

**CITY OF CRANDALL**

**ACCOUNTING AND FINANCE**  
**MANAGEMENT**  
**POLICIES AND PROCEDURES**

**Prepared and Adopted by the City Manager  
In May, 2003  
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# **ACCOUNTING AND FINANCE MANAGEMENT POLICIES AND PROCEDURES**

## **for the City of Crandall**

### **Section I: Declaration**

#### **(A) Intent of Policy**

The City of Crandall, desiring to be responsible and prudent with the public funds entrusted to its care and to insure the City's financial integrity, adopts this written policy concerning the procedures for all financial controls and transactions (i.e., expending funds, requesting and receiving a Purchase Order and/or a check for expenses authorized under the City's current adopted budget) pursuant to the Texas Local Government Code, Section 101. Furthermore, it is the policy of the City of Crandall to render payment for obligations in a timely and efficient manner. The City desires to maintain a good relationship with citizens, vendors, creditors and staff. The City recognizes that maintenance of accurate financial or financial related documents is imperative to a healthy economic climate for the City as well as insuring its creditworthiness.

#### **(B) Purpose of Policy**

The purpose of these written policies is to provide procedural guidance to all elected and appointed officials and City staff and to each department of the City of Crandall and assure budgetary compliance.

#### **(C) Applicability of Policy**

This policy applies to every elected and appointed official and staff of the City of Crandall.

#### **(D) Staff Involvement**

Opportunity for staff input into the development and preparation of these policies and procedures was provided through a series of staff meetings and assignment of tasks. Upon adoption by the City Manager and acceptance by the City Council, a copy of this document shall be provided to all elected and appointed officials and each City staff member responsible for financial transactions. An Affidavit will be signed by each recipient of this policy to verify receipt of the policy and indicate the commitment to uphold its provisions.

#### **(E) Implementation**

The City Manager has the authority and is directed by the City Council to implement policies and procedures to effectuate the efficient spending and accounting of the City's public funds and

compliance with the adopted annual budget of the City of Crandall. The provisions of this document shall apply to all elected and appointed officials and City employees. Non-compliance with these policies and procedures may result in disciplinary action or termination.

## **Section II: Budget**

**(A) Current Budget** - On an annual basis, the City of Crandall shall adopt a budget for each department of the City. The General Fund shall provide the budgetary basis for City Hall, Police Department, Fire Department, Street and Parks Department, Municipal Court, and other departments deemed necessary for the day-to-day operations of the municipality. The Public Works Department shall have a separate budget for the operating, maintenance and debt requirements of water works and wastewater treatment services. Finally, Creekview Golf Club shall provide for the operating, maintenance and debt requirements through an independent budget. As provided for in the Texas Local Government Code, Section 101.003, the governing body of the City of Crandall may appropriate money and provide for the payment of municipal debts and expenses. The appropriation of said funds shall be reflected in these annually adopted budgets.

In compliance with in the Texas Local Government Code, Section 102, it is the policy of the City of Crandall that the City Manager shall serve as the Budget Officer. Furthermore, the Budget Officer shall prepare a municipal budget annually to cover the proposed expenditures of the City for the succeeding year. An itemization of the budget shall represent a clear comparison between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. Each project shall be itemized and the estimated amount of money carried in the budget, as nearly as possible. The budget shall include (1) each outstanding obligation of the City, (2) cash on hand for each fund, (3) funds received from all sources, (4) funds available from all sources, (5) estimated revenue available to cover proposed expenditures and (6) estimated tax rate required to cover the proposed budget. The budget shall be balanced with current revenues, exclusive of beginning resources.

The Budget Officer may require any municipal officer or board to furnish information necessary for the proper preparation of the budget. The Budget Officer may require the use of *Justification Sheets* or other documents for accurate compilation and future reference for each line item.

Upon completion of the proposed budget the Budget Officer shall place the proposed budget on file with the City Secretary a minimum of thirty- (30) days prior to the City Council making a tax levy for the fiscal year. The proposed budget shall be available for inspection by any taxpayer.

Also in compliance with the Texas Local Government Code, Section 102, the City Council shall hold a public hearing on the proposed budget. The public hearing shall be open to any taxpayer of the City who may attend and participate in the hearing.

At the conclusion of the public hearing, the City Council shall take action on the proposed budget. The City Council may make changes in the budget that it considers warranted by the law or in the best interest of the municipal taxpayers. After the adoption of the budget a final copy

shall remain on file with the City Secretary, accessible to the general public.

The City Council may levy taxes only in accordance with the adopted budget. Expenditures may be made in strict compliance of the adopted budget. Only an emergency shall allow for a variation from the adopted budget. Emergency shall be defined as “*a grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention*”. The City Council is in no way precluded from amending or making changes to the adopted budget as may be required for the proper day-to-day operation of the City.

