It's in your hands ~ "Build a Stronger Community – Shop Locally"

# AGENDA
## WORK SESSION
## MAYOR and COMMON COUNCIL
## of the TOWN OF CAMP VERDE
## COUNCIL CHAMBERS - 473 S. Main Street, # 106
## WEDNESDAY, OCTOBER 10, 2012
## 5:00 p.m.

1. **Call to Order**

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Discussion, consideration, and possible direction to staff relative to amending Procedures and Operations Guide, Council Polices, Rules, and Procedures section to permit remote conferencing.**
   Staff Resource: Debbie Barber

5. **Discussion and possible direction to staff regarding the Town of Camp Verde Financial Operation Guide and proposed revisions.**

6. **Adjournment**

Posted by: U Jones Date/Time: 10-4-2012 10:15 a.m

*Note: Pursuant to A.R.S. §38-431.03.A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

4

*Town of Camp Verde*

***Agenda Item Submission Form – Section I***

***Meeting Date:*** October 10, 2012 – Work Session

***Requesting Department:*** Clerk's Office

***Staff Resource/Contact Person:*** Debbie Barber

***Agenda Title (be exact):*** Possible direction to staff relative to amending Procedures and Operations Guide, Council Polices, Rules, and Procedures section to permit remote conferencing.

***List Attached Documents:*** Proposed Amendment to the POG

***Estimated Presentation Time:*** 10 minutes

***Estimated Discussion Time:*** 10 minutes

***Reviews Completed by:***

☒ ***Department Head:*** Debbie Barber

☐ ***Town Attorney Comments:***

☐ ***Finance Department*** N/A
***Fiscal Impact:*** None
***Budget Code:*** N/A ***Amount Remaining:*** _____
***Comments:***

***Background Information:*** Council discussed this matter on September 12, 2012 and directed staff to come back with a draft containing different choices from which Council may select to develop Remote Conferencing guidelines based on the discussion and suggestions made at that meeting. The proposal is attached. Please select which items and/or add additional verbiage that Council would like to have included in the POG. Staff will then bring back a final copy for your approval.

***Recommended Action (Motion):*** Direct staff to prepare Remote Conferencing guidelines based on your recommendations as to what may be included in the POG.

***Instructions to the Clerk:***

## 3.9 ATTENDANCE BY REMOTE CONFERENCING

A. Remote Conferencing encompasses attendance by technological devices, such as telephone, computer, Skype, video communications, etc. and applies only to Council, Boards, and Commissions. This section does not apply to staff or contract employees, such as the Town Attorney or consultants.

B. As established by the Arizona Attorney General, this Remote Conferencing presents practical and legal implications and should be used only where there are no reasonable alternatives to a Council member's presence at a meeting. To avoid potential Open Meeting Law violations, the following guidelines are established:

1. All agendas shall contain standard language, "*Council Members may attend either in person or by telephone, video or internet conferencing.*"

3. The Council chambers shall be arranged so that the public can observe and hear all telephone, video or online communications. If there should be a technological failure, such that the public cannot observe, the remote conferencing shall be immediately terminated.

4. The Mayor or Chair shall immediately identify for the record the member(s) who are participating by telephonic, video or internet communication.

5. The minutes shall reflect the name(s) of the member(s) who are participating through remote conferencing.

6. Any Member that is unable to attend the meeting shall notify the Clerk as soon as practicable, but no less than 24 hours prior to the meeting. The Clerk shall notify the Mayor and the Manager.

7. Remote Conferencing is permitted whenever a member is unavailable to attend a meeting in person. No more than two (2) members may participate in a meeting through Remote Conferencing.

7. Remote Conferencing is permitted only in extreme cases, such as when a quorum is needed. No more than two (2) members may participate in a meeting through Remote Conferencing.

8. If a Council member participates in a meeting through Remote Conferencing, the member shall participate in the entire meeting. Remote Conferencing is not permitted for just one or two or a few agenda items of interest. If a Council member has an agenda item of interest and is unable to attend the meeting, the member may request that the item be pulled for discussion at a time that the Council member is present. The Council will respect the request to delay an item to the extent possible.

9. If attending by Remote Conferencing, members must provide a local number, such as a cell phone number that does not incur expenses that will be charged to the Council's budget.

5.

Field Code Changed

# Town of Camp Verde

# Financial Operations Guide

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Amended & Approved

Date to be determined

PREPARED BY TOWN FINANCE DEPARTMENT

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INTRODUCTION

PURPOSE: The purpose of this manual is to set forth those policies and procedures established to govern and to implement all aspects of fiscal policy and financial management related to the Town of Camp Verde. The general purpose of this document is to provide a working guide to established financial policies and procedures.

I. RESPONSIBILITIES

Camp Verde's Town Code charges the Town Finance Director with implementing the financial policies of the Town Council. In the event that the Finance Director's position is vacant, the duties of the Finance Director will be performed by a designee appointed by the Town Manager. In the absence of the Town Manager, the Acting Manager shall appoint the designee with Council approval, if the assignment is to exceed 20 days.

The Finance Director is responsible for the assignment of duties to appropriate Staff members, as necessary, to ensure proper segregation of duties.

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All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting. Town employees not following the policies and procedures set forth in this manual may be subject to discipline, up to and including termination of employment.

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II. AMENDMENTS

This guide is written in sections, by subject, with the flexibility to be revised as approved by Council. The revision number and the effective date of the revision are in the top right hand corner of each page.

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III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide shall be addressed to the Town's Finance Director.

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IV. OTHER TOWN POLICIES¶
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. For additional policy information, see the Town's separate policies as follows: ¶
¶
<#>1. Record Retention – The Town follows the "Records Retention and Disposition for Arizona Municipalities" as issued by the Arizona State Library, Archives, and Public Records." and the Town of Camp Verde Procedures and Operations Guide, Records Management Policy".¶
¶

ACCOUNTING, AUDIT & GENERAL FINANCIAL

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PURPOSE: To establish standard policies and procedures relating to the general overview and accountability of the Finance Department.

POLICIES/PROCEDURES:

A. ACCOUNTING

1. The Town's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles and standards of the Government Accounting Standards Board.
2. A fixed asset system will be maintained to identify all Town assets, their condition, historical cost, replacement value and useful life.

B. AUDIT

1. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion.

C. FINANCIAL

1. STABILITY
   a. To maintain a financially viable Town that can maintain an adequate level of municipal services.
   b. To maintain financial flexibility in order to be able to continually adapt to local and regional economic changes.
   c. To maintain and enhance the sound fiscal condition of the Town.
   d. Maintain a positive municipal credit rating.

