____

VENDOR #3

Company _____ Contact Name _____

Street Address _____ City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____ Email Address _____

Description: _____

Date of Quote: _____ Attach quote if over \$3,000 Total Price (including Shipping): _____

Recommended Vendor: _____

Comments/Reason for Recommendation: _____

Account Number: _____ - _____ - _____ PROJECT # (if assigned) _____ Amount Budgeted _____

FUND DEPT OBJECT

 Compiled By Date Department Head Signature Date



PERSONAL CELL PHONE STIPEND REQUEST

I am requesting that I be allowed to bring my own device in lieu of a city issued cell phone for which I will receive a \$30.00 per month stipend payable on the second payroll of each month subject to submission of my cell phone bill to the Finance Department.

In making this request, I agree as follows:

1. That I will utilize my personal cell phone for city related business including carrying it on my person while at work and for emergency on-call.
2. That the city will be allowed to publish my personal cell phone among necessary city staff for use for business purposes:

My cell phone number is () _____

My Phone Carrier is: _____

3. That I will submit my cell phone bill by the 15th of the following month to the finance department to receive my stipend. I.e: By July 15th I will submit the bill that I received for June. I will receive my stipend for the June bill on the second payroll in July.

DATED: _____
_____ (Signature)

Printed Name & Title: _____

() Approved

() Denied

Date: _____
_____ City Administrator



Finance Department
City of Des Peres, Missouri
12325 Manchester Road
Des Peres, Missouri 63131

CREDIT CARD AGREEMENT

The City of Des Peres has provided you with a city credit card to be used for business purposes only. Your signature below is verification that you understand the conditions under which the card has been issued to you and your acknowledgement that you have received the following credit card:

US BANK VISA 4485-59XX-XXXX- _____ Expires __/____

1. I understand that the card is for business purposes only and I agree not to charge personal purchases on the card and acknowledge that the penalty for doing so is a 10% surcharge on the amount purchased and forfeiture of the card.
2. Improper use of the card can be considered misappropriation of city funds and misuse may result in disciplinary action up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify US Bank by phone and will confirm the call by mail, email or fax with a copy to the Director of Finance.
4. The card is issued in my name and I am responsible for all purchases made against the card.
5. All charges will be billed by US Bank to the city and paid directly by the city. The bank will not accept any monies from me directly.
6. All purchases made using the credit card shall conform to the Purchasing Rules and Regulations and any other applicable policies of the City. Documentation of compliance will be required in conjunction with submittal of a detailed bill or receipt for payment.
7. I understand that I may be periodically required to comply with internal control procedures designed to protect city assets.
8. The city will receive a single monthly bill for all credit cards issued by US Bank. I will receive a monthly Reconciliation Statement and will promptly process that for payment. Since I am responsible for all charges (but not for payment), I will be responsible for resolving any discrepancies by contacting the supplier or bank.
9. I agree to surrender the card immediately upon termination of employment whether by retirement, resignation or involuntary termination.
10. I acknowledge that the card has been issued to me based on business needs. The card may be revoked by the city at any time by the city.

Employee Signature

Date

Approved by City Administrator

Employee Name Printed



CITY OF DES PERES
Missouri

TRAVEL EXPENSE REPORT

This report is required for all official travel that requires expenditure or reimbursement of city funds. And whether or not any balance is due to the employee. Authorization and/or payment for expenditures shall be in accordance with the guidelines adopted by the city and are subject to availability of funds within your departmental budget

NAME/TITLE: _____ **ORIGINAL BUDGET FOR TRIP:** _____
PURPOSE: _____ **LOCATION :** _____
DATES: _____ **AUTHORIZATION:** _____
MODE OF TRANSPORTATION: _____ **MILEAGE** _____ **\$ 0.545/MILE:** _____

	SUN	MON	TUES	WED	THUR	FRI	SAT	TOTAL
Date								
Registration								
Lodging								
Breakfast								
Lunch								
Dinner								
Transportation								
Other								
TOTAL								

RECEIPTS FOR LODGING, REGISTRATION, ETC., MUST BE ATTACHED

TOTAL EXPENSES: \$ _____
LESS AMOUNT PREPAID BY CITY: \$ _____
LESS AMOUNT PAID BY CITY CARD \$ _____
LESS ADVANCE PAID BY CITY \$ _____

BALANCE DUE TO/(FROM) EMPLOYEE: \$ _____
ACCOUNT # _____

SUBMITTED BY: _____ **DATE:** _____

APPROVED BY: _____ **DATE:** _____