As the General Fund requires an annual review of the necessary tax rate to be levied to properly support all necessary expenditures, all enterprise funds shall also require a review of their rate and fee schedules annually. This review shall be performed within the budget process and shall insure a healthy and efficient financial environment. It shall be the responsibility of the City Council to monitor all revenue revisions so it does not allow for abuse.

**(B) Future Budgets** - Capital improvements shall be projected for a minimum of five (5) years to evaluate and prepare for future expenditures and needs. Constant maintenance costs such as street maintenance, vehicle maintenance, etc. shall be included annually in the budget process. Overall consistent maintenance should reduce costs and reduce taxpayer expenses. However, annual analysis shall be made to determine the efficiency of maintaining all equipment, etc.

The City Council and City staff shall review and use audited figures and current budget status in preparation of future budgets for the City of Crandall in an effort to base budget projections on accurate financial figures.

### **Section III: Audit**

Pursuant to the Texas Local Government Code, Section 103, the City of Crandall shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. All auditing requirements of the City of Crandall shall be according to current acceptable accounting practices. If subject to Section 16.356, Water Code, the City shall meet any and all necessary requirements of that Section. It is the policy of the City of Crandall to employ, at its own expense, a certified public accountant, outside the regular employ of the City, who is licensed in the State of Texas or a public accountant who holds a permit to practice from the Texas State Board of Public Accountancy to conduct the audit and to prepare the annual financial statement. This audit and financial statement shall be on file with the City Secretary within one hundred and twenty (120) days after the last day of the City's fiscal year.

Annually a management letter shall be issued to the Mayor and City Council of all internal control weaknesses that have been discovered. The City Manager and the Auditor will jointly review the management letter with the Mayor and City Council upon receipt.

## **Section IV: Investments**

The City Manager, as the City of Crandall's Investment Officer, shall invest the City's funds in compliance with the Texas Public Funds Investment Act and in compliance with the City of Crandall's Investment Policy as adopted by the City Council.

## **Section V: Depositories**

It shall be the responsibility of the City Council to deliberate and take action on naming Depositories for the City of Crandall in accordance with the City's annually adopted Investment Policy.

## **Section VI: Purchasing**

### **(A) Authorized Purchases**

Only items provided for in the current adopted budget shall be purchased. Each line item in the budget has an associated *Justification Sheet* prepared by the Department Head or the City Manager during the budget process. The budget and *Justification Sheets* are on file with the City Manager, City Secretary and with each Department Head. The explanation on the *Justification Sheet* shall be used throughout the budget year as a reference when making purchases.

In an effort to make the most efficient use of the taxpayers' money purchases requiring an expenditure of \$1,000.00 or more shall require the Department Head or his/her authorized representative, to obtain competitive pricing from three (3) or more vendors. If three (3) prices are not available, note this on the *Purchase Order Request* in the form of an explanation.

### **(B) Purchase Orders Requests and Purchase Orders**

(1) **Purchase Order Requests** - It is the responsibility of the Department Head to submit a *Purchase Order Request* to the Financial Liaison. Each Department Head may authorize a representative to sign *Purchase Order Requests* and *Purchase Orders* in his/her absence. The authorization must be done in writing, approved by the City Manager and maintained by the Financial Liaison. Authorization of an alternate representative must be in the form of a "standing order" to the Financial Liaison and not on a Request-by-Request basis. *Purchase Order Requests* submitted by an unauthorized employee shall not be processed. Further, orders placed by unauthorized employees will not be the responsibility of the City of Crandall.

Each Department Head shall have a regular day and time each month to meet with the City Manager and Financial Liaison to submit thirty- (30) days of *Purchase Order Requests* at a time. All foreseeable *Requests* for each department must be made at that time.

The *Purchase Order Request* shall be filled out completely and signed by the Department Head, or his/her authorized representative, prior to submittal. The *Purchase Order Request* shall be filled out in ink or typewritten and shall be legible. The *Purchase Order Request* must include the budget number, Vendor name, address and telephone number, Vendor contact person, explanation for request and the total amount of the expenditure. It is the policy of the City of Crandall that **no** purchases are made prior to approval of the requested *Purchase Order* and the issuance of a *Purchase Order*. The Department Head shall be responsible for submitting the *Purchase Order Request* in adequate time for processing. It is recommended that a *Purchase Order Request* be submitted three (3) days in advance of the needed purchase.

Upon submission of the *Purchase Order Request* the Financial Liaison shall issue a *Purchase Order* in accordance with the current adopted budget and depending on available funds. In some instances the Financial Liaison may seek the approval of the City Manager for a *Request*.

Each department shall be assigned a block of *Purchase Order* numbers for use by that department. This series of numbers shall be requested and issued in numeric order with each *Purchase Order* being accounted for. If a *Purchase Order* is voided it shall be returned to the Financial Liaison to file.