2. REPORTING
   a. Quarterly financial, Capital Improvement Program and Investment reports will be submitted to the Town Council as soon as practicable following the close of the quarter, and will be made available to the public.
   b. Full and continuing disclosure will be provided in the general financial statements and bond representations.

3. RESERVES
   a. The Town will maintain emergency reserves (rainy day fund) in the following amounts:
      - General Fund - Four (4) months of maintenance and operations expenditures.
      - HURF Fund - Three (3) months of expenditures.

      The primary purpose of these reserves is to protect the Town's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years), or other unanticipated or emergency expenditures that could not be reasonably foreseen during preparation of the budget.
   b. The Town will establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The level of this reserve will be maintained as a level at least equal to projected costs for employees who are eligible for retirement.
   c. Self-insurance reserves will be maintained at a level, which, together with purchased insurance policies, adequately protects the Town. The Town will maintain a reserve of

three times its self-insurance retention for those claims covered by the insurance pool (of which the Town is a member). The Town will perform an analysis of past claims not covered by the insurance pool and reserve an appropriate amount to pay for uncovered claims.

d. The Town will establish a Capital Equipment Replacement Reserve and a Facilities/Maintenance Capital Asset Reserve for the accumulation of funds for the replacement of worn and obsolete equipment, other than vehicles, and for costs associated with the maintenance of all Town facilities. These reserves will be maintained at a level at least equal to the projected five-year capital asset replacement and maintenance costs.

e. The Town will establish a Fleet Replacement Reserve for costs associated with the replacement of vehicles and other rolling stock as they become unserviceable, obsolete, or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs.

PAYROLL

PURPOSE: To establish standard policies and procedures for the disbursement of funds to employees of the Town of Camp Verde to ensure that all work performed is authorized and accounted for properly and to maintain payroll files.

POLICIES/PROCEDURES:

I. INITIATION, STATUS CHANGES and PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll is recorded on a properly executed and approved Personnel Action Form. Personnel Action Forms shall be signed by duly authorized Town officials. Authority for initial federal and state income tax withholdings and subsequent changes is recorded on a properly executed W-4 form and A-4 form. The original authority for court ordered withholdings shall be a copy of the court order. Deductions from an employees' check must be supported in writing by the employee.

II. RECORDS

A. Employee Payroll Files
An Employee Payroll File is maintained for each employee in the Finance Office which includes the following information: Personnel File Information Form, W-4, A-4, copies of Personnel Action Forms, copy of Retirement Enrollment Form, payroll deduction forms, court orders, and any miscellaneous payroll information regarding the employee.

B. Employee Personnel Files
The originals of the following forms are kept in the Employee's Personnel File located in the Human Resources Department: Employment Verification Form, I-9, Personnel Action Forms, Application and Evaluations, retirement information, Personnel Manual Acknowledgement forms, Oath of Office, disciplinary information, training certifications, and other personnel related documents.

C. Employee Time Records
Employee time and pay records are maintained electronically within the accounting system.

III. PAY PERIODS

All employees are paid bi-weekly, 26 times per year on the Wednesday following the end of each pay period. Each bi-weekly pay period shall be defined as from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week.

IV. TIME ENTRY & APPROVAL

Time entry is completed electronically through the accounting system. Each employee has their own login name and individually selected password. Employees are responsible for entering their time for each pay period. Once employee time is entered and submitted, it must be approved electronically by the authorized supervisor. Exempt employees are not required to enter time on a bi-weekly basis.

V. VACATION, SICK OR COMP TIME

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Any employee requesting time off must first get approval from their supervisor in advance for the requested time. Time off requests for all employees (including exempt) are submitted electronically through the time entry system and are then approved or denied by the employee's supervisor electronically as well. If an employee will be gone due to illness, injury or worker's compensation for 3 or more days, the Human Resources Department must be notified by email for review and approval.

## VI. CHECK RUN, SIGNING AND DISBURSEMENT

A. Staff generates, from the computer, the payroll checks and check register.

B. The checks are forwarded to the Mayor (or Vice Mayor) for elected official signature and then to the Finance Director for review.

C. Check stubs and a copy of direct deposit checks along with all other relevant information used for the check run are placed in a folder for each separate pay run. Payroll checks are available for pickup on Wednesday morning. Department heads or their designated employee can pick up checks for their entire department. The employee picking up the checks must sign the Payroll Check Sign-out Log

## VII. FISCAL YEAR END PROCEDURES

A. When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on the number of days in each period.

B. Required reports are reconciled and filed each quarter and at year-end.

## VIII. PAYROLL LIABILITY ACCOUNTS

The payroll liability accounts will be reconciled at least quarterly and any necessary adjustments will be made. The Finance Director reviews these reconciliations.

**Deleted:** for 8 hours a full work day or more shall fill out an "Application for Leave" form (Exhibit E)

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**Deleted:** If the "Application for Leave" form is for any other purpose/use of leave, the form shall be forwarded directly to Finance. If an employee is requesting time off for less than 8 hours a full work-day, only verbal approval from his or her supervisor is necessary.

**Deleted:** The requested time off is shallto be reported on the "Employee Timesheet" (Exhibit D) form and the "Application for Leave" form is toshall be attached to the Timesheettimesheet. If the requested time overlaps pay periods, a copy must be attached to both timesheets. ¶
¶
If "Employee Ttimesheets" are due while an employee expects to be on leave, the employee should prepare the "Employee Ttimesheet" as of the last day worked and submit it to the supervisor. Should the employee be unavailable to complete the timesheet, the supervisor or department head shall fill in the appropriate hours. Within five days of returning to work, the employee shall go tovisit the Finance Department to sign the "Employee Ttimesheet" completed by the supervisor. Should corrections to the submitted timesheet need to be made, the employee shall submit to the Finance Department written approval signed by both the employee and the supervisor detailing the correction(s) to be maderequested.¶
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PAYROLL ¶
¶
<#>DATA ENTRY AND PAYROLL REGISTER¶
¶
Hours worked are entered into the payroll system by the Finance Clerk Accountant staff from approved "Employee Timesheet" (Exhibit D) forms. Once all timesheets are entered, a "Timesheet Verification Report" is generated and submitted to the Finance Director to check it Senior Accountant for verification against the submitted timesheets. If needed, staff the Accountant enters the corrections are made to the employees' timesheets and another "Timesheet Verification Report" is generated. The Finance Director Senior Accountant verifies the corrections, and initials and dates the "Timesheet Verification Report" as ...

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**Deleted:** No later than Tuesday afternoon, staff the Accountant enters the direct deposit checks are entered into the Wells Fargo ACH system and submitted for payment effective on the payroll date ...