When the *Purchase Order Request* is complete and received by the Financial Liaison and the *Purchase Order* is issued, the Department Head shall be given the white (original) and pink (department) copy. The Financial Liaison shall maintain the yellow (file) copy and attach it to the *Purchase Order Request*. Upon receipt of the invoice, the Department Head shall verify that all invoiced merchandise was received and in acceptable condition. The invoice shall be attached to the white (original) copy of the *Purchase Order* and returned to the Financial Liaison. If a purchase is shipped the packing slip shall be attached with the invoice. However, if a packing slip is not attached, the Department Head shall initial the invoice verifying receipt of all goods and services. The above documentation shall then be submitted for payment. The pink copy shall be maintained by the Department Head to aid in monitoring the departmental annual budget and for future reference. Upon payment the white (original) and yellow (file) copies of the *Purchase Order*, the *Purchase Order Request*, the invoice and the check stub shall be stapled together and filed in the appropriate Vendor file. It shall be the responsibility of the Financial Liaison to retain all financial documents.

(2) **Partial Shipments** - In the event of a partial shipment it shall be the responsibility of the Department Head to make the appropriate arrangements with the Vendor and the Financial Liaison for adjustments to the amount requested for payment.

(3) **Working Purchase Orders** - *Working Purchase Orders* apply only if they meet one of two criteria: (1) a Vendor (i.e., IESI, NTMWD) who performs a required service under contract with the City of Crandall on a regular (monthly) basis, or (2) a Vendor (i.e., Coca-Cola, Sysco Foods) who is dealt with on a regular (i.e., daily) basis without a contract. The Department Head shall include a dollar amount on the *Working Purchase Orders* as near as possible.

*Working Purchase Orders* issued under the first criteria (with a contract) shall be issued at the

beginning of each fiscal year. A purchase order number shall be assigned for the Vendor performing under a contract with the City that shall be used for the duration of the fiscal year or for the contract term within that fiscal year. A copy of the contract shall remain in the Vendor file maintained by the Financial Liaison.

For services performed by the contracted Vendor outside the scope of the contract a *Purchase Order Request* and separate *Purchase Order* shall be submitted and may be issued.

*Working Purchase Orders* issued under the second criteria (without contract) shall be available for those Vendors used on a daily basis but shall be issued on the basis of (1) a period of time and/or (2) an amount of purchase. The longest period of time for a *Working Purchase Order* under this criterion shall be three (3) months. If the *Working Purchase Order* is issued based on the amount of purchase, the amount shall be determined at the time of issuance and shall be designated on the *Purchase Order Request* and on the *Purchase Order*.

It shall be required that the City Manager approve all *Working Purchase Orders* and contain the signature of the City Manager and Department Head.

**(4) Emergency Expenditures** - If an emergency occurs during non-working hours the Department Head or authorized agent shall contact the City Manager or, in his/her absence, the City Secretary. If he/she is not able to make that contact, he/she shall use his/her best judgment on necessary expenditures. The purchase/incident shall be reported to the City Manager as soon as possible and no later than the first working day after the emergency. An emergency is defined as “*threatening the health, safety and or welfare of the community*” or “*a major disruption in services to Crandall residents and or utility customers*”.

### **(C) Budget Control**

Each department has a budget that is submitted by the Department Head, reviewed, adjusted and balanced by the City Manager and adopted by the City Council on an annual basis. The City Manager, Department Head and, in the absence of the Department Head, the approved, designated representative are the only authorized persons to submit a *Purchase Order Request* or *Check Request* for their department. It is the responsibility of each department not to exceed their line item budget. Each Department Head may request and shall be given adequate records and budget information to remain apprised of their budget position. It is recommended that each Department Head request this information on a monthly basis for comparing actual expenditures with budgeted expenditures and to insure compliance with the adopted budget. If department expenditures exceed budget limits, written approval must be obtained from the City Manager prior to submitting a *Purchase Order Request* or *Check Request*.

### **(D) Support Documents**

The City purchases many items that are accompanied with support documents (i.e., warranties, guarantees, deeds, titles, etc.). Examples of such items that would have these documents would be automobiles, equipment, tools, computers, calculators, etc. All such support documents shall be processed with the invoice. The Financial Liaison will insure that the City Secretary receives

these documents for proper retention.

#### **(E) Payment of Invoices/Mandated Fees/Taxes**

The City of Crandall, through this Policy, states the desire to promptly pay all obligations, as requested by the Vendor or Creditor. In the event this obligation is in the form of fees, taxes, etc., the City shall submit payment according to the required date and/or time. This includes, but is not limited to, State fees from the Municipal Court, sales tax from the Public Works Department and Creekview Golf Club, etc.

#### **(F) Check Requests**

A *Check Request* shall be required when there is not a regular Vendor invoice or *Expense Report*. Examples are: lease payments where the creditor does not submit invoices, tuition when the receipt will be issued upon payment, intra-department transfers. **A Check Request shall not be used to replace an invoice or an Expense Report.**

#### **(G) Out-Of-Pocket Expenses**

Expenditures for reimbursement by the City for any “out-of-pocket” expenses must be approved prior to any official and/or employee making a commitment of their actual expenditure. Approval for reimbursement shall be based on its direct relationship to city government or the performance of municipal duties and responsibilities. Elected officials shall obtain the approval by the majority vote of the City Council. Expenditures for appointed officials and employees shall be approved by the City Manager. Approval for reimbursement (i.e., *Check Request, Purchase Order*) to officials and/or employees shall require the City Manager’s signature. These procedures are sanctioned by the City Council from time-to-time.

All advanced requests for reimbursement shall be in writing and include an estimate of associated expenses such as registration fees, transportation, per diem, educational materials, etc. Also to be included shall be an explanation of the necessity for said expenditure. Budget condition and availability of funds shall be criteria used for approval of a request.

#### **(H) Expense Reports**

Request for reimbursement of an approved expenditure must be made on the City’s approved *Expense Report*. This form may be obtained from the City Manager or his/her designated representative and shall remain on file with the Financial Liaison. Submission for reimbursement must be made within fifteen (15) days of the date of actual expenditure or within fifteen (15) days of the official/employee’s return from a seminar/ educational class/workshop. Upon completion of required paperwork, the *Expense Report* shall be submitted for payment according to current accounts payable practices for the City of Crandall as set out in this Policy Manual.

Reimbursement shall be made of actual costs only and upon the submission of all receipts and/or vouchers. Mileage shall be paid at the current rate approved by the Internal Revenue Service. Meals, hotel and other expenses above a reasonable amount may be questioned and/or denied.

Other forms of transportation, such as airfare, shall be based on coach class only.

**(I) Credit Cards**

The City Manager and/or City Secretary shall assign any and all credit cards in the name of the "City of Crandall". Each employee holding a City of Crandall credit card (*i.e.*, gasoline credit card) shall sign for the card and the card shall display his/her credit card number. The form the employee signs shall be official documentation that the employee understands the card is for City of Crandall use only (*i.e.*, fuel for City of Crandall vehicles), the credit card and its number is the sole responsibility of the employee and abuse or neglect of the card shall be grounds for termination. Only employees issued credit cards are authorized for their use.

**Use of any City of Crandall credit card shall be for the sole purpose of transacting municipal business. Use of any City of Crandall credit card other than municipal business shall be grounds for discipline and/or termination whichever is most appropriate.**

**(J) Competitive Bidding**

It is the policy of the City of Crandall to comply with Section 252.021 of the Texas Local Government Code to follow the prescribed procedure for competitive sealed bidding prior to making an expenditure of \$25,000.00 or more from one or more municipal funds. Also, the City of Crandall shall contact at least two historically underutilized businesses on a rotating basis when making an expenditure of more than \$3,000.00 but less than \$25,000.00, as required in the Texas Local Government Code, Section 252.0215. Exceptions to this policy shall include items that can only be obtained from one vendor, emergency purchases (purchases necessary quickly to prevent costly delays, work stoppages or service interruption) securing professional services and other general exemptions as set forth in the Texas Local Government Code, Section 252.022.

All purchases for goods and services in excess of \$25,000.00, except those meeting the general exemptions as set forth above and in Section 252.022 of the Texas Local Government Code, require notice to competitive bidders through advertisement in a local newspaper and other such professional publications as may insure a thorough saturation of qualified and interested bidders. It shall be the policy of the City of Crandall that an advertisement shall be placed in the newspaper named as the City's official newspaper. For such time that Crandall does not have a locally published newspaper, the notice to bidders shall be posted at City Hall for fourteen (14) days before the date set to publicly open and read the bids aloud. This public notice to bidders shall run at least once a week for two consecutive weeks and shall include all bid requirements. For sealed bids, notice of time and place at which the bids will be publicly opened and read aloud shall be included.

Once a sealed bid is received on the date and at the time specified, no changes will be accepted by the City of Crandall. The bidding process may be repeated if the City feels that a better bid can be obtained by re-bidding. The Mayor and City Council reserve the right to refuse any and all bids they feel are not in the City's best interest.

Documentation of all efforts to obtain quotes from one or more than one source shall be

maintained by the Department Head.

### **Section VII: Deposit of Funds**

Each department shall have one employee responsible for the final daily reconciliation of accounts receivable. In the Public Works Department the responsible employee shall be the Public Works Secretary, at Creekview Golf Club it shall be the Head Professional and in the Municipal Court it shall be the Court Administrator. Each department may have an alternate employee approved by the City Manager and the Department Head.