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In addition, staff the Finance Senior Accountant prepares a schedule of year-end compensated absences payable and applicable journal entries. ¶ ...

CONTRACT SERVICES

PURPOSE: To establish standard policies and procedures for the accurate handling of contract services.

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POLICES/PROCEDURES:

I. Before a contract service provider is allowed to begin working, the department utilizing the contract service provider must verify the following:
   A. The vendor has completed a Form W-9. This form must be submitted to the Finance Department by the department that the vendor is contracted with. If payment is due and the required Form W-9 has not been received, the payment is subject to backup withholding of 28% pursuant to IRS requirements.
   B. The vendor has provided the Risk Manager with a copy of the required liability and worker's compensation insurance policies.
   C. The vendor has a current business license on file with the Town Clerk's Office.
   D. The vendor's trade licenses/certifications are current and valid.
   E. Budget appropriation exists to fund the transaction.

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II. The department utilizing the contract services provider, in conjunction with the Finance Department, is responsible for ensuring that the amounts paid do not exceed the total approved amount.

III. For Parks & Recreation Officials, complete a game summary report or invoice shall be submitted to the Finance Department for payment along with the completed Form W-9. Scorekeepers are considered employees and are paid through payroll with general employees.

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TRAVEL AND TRAINING

PURPOSE: The policy of the Town of Camp Verde is to encourage training opportunities for employees and supervisors so their services rendered to the Town can be made more effective, and that employees may become, at the same time, qualified for promotion to higher-level positions. The department head, consistent with the budget and this policy, may authorize attendance at conferences, seminars, meetings, conventions and other courses that directly benefit the Town of Camp Verde.

**Deleted:** To establish the policies regarding in-state and out-of-state travel and reimbursement of related expenditures.

POLICIES/PROCEDURES:

I. ELIGIBLE INDIVIDUALS

A. Current Town employees.

B. Members of boards, commissions, authorities, council members and committees who are not employees of the Town yet serve the Town as members on these boards, commissions, authorities, councils and committees.

II. GENERAL PRINCIPLES

A. All out-of-state travel shall be approved by the Town Manager prior to scheduling.

B. Employees may attend educational or training seminars if funds for that purpose are available and such training is directly job related or beneficial to the Town.

C. The most economical method of transportation shall be selected in terms of expense to the Town (or grantor agency) and the employee's time away from the office. If the employee chooses an alternate method of transportation, reimbursement shall be capped at the cost of the least expensive option.

D. Employee travel, in-state and out-of-state, is conducted according to the Town Travel and Training Policy regardless of funding source (i.e. Grant requirements do not supersede the Town requirements; however, any grant requirements that are more restrictive must be followed.).

E. Shared lodging is encouraged, wherever possible. Non-shared lodging requires approval of the department head.

F. Any travel reimbursement claims shall be submitted to the Finance Department using the Training/Travel Reimbursement Form within five (5) business days after the end of the trip.

G. Any expenses incurred for items such as alcohol, telephone calls (except when business related), in room movies, etc. shall not be covered by the Town and are the employee's responsibility.

III. PROCEDURES

A. Employees desiring to attend schools, conferences, conventions, seminars, and other official meetings shall complete a Training/Travel Authorization and Expense Advance Form and submit to their department head for approval. If the travel is out-of-state, it shall first be approved by the Town Manager prior to scheduling.

**Deleted:** <#>The policy of the Town of Camp Verde is to encourage training opportunities for employees and supervisors so their services rendered to the Town can be made more effective, and that employees may become, at the same time, qualified for promotion to higher-level positions. The department head, consistent with the budget and this policy, may authorize attendance at conferences, seminars, meetings, conventions and other courses that directly benefit the Town of Camp Verde. ¶
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<#>In addition, aAll out-of-townstate travel shall be approved by the Town Council Manager prior to scheduling.¶
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**Deleted:** - The Town shall authorize employee travel in accordance to the following principles:¶

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¶
<#>Travel is usually warranted when personal contact is the most economical method of conducting official Town business.¶
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B. Upon approval of the training/travel request, the department designee makes the necessary travel arrangements and prepays lodging and other travel costs as appropriate. All travel/training arrangements are recorded on the Training/Travel Authorization and Expense Advance Form.

C. For advances of per diem allowances, employees must submit a complete and approved Training/Travel Authorization and Expense Advance Form to the Finance Department not later than ten (10) working days prior to the date that travel for such schooling or training is to commence.

IV. TRAVEL COMPENSATION GUIDELINES

A. Tips and other gratuities for all meals are included in the per diem.

B. The Town shall compensate expenses only when the expenses are incurred during the performance of official duties of the Town employee and for the Town's benefit.

C. Subsistence shall not be permitted when the training received is for the direct benefit of the employee and not required by the job.

D. An employee on Town travel status who extends the travel for his/her own convenience or enjoyment when such is not required by the Town, is not entitled to the allowance for that meal or if applicable, lodging.

E. Employees shall be responsible for any fines or traffic violations incurred while traveling on Town business in either a Town vehicle or personal vehicle.

V. LODGING

A. Eligibility
1. Employee must be on authorized travel status.
2. Travel must be outside a 75-mile radius of the corporate Town limits and a multi-day event or an early morning meeting.
3. Early morning meeting requirement is 8:00 a.m. or earlier.
4. Events starting after 8:00 a.m. are not eligible for lodging and per diem for the day before the event begins unless the event is located in an area outside the traveling distance of the greater Phoenix area (ex: Tucson).
5. Lodging must be at a commercial establishment to be eligible for reimbursement.
6. Lodging is covered at the single room rate unless sharing a room with another Town employee.

B. Documentation
1. The commercial establishment's original receipt is required.
2. Lodging receipts must be itemized.
3. If original lodging receipt is lost or destroyed:
   a. A photocopy may be submitted with the statement. Treat as the Original.
   b. The employee and the department head must sign the photocopy.
   c. If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the

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¶
<#>If approved, the department employee requesting travel funds submits the "Check Request Form" (Exhibit O) with a copy of the "Training/Travel Authorization and Expense Advance/Reimbursement ReportForm" (Exhibit I) or "Training/Travel Reimbursement Form" to the Finance Department for check disbursement. ¶
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Lodging - the following policy is to be utilized by eligible individuals who are contemplating traveling for Town business or training related purposes.

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payment of the lodging may be used. This situation may cause the employee to receive disciplinary action.

## VI. MEALS

A. Receipt Reimbursement

1. Meal expenses incurred while on Town business will be reimbursed based on the time and amount eligibility guidelines listed in sections C & D below.
2. Meals must be at a commercial establishment.
3. A receipt is required or reimbursement will be denied. Receipts must be signed and submitted with the proper request form.

B. Per Diem

1. Requires an overnight stay. Single day travel does not qualify for per diem.
2. Meals must be at a commercial establishment.
3. Documentation - Compensation is based on the schedules listed in Sections C & D below. Since the meal reimbursement has been established as a per diem, receipts are not required to be submitted.
4. Traveler is not entitled to a per diem allowance for meals provided at the conference, seminar or lodging site.
5. Per Diem for breakfast and dinner will not be allowed when staying in non-commercial lodging, i.e. with family. Reimbursement will be based on receipt only.

C. Meal Rate Caps* & Per Diem Rates

| | |
|---|---|
| Breakfast | $ 7.00 |
| Lunch | $ 12.00 |
| Dinner | $ 18.00 |

*Special one-time overrides to the meal rate caps may be allowed for conferences which place the employee in a situation where meal costs are high and travel is prohibitive. Overrides should be approved ahead of time by the department head and the Finance Director.

D. Allowable Meal Times

1. Breakfast - When travel commences on or before 6:00 a.m. or returns after 10:00 a.m.
2. Lunch – When travel commences prior to 11:30 a.m. or returns after 1:30 p.m.
3. Dinner - When travel commences prior to 6:00 p.m. or returns after 7:00 p.m.

## VII. TRANSPORTATION

A. Compensation shall be made only for the method of transportation, which is in the best interest of the Town considering travel expense, vehicle condition, as well as the employee's time. When more than one employee uses the same motor vehicle, only one claim for mileage compensation shall be allowed.

B. Requirements for Using Town Owned Vehicle

1. Authorization - by the department head prior to use of Town owned vehicle.
2. Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit on Town business.
3. Vehicle Reservation - Each department shall reserve a pool vehicle with the Town Clerk's Office at least 24 hours before needed.

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<#>Employee must be on authorized travel status.¶
<#>In accordance with IRS guidelines, per diem is paid when the travel requires an overnight stay.¶
Meals must be at a commercial establishment.¶

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**Deleted:** <#> with the "Training/Travel Authorization and Expense Advance/Reimbursement ReportForm" (Exhibit I).¶
<#>Per Diem Allowances for "Travel Days" (The trip must include an overnight stay in order to be reimbursable.)¶
TRAVEL AND TRAINING¶
¶
<#>Breakfast - Reimbursable when travel commences on or before 6:00 a.m. or returns after 10:00 a.m.. ¶
<#>Lunch – Lunch is only reimbursable if the traveler leaves prior to 11:30 a.m. or returns after 1:30 p.m..¶
<#>Dinner - Reimbursable when travel commences prior to 6:00 p.m. or returns after 7:00 p.m. ¶
<#>Meals Provided¶

**Deleted:** <#>If a special meal is required due to dietary restrictions, notice must be given in writing at the time of compensation request.¶

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**Deleted:** Per Diem Rates per Day (Overnight Travel Only)¶

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Depart Camp Verde on or prior to 6:00 a.m. or return to Camp Verde after 7:00 p.m.

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4. Reporting - Pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, destination, purpose of travel, and fuel level.
6. Return of Pool Vehicle - Fuel level must be full upon return from an out-of-town trip and any problems or incidents with the vehicle must be reported to the Fleet Manager. The vehicle shall be returned in a clean state (all soda cans, paper and trash shall be removed).
7. There is no smoking or alcohol allowed in Town vehicles.
8. Passengers & Drivers - No unauthorized passengers or drivers will be allowed to either operate or ride in Town vehicles. Transporting family members in Town vehicles shall be allowed only when the family member is accompanying an employee to a business meeting or official function. No additional expenses to the Town should be incurred as a result of the family member traveling in a Town vehicle. The driver of a Town vehicle MUST be a Town employee or official.

C. Requirements for using personal vehicle
1. Authorization - By the department head prior to use of personal vehicle.
2. Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.
3. Condition of Vehicle – Employees are responsible for ensuring personal vehicles are safe for travel.
4. Current Vehicle Insurance - Liability insurance coverage with a minimum coverage of $15,000 per person and $30,000 per accident.
   a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy, including any deductibles. If the amount exceeds that coverage, the Town's insurance, at the time, covers the amount over the policy limits if the traveler was acting within the course and scope of their employment.
   b. If a traveler driving a privately owned vehicle on Town business is involved in an accident, regardless of fault, the Town shall not reimburse for any physical damage to the motor vehicle.
5. Compensation Basis
   a. Compensation is based on map mileage using official state highway maps or mapping programs. Odometer mileage may be submitted for travel to dining or multiple event locations within reason (ex: traveling long distances to eat at a certain restaurant rather than those within close proximity to the event is excessive and will not be reimbursed).
   b. Beginning address and ending location address must be submitted for compensation.
   c. Compensation is based on using the most direct route.
   d. Mileage compensation shall be at the lower of the Arizona Department of Administration approved rate or the IRS standard mileage rate. When the Arizona Department of Administration and/or the IRS standard mileage rate adjust, the Town automatically adjusts its mileage rate. The mileage rate includes all travel and maintenance expenses of the vehicle.

VIII. MISCELLANEOUS TRAVEL ISSUES

A. Communication Expense
1. Business communication charges, including faxes and copies, are reimbursable if documented by receipts.

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**Deleted:** <#>Requirements for using leased vehicle:¶
<#>Authorization - By the department head prior to leasing a vehicle for Town business.¶
<#>Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.¶
¶
TRAVEL AND TRAINING¶
¶
<#>If the traveler drives their privately owned vehicle, a Town credit card may not be used for gasoline purchases. The traveler must submit a "Training/Travel Authorization and Expense Advance Form" (Exhibit I) to request funds prior to the trip or a "Training/Travel Advance/Reimbursement ReportForm" (Exhibit H) for mileage reimbursement at the conclusion of the trip.¶
¶

2. Business calls are reimbursable and should be noted as such on the hotel receipt. The number called should be visible. No personal calls shall be reimbursed.

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B. Extending Business Trips with Vacation Time
   1. With the department head's approval, traveler may extend a business trip using vacation time.
   2. The Town covers the lodging, map mileage and per-diem for the period that the traveler is conducting Town business. Additional costs to extend the trip shall be borne by the traveler.