It shall be the responsibility of each of these employees, after reconciling the daily receipts, to make bank deposits. This should be done on a daily basis but shall be done no less frequently than every other day.

### **Section VIII: Customer Accounts**

#### **(A) Cash**

The City of Crandall hereby establishes a policy that all payments to the City, whether for Municipal Court or the Utility Department, shall be in the form of a check or money order. No cash payments will be accepted except at Creekview Golf Club.

#### **(B) Payment Process**

Any and all payments received for Municipal Court, Utility Department and Creekview Golf Club of the City of Crandall shall be entered into the respective computer billing/point-of-sale systems for accounting and billing purposes. The person receiving the payment shall also be responsible for making the computer entry. Each person authorized to collect payments and enter computer data shall have an individual password and work within the system under their individual password **only**. No employee shall enter a payment on another employee's batch or under another employee's name and password. At the end of their work period, each employee shall run a batch report indicating all payments entered into the system under their password and he/she shall reconcile receipts with the batch report. Upon reconciling the receipts with the report the employee shall submit all documents to the person authorized by the Department Head to perform a final reconciliation and prepare bank deposits.

#### **(C) Account Adjustments**

Adjustments to customer accounts can only be made to correct processing, accounting and/or meter reading errors. Staff members authorized to make adjustments is the Public Work's Secretary (for the Public Works Department), the Court Administrator (for the Municipal Court) and the Head Pro (for Creekview Golf Club). All adjustments shall be documented as to cause of adjustment and a date. Either the City Manager or City Secretary's signature shall be required to approve an adjustment prior to making the adjustment. If the adjustment is at the golf course, the City Manager or General Manager shall sign the adjustment documentation.

In the case of the Municipal Court, the Crandall Municipal Court may adjust Court fines at his/her discretion. Upon such adjustment, the Judge shall initial the file jacket confirming the adjustment.

Furthermore, the Crandall Police Department orders the printing of numbered citations in sequential order. In no event will the Crandall Police Department cause or accept the printing of duplicate numbers on citations. The Police Chief or his/her designated representative shall be responsible for issuing citation books to each Officer and Reserve Officer. The Police Chief shall record the numbers of the citation book. The Officer and/or Reserve Officer shall sign for the citation book. No further citation books shall be issued to the Officer or Reserve Officer unless all citations have been issued and submitted to the Municipal Court as required. No less frequently than monthly the Police Chief shall submit a written report to the City Manager and the Municipal Court concerning all citations, accounting for issued and unissued citations.

Prior approval by the Crandall City Council is required for adjustments to a customer account (*i.e.*, waiver of late fee, adjustment of water bill, golf course charges).

#### **(D) Accounts Receivable/Collections**

On a monthly basis, all departments of the City of Crandall that handle and/or generate public funds shall produce a computer printout of all accounts receivables. The Department Head shall coordinate with the Financial Liaison to generate reports and guarantee accuracy. This report shall be provided to the City Manager for review and to the City's Certified Public Accountants for reconciling with the general ledger. This shall be done as soon after the last day of the month as practical, but no later than five (5) days after the last day of the month.

In the instance of Creekview Golf Club, the General Manager may authorize qualified, creditworthy and approved customers to charge golf fees, food items, etc. to a credit account. A *Credit Application* shall be filled out prior to the General Manager's approval for credit and on file with Creekview Golf Club prior to any charges. The General Manager shall instruct Pro Shop and Food Service personnel to enter all approved credit account charges into the point-of-sale system at the time of transaction. On a daily basis the charge information shall be documented and entered into a monthly report. The General Manager shall coordinate with the City's Financial Liaison to generate reports and guarantee accuracy. The monthly credit accounts, indicating all charges to and payments on credit accounts, shall be given to the City Manager for review and to the City's Certified Public Accounts for reconciling with the general ledger. The General Manager or his/her designated representative shall be responsible for generating and mailing a monthly invoice for all credit accounts and insuring prompt payment to the accounts. If an account becomes delinquent by sixty- (60) days, the General Manager shall cause a suspension of the customer's credit privileges.

#### **(E) Reconciliation with General Ledger**

The City's Certified Public Accountants shall receive, on a monthly basis, reports for accounts payable, credit account, daily bank deposits, gift certificates, customer deposits, escrow/cash bonds, etc. for reconciliation with the general ledger. A copy of all reports shall also be provided

to the City Manager for review purposes only. The generation of these reports shall be the responsibility of the respective Department Head in cooperation with the Financial Liaison.