C. Local Transportation, Tolls and Parking
   1. Taxi, bus, and streetcar use is classified as local transportation and can be claimed with receipts. Whenever possible, hotel-provided shuttles should be used.
   2. Claims for local transportation shall not be allowed where the Town provides for other transportation (Town, personal or rental vehicle) unless it can be documented that local transportation was necessary or reasonable.
   3. Bridge and road tolls are reimbursable with receipts.
   4. Travelers must use the free or discounted parking, when available, when traveling on Town business.
   5. Receipts are required for reimbursement of allowable parking fees.

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D. Rental Cars
   1. If travel necessitates the use of a rental car, Department Head authorization must be obtained prior to booking the rental car.
   2. The rental car must be a mid-size or smaller vehicle unless a group traveling together requires a larger vehicle or no other vehicle is available.
   3. Insurance shall not be purchased from the rental car agency as the Town's insurance policy covers rental cars.

E. Airline Travel
   1. Department Head authorization must be obtained if airline travel is requested.
   2. The Town will only fund coach seating in airline traveling. If the employee wants to upgrade the seating type, the employee is responsible for the difference in cost.

CASH RECEIPTS

PURPOSE: To describe the policies and procedures for obtaining and receipting all revenues received by the Town of Camp Verde.

POLICIES/PROCEDURES

I. All cash received must have a receipt generated either in a manual receipt book or the computer accounting system depending on the department setup. Any payments taken in person should be receipted with one copy going to the payer. All checks are stamped "For Deposit Only, Town of Camp Verde" immediately upon receipt. All receipts are immediately placed into a secure location, i.e. locked drawer or safe.

II. For departments that accept credit cards, a batch report for all credit cards processed for the day shall be generated at the end of each day and reconciled to applicable receipts.

III. Receipts are entered into a weekly batch in the computer accounting system by the receiving department. The batches are posted and closed at the end of each week. If cash on hand accumulates to over $2,000.00, the batch should be closed that day and taken to Finance.

IV. Each batch report is initialed by the department director and taken to the Finance office by Thursday of each week. The money is counted by the Accountant in front of the department representative. Any discrepancies are noted at that time and are dealt with appropriately. After verifying the cash balances with the report, the Accountant initials the correct cash balance and places the report in a holding file for the actual deposit and places the money in the Finance Department safe. As much as practicable along with all monies received, the "Daily Cash Reconciliation Report", batch reports, receipts, and/or cash register tapes, should be remitted to the Finance Department.

V. The Finance Department prepares bank deposits from all received batches weekly or once total cash on hand is greater than $10,000. A summary deposit report of all batches is created by the Finance Director through the accounting system and balanced to actual cash on hand as counted by the Accountant. The deposit it then taken to the bank. The deposit receipt and deposit slip are attached to the combined batch reports and summary report and filed.

VI. Funds deposited directly to Town bank accounts are entered into the computer accounting system during the bank reconciliation process.

VII. The Town Pool maintains a cash register for the receipt of funds. The cash register is opened with a $100.00 change fund. Daily receipts are closed out each day by the Head Life Guard and the Cashier. The daily receipts along with the daily reconciliation report are put into a sealed bag and placed into a locked drop box. Pool revenues are picked up weekly by authorized personnel and entered into the weekly batch for the Pool department.

VIII. All bank accounts are reconciled monthly by staff (initialing and dating upon completion), reviewed by a separate employee, (either the Finance Director, the Town Manager or Clerk, initialing and dating as evidence of review), and filed. (See the Bank Reconciliations Section for further details.)

IX. Customer Complaints. Customer complaints regarding payments to the Town should not be handled by the same person who receives the monies in dispute. If the person receipting monies receives a customer complaint regarding such monies, the customer should be directed first to a

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**Deleted:** in the receiving department's "Cash Receipt Book" (ex: Exhibit J)

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**Deleted:** and entered into the department's cash register. ¶
<#>¶
<#>Cash registers are opened with a $100.00 change fund.¶
<#>¶
<#>All checks are stamped "For Deposit Only, Town of Camp Verde" immediately upon receipt. ¶
<#>¶
Each department prepares a "Daily Cash Reconciliation Report" (Exhibit K)

**Deleted:** reconciling the receipts to the cash monies collected

**Moved up [2]:** For departments that accept credit cards, a batch report for all credit cards processed for the day shall be generated at the end of each day and reconciled to applicable receipts. ¶

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**Deleted:** The Town Pool cash box is closed out daily (when the pool is in operation)

**Deleted:** A "Shift Balance Sheet" report (Exhibit M) is completed at the end of the day by the Head Life Guard and submitted with the deposited monies to the Finance Department. The cash register is opened with a $100.00 change fund.

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supervisor. If the complaint is not resolved, it shall be forwarded as follows until resolution is achieved:

- Finance Director
- Town Manager
- Town Council

Note: For non-finance related complaints, please reference the Complaint Policy.

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SPECIAL EVENT CASH HANDLING PROCEDURES

PURPOSE: To describe the policies and procedures for collecting and reporting amounts received during special event functions.

POLICIES/PROCEDURES

I. The responsible department will need to turn in a check request for the required bank amount 10 days before the event. The amount of the starting bank is entered on the Special Event Start Bank Form and initialed by the Finance Department.

II. A cash box or register will be used for all special events. Once the starting bank check is cashed, all money should be placed in the cash box or register.

III. Cash registers and central ticket areas will be used for food, drink, and admission.

IV. Any overflow cash removed during the event must be documented and initialed on the Special Event Start Bank Form. The amount should be verified and initial by the person transporting the money. Removed cash shall immediately be moved to a locked and secure location. For transfers of $1,000 or more, a deputy shall accompany the transporter.

V. When making change, the exact amount must be returned to the cash box that was taken from the cash box. Example: four (4) fives for a twenty.

VI. At the end of the event, a Town employee (and Deputy if the amount is over $1,000) will transport the money to a secure location, i.e. safe or locked drawer. No money is to be counted at this time.

VII. The first work day following the special event, a minimum of two (2) Town employees shall count and receipt in the funds, and in another department, two (2) Town employees shall count tickets. Amounts are to be recorded on the Special Event Cash Count Sheet. Funds and ticket counts will then be turned over to the Finance Department for verification.

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¶

**Deleted:** The cash box will start with the appropriate amount according to the event and area of use.

**Deleted:** <#> Upon preparing the starting banks for each cash box, the amounts will be counted and verified by two (2) Parks & Recreation employees.¶
¶
<#>"Special Event Start Bank Form" (Exhibit N) will be included in each box.¶
¶
<#>Cash boxes will be picked up at the Parks & Recreation office. Employee and volunteer will count and verify the starting bank amount and sign off on the starting bank form.¶
¶

**Deleted:** One Parks & Recreation employee and one Deputy will pick up overflow cash during the event. Cash will be taken from the cash box and secured in a tamper proof bag. Employee and Deputy will take the money to the vault, at which time they will both sign the "Drop Off Verification Sheet" (Exhibit O).

**Deleted:** <#>All money, including change, is to be kept in the vault at all times. Vault is to be kept closed and locked at all times. Only full time employees such as Parks & Recreation Director, Events Coordinator, Recreation Supervisor, Parks & Recreation Administrative Assistant, and the Finance Director shall have the combination to the vault.¶
¶

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**Deleted:** to carry the cash boxes to the office, put money in tamper proof bags, and lock them in the vault

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DISHONORED CHECKS

PURPOSE: To describe the policies and procedures for recording and collecting amounts due from dishonored checks.

POLICIES/PROCEDURES

I. Upon receipt of notice from the bank that a check has been dishonored, the Finance Department issues a letter to the Payer (the party that issued the check) demanding payment for the amount of the check plus a returned check fee as established by Council resolution. This notice allows the Payer five (5) days from the receipt of the letter to remit the total amount due to the Finance Department or face collection from the Yavapai County Attorney Bad Check Program. A copy of this letter, a copy of the notice from the bank, and the original dishonored check are placed in a file for follow up.

II. The Finance Department notifies the department from which the check was collected of the dishonored check.

III. The original notice from the bank is placed in a file for bank reconciliation as backup.

IV. An entry through the bank reconciliation process is made to record the reduction from the Town's bank account as well as record the amount of the check as an accounts receivable in the proper fund (General Fund, HURF Fund, etc.). Upon payment of the total amount due, the amount of the check is coded to accounts receivable, the returned check fee is coded to Miscellaneous Revenues, and the total is coded to the Town's bank account.

V. If the Payer has not made payment in full, or payment arrangements, within the allowed timeframe, the check is forwarded to the Yavapai County Attorney Bad Check Program for collection. A copy of the Yavapai County Attorney's form as well as all of the backup is retained in the file for future reference.

VI. Upon payment from the Yavapai County Attorney Bad Check Program, the backup from the file is attached to the receipt for reference.

VII. All payments on dishonored checks must be collected by the Finance Department directly. Other departments are not authorized to collect payments or make payment arrangements.

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**Deleted:** Note: The Yavapai County Attorney Bad Check Program will NOT collect the $25.00 returned check fee, only the amount of the check.

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ACCOUNTS RECEIVABLE

PURPOSE: To establish procedures for proper management of accounts receivable.

I. POLICIES/PROCEDURES

A. COURT RECEIVABLES

1. The Municipal Court maintains records of outstanding receivables.
2. On a monthly basis, the Court Supervisor identifies delinquent accounts and forwards the accounts to the collection agency.
3. Each quarter, the Court Supervisor forwards a listing to the Finance Department for recording of accounts receivable activity in the Town's general ledger.

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B. REVOLVING LOAN FUND RECEIVABLES

1. Staff as assigned maintains subsidiary ledgers by payer for each Revolving Loan Fund loan receivable account identifying the loan amount, monthly payments, and remaining balance owed.
2. On a monthly basis, the staff reviews the subsidiary ledgers for any delinquencies.
3. On a monthly basis, staff updates the receivable balance based on monthly statements and payments made.
4. Staff maintains copies of the subsidiary ledgers for reconciliation to the master control account in the Town's general ledger.
5. The Finance Director reconciles the subsidiary ledgers to the general ledger, investigating and correcting any discrepancies.

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C. MISCELLANEOUS RECEIVABLES

1. Following each fiscal year end, the Finance Director reviews July and August cash receipts to identify any unrecorded receivables.
2. Any amounts collected by the Town prior to June 30 and remitted to the bank after June 30 are recorded as cash on hand.
3. Any amounts collected after June 30 for services provided prior to June 30 are recorded as accounts receivable.

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ALLOWANCE FOR DOUBTFUL ACCOUNTS

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PURPOSE: To establish procedures regarding the amount of receivables that is annually estimated as "uncollectable" by the Finance Director. The establishment of an allowance account ensures that the Town's receivables are not overstated for financial reporting purposes.

I. POLICIES/PROCEDURES

A. The Finance Director (or designated staff) shall establish an allowance for doubtful accounts.

B. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.

C. Generally Accepted Accounting Principles allows for the allowance to be based on a percentage of "net charges" on an annual basis, or based on a percentage of aged receivables.

D. Court fines are more unique and could be based on collection efforts.

E. The estimated Allowance for Doubtful Accounts shall be updated on an annual basis.

PROCUREMENT

PURPOSE: To establish standard policies and procedures for the procurement of goods and services for the Town of Camp Verde to ensure that all goods and services received are properly authorized.

POLICIES/PROCEDURES:

I. APPROVAL LEVELS

A. Specified Budgeted Purchases
1. Department Head approval for all purchases.
2. Finance Director approval for purchases over $30,000.
3. Town Manager and Finance Director approval for purchases over $50,000.
4. Council approval with Town Manager or Finance Director recommendation for purchases over $100,000.

B. Non-Budgeted Purchases or Specified Budget Line Changes
1. Town Manager approval for non-budgeted purchases or specified budget line changes under $5,000.
2. Council approval with Town Manager recommendation for non-budgeted purchases or specified budget line changes over $5,000.

C. Contingency Budget Use
1. Town Manager approval for use of Contingency line items up to $15,000.
2. Council approval with Town Manager recommendation for use of Contingency line items over $15,000 with the exception of normal employee termination payouts.

**Deleted:** The Finance Director shall be the Purchasing Agent for the Town. No purchase or contract for services of any kind or description, payment for which is to be made from funds of the Town, shall be made by the Purchasing Agent, or any officer, employee or agent of the Town, except in the manner set forth below, and unless said purchase is in accordance with the adopted Town Budget. The Town Code supersedes if there is conflicting information.

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**Deleted:** ORDERING PROCEDURE

II. APPROVAL PROCESS

A. Requirements
1. Department Director sign-off for all purchases.
2. 3 comparative quotes required for construction/materials related purchases over $10,000 up to $50,000 and for all non-Bid purchases over $50,000.
3. Bid Process required for construction/materials related purchases over $50,000.
4. Bids and comparative quotes are not required when purchasing from a vendor on the State Procurement List.
5. Purchase Orders/Requisitions must be completed for purchases/contracts over $30,000.

**Deleted:** <#>Due to Town cash flow needs and limited storage facilities, departments are expected to maintain only minimal supplies on hand.¶
¶
<#>Purchases of less than $50 may be made with petty cash funds upon approval from the department head. See Petty Cash Section for detailed procedures.¶
¶
Purchases of less than $25,000 may be made with approval from the department head.