**(F) Customer Deposits/Escrow/Cash Bonds**

**(1) Public Works Department – Customer Deposits** - The Crandall City Council shall from time-to-time adopt ordinances setting forth appropriate deposits and fees for utility service. In accordance with the City of Crandall Ordinance in effect that the time, a deposit shall be required before an individual or entity can obtain water service from the City of Crandall. At such time a connection is requested, the Public Works Secretary or his/her designated representative shall guarantee the customer completes the approved *Service Application*, a photocopy of the customer's Texas Driver's License and all City Council authorized deposits/fees. The *Service Application* and copy of the driver's license shall remain on file with the Public Works Secretary. Deposits shall be credited to the appropriate account, immediately upon receipt, and entered into the billing system, deposited into the Public Works bank account and remain in the possession of the Public Works Department until the account is closed. At such time as an account is closed, the Public Works Secretary shall apply the necessary amount of the deposit to any outstanding balance and refund the remainder to the customer. No refund shall be given in cash but rather by check. All refunds shall follow the *Check Request* procedure as set forth in Section VI, (E) above. All authorized fees are non-refundable.

On a monthly basis, the Public Works Secretary shall generate a list of all customer deposits. This list shall be reconciled with the balance of customer deposits on the general ledger.

**(2) Municipal Court – Escrow/Cash Bonds** - In the event an outstanding citation goes to Warrant the Court Administrator and/or Court Clerk shall be responsible for placing the Warrant on file with the Kaufman County Sheriff's Office. If the Defendant is stopped by the City of Crandall Police Department or any other law enforcement agency and placed under arrest and a Cash Bond is collected in the amount to satisfy all outstanding fines and fees, those funds shall be forwarded to the Crandall Municipal Court and placed in City's established Escrow account.

It shall be the responsibility of the Court Administrator and/or Court Clerk to notice the Defendant by mail, at the last known address, of a scheduled Court date and time. The Defendant may respond to the Court in writing of their desire to use the Cash Bond to satisfy all outstanding fines and fees. Upon receipt of that written and signed letter the Crandall Municipal Judge may grant the Defendant's request and, evidenced by his/her signature on the Court docket, declare the Cash Bond satisfies the Warrant and authorizes the Cash Bond held in Escrow be transferred to the City's General Fund.

If the Defendant wishes to stand trial in the Crandall Municipal Court he/she must request a trial date within ten (10) days of receipt of notice of the scheduled Court date and time. If the Judge grants a new trial and the Defendant is found not guilty the Cash Bond held in Escrow shall be refunded to the Defendant. If the Defendant is found guilty the Crandall Municipal Judge shall make a judgment of the required fines and fees due from the Defendant. The Cash Bond held in Escrow shall be applied toward the adjudged amount with any balance being refunded to the Defendant.

If the Defendant does not appear at the scheduled Court date and time the Judge may declare the Cash Bond be applied to satisfy the outstanding Warrant. The Judge shall find the Defendant guilty and, evidenced by his/her signature on the Court docket, authorize the Cash Bond held in Escrow be transferred to the City's General Fund.

At such time any of these determinations are made on each Cash Bond held in Escrow it shall be the responsibility of the Court Administrator to submit a *Check Request* to the Financial Liaison to authorize a refund to the Defendant or to transfer the funds to the City's General Fund.

### **(G) Billing Cycle**

**(1) Public Works Department – Customer Accounts** - The Public Works Secretary shall be responsible for maintaining the following billing cycle as nearly as possible:

Meter reading shall begin on the fifteenth (15th) of the every month, unless prohibited by weather or the first workday thereafter. This process shall continue until all meters are read. The City's policy is that every meter shall be read on a monthly basis.

On or about the twenty-seventh (27<sup>th</sup>) day of each month the meter readings shall be imported into the computer system from the hand held instrument. Upon completion, the Public Works Secretary shall run a billing register and review for errors.

It is the policy of the City of Crandall that discounts to the Volunteer Firemen be granted on a monthly basis, depending on their attendance at fire meetings and workdays. Before the twenty-ninth (29th) day of each month the Fire Chief shall have prepared a report for the Public Works Secretary of the discount earned by each fireman. On the twenty-ninth (29th) day of each month the Public Works Secretary shall enter the earned credit on the appropriate firemen's accounts.

Monthly consumption reports shall be generated from the computer system after importing meter readings, the printing of monthly bills and the use to individual accounts. This consumption report is for auditing purposes.

On or before the first (1st) day of every month all errors shall be corrected/adjusted on the computer system, as provided in Subsection (C) above. Bills shall be printed and mailed at this time.

Payment for the current month's utility bill shall be due on or before the twentieth (20th). All payments shall be entered upon receipt in City Hall, as provided in Subsection (B) above.

On the twenty-first (21st) of each month a past-due list shall be printed of all accounts not paid by the due date. The past-due account shall be reviewed for accuracy. Upon verification of accuracy, past-due notices shall be printed and mailed informing the customer of the cut-off date.

Past-due payments are due to City Hall and entered in to the computer system on or before the

fourth (4th) day of each month. The Public Works crew, as designated by the Director of Public Works, shall perform cut-off for non-payment on the first Wednesday of each month. It is the policy of the City of Crandall that no cut-offs shall be done on a Friday or a day preceding a municipal holiday.

**(2) Golf Course – Customer Accounts** – The General Manager or his/her designated representative shall be responsible for maintaining a thirty- (30) day billing cycle. Each customer account charges shall be totaled on the last day of each month, invoiced to the customer on the next workday with payment due by the 10th day of the following month. Customer accounts shall be allowed on a limited basis and require written approval of the General Manager.

#### **(H) Gift Certificates**

It is the policy of the City of Crandall and Creekview Golf Club to sell gift certificates for use at the golf course. Gift certificates may be redeemed for green fees, range fees, golf course merchandise, food items, beverage items, etc. at Creekview Golf Club. All gift certificates shall be sequentially numbered for ease of tracking. It shall be the responsibility of the General Manager or his/her designated representative to maintain records of all gift certificates issued. At the time a gift certificate is redeemed, the gift certificate shall be collected from the customer and the number of the gift certificate shall be recorded on the sales ticket. A quarterly report shall be submitted to the City Manager for review and the City's Certified Public Accountant of all issued, redeemed and outstanding gift certificates for reconciliation with the general ledger.

### **Section IX: Debt Service**

As provided in the Texas Local Government Code, Section 101.005, the City of Crandall may, from time to time, borrow money to fulfill its functions. The funds will be borrowed on the credit of the municipality. The City Council of the City of Crandall may appropriate revenues to retire and discharge accrued indebtedness. This appropriation of funds shall be in the amounts and under the conditions it considers appropriate. Such appropriation of funds shall be reflected in the City's adopted annual budget as provided for in Section II above. It shall become the responsibility of the City Manager, in concert with respective Department Heads, to maintain the adopted annual budget and to insure the funds appropriated for the payment of accrued indebtedness ("debt service") are used in the manner determined by the City Council.

#### **(A) Maintenance of Bond Ordinances/Debt Documents**

At such time that the City Council of the City of Crandall deems it necessary to create indebtedness for the City, the Council shall adopt an ordinance ("Bond Ordinance") establishing the debt. According to the Texas Local Government Code, Section 22.073, the City Secretary shall be required to maintain Bond Ordinance on file at the City Hall. This Bond Ordinance shall be on file at City Hall for the term of the indebtedness or until such time the debt is satisfied. Furthermore, any and all related debt documents shall be maintained at City Hall.

### **(B) Scheduled Transfers to Interest & Sinking**

Each and every department within the City of Crandall the Council has determined to create debt for its fulfillment of functions shall have an established Interest and Sinking (I&S) account. These accounts shall be interest-bearing accounts.

It shall be the policy of the City of Crandall that upon the Council's appropriation of funds to meet debt service, the City Manager or his/her designated representative shall be responsible to make, no less frequently than monthly, transfers to the I&S accounts. The transfers shall be made in equal installments and in an amount adequate to meet scheduled debt service payments, as determined at the beginning of the fiscal year. At the scheduled debt service payments, the City Manager or his/her designated representative shall cause payment to be made to the appropriate paying agent to meet the City's obligations and in a timely manner.

### **(C) Maintenance of Reserve Funds**

It is the policy of the City of Crandall to maintain funds in reserve. Accounts shall be established and maintained by the City of Crandall for the General Fund, Public Works and Creekview Golf Club. Reserve accounts shall be interest bearing. The reserve funds shall not be the same as funds set aside for interest and sinking (I&S) purposes.

## **Section X: Authorized Signatures on Checks**

All bank accounts for the City of Crandall shall require two signatures on all transactions. The two signatures may be from the three authorized signers the Mayor, City Manager and/or the City Secretary. From time to time the City Council may choose to evaluate the appropriate signers on bank accounts.

## **Section XI: Authorized Signatures on Contracts**

Contracts for services, purchases or other commitments for the City of Crandall may be signed by the Mayor, or in his/her absence, Mayor Pro Tem or the City Manager. The contracts signed by the City Manager shall be as prescribed by Resolution No. 100198R. No other official or City staff shall have the authority to sign a contract or other commitment involving the City of Crandall.

It is the policy of the City of Crandall to reduce all agreements to written form it shall be the responsibility of the City Secretary to maintain these documents.