B. Quotes
1. Quotes or current pricing information from reasonable competitors. Information must be printed and attached to the purchase request. Pricing comparisons should be based on best available price information with only reasonable competitor prices used.
2. Where 3 quotes cannot be obtained, a vendor's refusal to quote or simply the lack of vendors must be documented.
3. The Town reserves the right to select a higher quote if circumstances can be documented that the more expensive choice is in the Town's best interest.

C. Bids
1. Obtain a project/bid number from the Town Clerk's Office.
2. Publication of a notice of solicitation. Per A.R.S. § 41-2533, an invitation for bids shall be issued and shall include a purchase description and all contractual terms and conditions

applicable to the procurement. The notice may include publication one or more times in a newspaper of general circulation within a reasonable time before bid opening. The publication shall be not less than two weeks before bid opening and shall be circulated within the affected governmental jurisdiction. Notice shall also be sent to the League of Arizona Cities and Towns, plan rooms and all vendors who have requested to be placed on the bid list.

3. A notice of solicitation for bids shall state the date, time and place of opening, and the place and time period within which bids shall be submitted. The time of bid opening should be not more than 15 minutes after the deadline to submit bids.
4. The notice shall state with particularity the goods or services required and shall state the place where specifications may be examined.
5. Bids shall be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not received within the time period allowed shall be rejected.
6. All bids shall be date and time stamped upon receipt.
7. All bids shall be opened in public at the time and place specified, and a tabulation of all bids shall be posted at Town Hall for public inspection.
8. All bidders shall be notified in writing of the award or rejection of any and all bids.
9. Proposals shall be requested and evaluated pursuant to procedures consistent with the State Procurement Code (A.R.S. § 41-2534, as may be amended).
10. Original bid documents are maintained on file in the Town Clerk's Office in accordance with the Town of Camp Verde Records Management Manual.
11. Unless the bids are rejected, the following shall be considered in determining the lowest responsible bidder:
    a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
    b. Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.
    c. The quality of performance of previous contracts.
    d. The previous and existing compliance by the bidder with the laws and ordinances of the Town.
    e. The financial resources and ability of the bidder to perform the contract.
    f. The quality, availability, and adaptability of the supplies or service.
    g. The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.

D. Contracts & Agreements
1. Contracts and agreements entered into by the Town must be reviewed by the Risk Management Department and must be approved and signed by the Town Manager.
2. Contracts or Agreements over $50,000 need Council approval and the Mayor's signature.

E. Purchase Orders / Requisitions
1. The computerized requisition process must be used for any purchases or projects that in total accumulate to more than $30,000 for each individual vendor or contract (excluding normal recurring operating expenditures such as utility expenses, rental payments, payroll taxes, etc.).
2. Requisitions will be completed by each department for projects, contracts or purchases as soon as agreements or contracts are accepted or the intent to move forward with the project/purchase has been initiated.
3. Purchase Orders will be initiated at the department level and are used to draw down monies on each individual requisition.

F. Other Items

1. Performance and Payment Bonds. The Finance Director shall have the authority to require a performance bond, in such amount as the Finance Director may deem sufficient for contracts other than contracts for construction, and the Finance Director shall require performance and payment bonds for contracts for construction as required by law (in excess of $20,000). In all cases of construction to which state law applies, any requirement for a bond shall be incorporated into the contract.
2. Exclusive Service. In the event that there is only one person or entity capable of providing a particular commodity or service, the requirement of the Town Code concerning bidding procedures shall not be applicable. However, for auditing purposes, sole-source proof shall be maintained.
3. Professional and Technical Services
   a. The provisions of the Town Code shall not apply to professional or technical services.
   b. No person or firm practicing in a professional or technical field for which a license is required by state law shall be engaged by the Town unless possessing a current license in good standing.
   c. Upon engagement, the Town shall enter into a written agreement or memorandum of understanding for the performance of the services for which engaged, setting forth the scope of services and the unit or total price therefore.
4. Job Order Contract. Under ARS 6-34-601, the Finance Director may authorize the solicitation for Request of Qualifications (RFQ) and/or Request for Proposals (RFP), for the selection of a qualified firm/individual with whom the Town may enter into a Job Order Contract (JOC). The method of solicitation and selection may include the consideration of contractors approved under the Mohave Contract. Multiple contracts for Job-Order-Contracting construction services may be awarded to separate persons or firms on a final list with whom the Town may negotiate fair and reasonable contract terms. Multiple year contracts will be executed for three years, performance reviews and fixed or unit prices may be updated annually.
5. Cooperative Purchasing. The Town Code shall not apply to purchases made by, though or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding or proposal process whenever other governmental units have done so for the same item or service, if, in the opinion of the Finance Director, a separate bidding process is not likely to result in a significantly lower price for such items or services.
6. Grants. The provisions set forth in the Town Code or the Town of Camp Verde Financial Operations Guide may be superseded by bidding, proposal, or qualification requirements in federal and state grants.
7. Purchases from Mayor or Council Members. Pursuant to ARS § 38-503(C), as may be amended, the Town, through its common Council, may purchase supplies, materials, and equipment not to exceed three hundred dollars in cost in any single transaction or a total of one thousand dollars annually, or as may be adjusted by law from the Mayor or any member of the common Council without using competitive public bidding procedures according to an annually adopted Town policy.

**Deleted:** <#>A pre-numbered "Purchase Order" (Exhibit Q) shall be written for all purchases (excluding normal recurring operating expenditures such as utility expenses, rental payments, and payroll taxes and expenditure payments, as well as Council approved contracts/distributions, etc.) of $25,000 or more. Each department prepares the "Purchase Order" and forwards it to the Finance Director for approval PRIOR to expending funds and/or placing orders. "Purchase Orders" of $20,000 or more must be approved by the Town Manager PRIOR to expending funds and/or placing orders. Any department that repeatedly submits "Purchase Orders" for approval after orders are made or expenditures incurred shall be reported to the Town Manager. Once approved, the pink copy of the "Purchase Order" is retained by Finance Clerkthe Finance Department, and the white and yellow copies of the "Purchase Order" are returned to the originating department for ordering. The department sends the white copy of the "Purchase Order" to the vendor.¶
<#>¶
<#>Open "Purchase Orders" may be used when multiple payments to the same vendor for the same service/product will be made within the same fiscal year (ex: ordering Library books from the same vendor throughout the year; the "Purchase Order" can be made out to the vendor for the total amount expected to spend with this vendor throughout the fiscal year; each invoice will be applied to the "Purchase Order" until the total amount is expended). The "Purchase Order" should be completed using the total amount of the purchases. Each invoice paid will be applied against this total. Each invoice must be signed by the department head authorizing the application of the invoice against the "Purchase Order".¶
<#>¶
<#>All orders are placed according to the guidelines below: ¶
<#>¶
<#>Nothwithstanding the provisions of Section 3-3-5, Nno purchase shall be made by or on behalf of the Town without first obtaining Council approval in the following instances:¶
<#>Where prior approval is required by state law or Town code;¶
<#>Where the purchase of the item is not included in the category of expenditures provided in the budget as adopted;¶
<#>Where funds for the purchase are not provided in the budget as adopted;¶ ...