## **Section XII: Employee Benefits, Payroll**

### **(A) Time Sheets/Cards and Payroll**

The policy of the City of Crandall is for every employee to maintain time sheets, or time cards, of the exact time worked on behalf of the City. The employee shall accurately report hours worked on a time sheet completely filled out in ink and legible. In some instances a time clock is available to employees for the production of a time card. The time reported on each time sheet/card shall be for a one-week period, Thursday, of the prior week, to Wednesday, immediately preceding the report day. Prior to turning in a time sheet/card to the Department Head, the time sheet/card shall be signed by the employee verifying its accuracy. The Department Head shall review the hours, if necessary correct any and all mistakes and sign indicating approval of the time reported. The Department Head shall be responsible to have time sheets/cards turned in to the Financial Liaison by Thursday morning at 10:00 am for a Friday afternoon payroll. Payroll will be available to employees no earlier than 3:00 pm. Each time sheet/card shall indicate the number of hours worked, hours used for sick time, hours used for vacation time, hours used for an allowed holiday and overtime hours worked. The Financial Liaison shall be responsible for the preparation of payroll and for maintaining all payroll records.

Erroneous or false time turned in for payroll and receipt of the resulting paycheck shall be considered theft of public funds and grounds for disciplinary action or termination, whichever is most appropriate.

It is the policy of the City of Crandall to withhold appropriate taxes, as required by the State of Texas and the United States of America. Furthermore, for employees with benefits there may be withholdings for retirement. Also, as requested by each employee, there may be withholdings for child support, Christmas savings plan, dependent insurance, etc. Timely payment of all withheld funds shall be made to the appropriate institution on behalf of the employee.

It is the responsibility of each employee to verify all information on their paycheck, including but not limited to, hours worked, vacation time taken, vacation time accrued, sick time taken, sick time accrued, overtime earned, compensatory time taken, compensatory time accrued, taxes withheld, other withholdings.

### **(B) Vacation and Sick Pay**

The City Secretary shall maintain vacation and sick pay, or his/her designated representative, in accordance with the City's current adopted and approved Personnel Policy Manual. An accurate accounting of time earned shall be denoted on the employee's weekly paycheck. It shall be the responsibility of each employee and his/her supervisor to verify the time noted on the paycheck. Abuse of an earned benefit, such as vacation and sick pay, shall be grounds for discipline and or termination.

**(C) Duty to Report All Earnings**

It is the duty of the City of Crandall to report all earnings for all employees as required by law. Such reporting shall include salary and/or wages, overtime, payment for accrued vacation and/or sick pay, gratuities, contract labor, etc.

With regard to gratuities, the General Manager, or his/her designated representative, shall report cash and credit card tips on a daily basis with the daily cash receipts report. The report shall include the name of the employee receiving benefit of the gratuities and the exact amount. On a weekly basis the tax shall be subtracted from the employee paycheck and reported and submitted to the appropriate governmental agency. The employee payroll check shall include payment of the gratuities on the Friday following the weekly report.

**Section XIII: Insurance – Liability and Property Coverage**

It is the policy of the City of Crandall, as stewards of taxpayer funds and property, to maintain adequate insurance coverage. The City shall at all times maintain coverage that will cover property loss, accidents, and any other liability. On an annual basis said coverage shall be reviewed by the City Manager, or his/her designated representative, with a representative of the insurance provider, assuring that all property, real or personal, is listed, all categories of insurance necessary for the property and liability protection of the City is in place and the coverage is in the amount necessary to provide complete protection.

**Section XIV: Fixed Assets**

**(A) Fixed Assets**

It shall be the responsibility of each Department Head to prepare a complete list of all fixed assets of their respective department. This list shall be maintained and modified with each purchase and/or sale of a City asset. On an annual basis, at the beginning of the fiscal year, each Department Head shall provide the City Manager or his/her designated representative a complete accounting of buildings, vehicles, equipment, tools, etc. The list of fixed assets shall include an estimated value.

**(B) Capitalization Policy**

All equipment and assets purchased by the City with a value of \$1,500. or more shall be coded to an asset account and charged as an expense against City operations over the useful life of the asset. It shall be set by this policy that all fixed assets belonging to the City of Crandall shall be capitalized at the value of \$1,500.00. The estimated useful lives are as follows:

Buildings	20 years
Improvements other than buildings	10 – 40 years
Machinery and Equipment	5 – 10 years

### **Section XV: Inventory Control**

The City of Crandall includes two enterprise departments: Public Works Department and Creekview Golf Club. It is the policy of the City that both the Public Works Department and Creekview Golf Club shall inventory all stock, materials and supplies on a quarterly basis. This inventory shall include all items on hand and shall include pricing. The inventory shall be provided to the City Manager on a quarterly basis for review and to the City's Auditor on an annual basis for reconciling with the general ledger.

### **Section XVI: Use of Municipal Property**

Use of property belonging to the City of Crandall beyond municipal use is prohibited. Property is defined as equipment, machinery, vehicles, tools, supplies and other investments made with public funds.

The use of real property may be admitted by the City Manager, and at his/her discretion approved by the City Council. Prior written consent must be obtained for said use as well as adequate provisions for liability, and if applicable, medical insurance.