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RECEIVING

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PURPOSE: To establish standard policies and procedures for the accurate receipting of all purchases or services received by the Town of Camp Verde.

POLICIES/PROCEDURES

I. All items purchased by the Town require a written receipt of the items at the time of delivery.

II. A title or deed acts as the receiving document for the purchase of vehicles, land or buildings. The sales contract acts as the invoice.

III. Items purchased with petty cash are documented by the purchaser as being received by the purchaser's signature on the detailed receipt or with a signed, written description of the items purchased if a detailed receipt is not available. It is then placed in the petty cash drawer and marked "PAID" as proof of the use of funds.

IV. Items purchased and paid for at the time of receipt with a Town check or a Town credit card must include an itemized receipt that is signed by the purchaser. The proper account code is identified, and the receipt is forwarded to the Finance Department for payment.

V. All other items received are documented on a packing slip, bill of lading or a vendor invoice.

A. Items received are signed for and dated by the department head or their designee upon inspection by that person that all items on the receiving document are indeed delivered to the Town in good condition.

B. Receiving documents for items purchased with a Purchase Order include the Purchase Order number.

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C. Items received via a parcel shipping company are signed for at the time of receipt from the delivery company as receipt of a number of boxes or envelopes. Upon delivery of the parcel(s) to the appropriate department, the department head or his/her designee inspects the contents of the delivery, sign and date the accompanying packing slip or invoice and note the amount and the condition (if necessary) of the items received.

D. After completing the above procedure(s), all receiving documents are forwarded to the Finance Department and attached to the invoice.

Deleted: and forwarded to the Finance ClerkFinance Department for payment

E. If any item purchased exceeds $5,000, notification shall be made to the Finance Department to flag the item for potential entry on the Capital Asset Listing. See the "Capital Asset" policy in the Town of Camp Verde Policies and Procedures Guide, Financial Operations Guide for proper reporting procedures.

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CASH DISBURSEMENTS

PURPOSE: To establish standard policies and procedures for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde, for ensuring that all services and items delivered were authorized and accounted for properly, and for maintaining accurate vendor files.

I. POLICIES/PROCEDURES

A. The Cash Disbursement/AP process begins with the received invoice. Original invoices should be used for payment.

B. Each department is responsible for receiving and verifying each invoice along with entry into the computer accounting system. There are a few exceptions to the actual computer entry including bills paid by statement and a few other invoices as specified by the Finance Department.

C. Each invoice should be verified as: 1) not previously paid and 2) a valid expense, with materials received or services rendered by the receiving department. The Department Director will initial each invoice as approved and include the proper coding on the invoice as well. Backup materials and the receiving document(s) are attached to the invoice.

D. Staff enters the invoices into a bi-weekly batch file in the computer accounting system. When the batch is ready for payment, staff will print a summary batch report that is to be verified and initialed by the Department Director as valid for payment. The summary report along with the invoice detail is then forwarded to the Finance Department.

E. Batches are paid bi-weekly by the Finance Department. Received batches are reviewed by the Finance Department with any discrepancies noted and/or adjusted. All individual batches are compiled into 1 final batch in the computer software for payment by the Accountant. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.

F. Blank check stock shall be kept in a locked storage cabinet in the Finance Department.

G. Printed checks and the check register are documented and reviewed against the invoice detail by the Finance director. The checks, invoices and check register are then forwarded to the Mayor for review and signature. If the Mayor is not available, the Vice-Mayor or Town Clerk is also approved to review and sign. The check register is to be initialed by both signatories verifying that all checks on the register have been reviewed.

H. A check log shall be maintained by both the Finance Director and the Town Clerk to record all check runs signed and approved at each location. The check log will document the date reviewed/signed, the beginning and ending check numbers of each reviewed run and the name and initials of the person signing, stamping or reviewing. Check logs will be reviewed for discrepancies and initialed by the Town Manager at least twice per year, in January and July, and attached to the December and June Bank Reconciliations respectively.

I. Signatures may be manual, stamped if necessary or printed by the software program.

J. Signed checks are returned to the Accountant for processing and mailing. Invoices are filed by Vendor name and fiscal year in the Finance Office.

**Deleted:** When placing orders, departments shall notify vendors that all invoices shall be mailed directly to the Finance Department. ¶
¶
Upon receipt of invoices, staff the Finance Clerk logs the invoice in a tickler file and forwards invoice to the applicable department for coding and department head approval

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<#>¶
Staff The Finance Clerk matches all invoices with the receiving documents and "Purchase Orders" (Exhibit Q) for invoices totaling $25,000 or more.

**Deleted:** Each department completes a "Check Request" form (Exhibit R) for each invoice totaling less than $25,000. A completed form includes account cost allocations and must be approved by the department head. The matching invoice(s)

**Deleted:** "Check Request"

**Deleted:** and forwarded to the Finance Department Clerk. ¶
Invoices for items that do not contain receiving documents (ex: repair order, fuel receipt, hardware bill, etc.) shall be initialed by the employee who received the items verifying the expense as a valid expenditure. The invoice is then forwarded to the department head for approval.

**Deleted:** The Finance Clerk

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**Deleted:** for payment based on due date and when received. Invoices received by Monday at 12:00 p.m. will be included in the batch paid that week.

**Deleted:** If an invoice does not require immediate payment, it may be held for payment until a subsequent batch.

**Deleted:** <#>Staff The Finance Clerk reviews each "Check Request" and makes any necessary corrections, noting the vendor number and any other needed information. ¶
¶
<#>Staff The Finance Clerk reviews invoices for possible duplicate payments. Once it has been determined that the invoice is not a duplicate, staff the Finance Clerk enters the approved invoices into the accounting computer program, recording the invoice numbers paid in the accounting system for printing on the check stubs.¶
¶
<#>Staff The Finance Clerk then runs a "Preliminary Check Register" and submits the "Preliminary Check Register" and all invoices, check requests, etc. to the Finance Director Accountant or Senior Accountant for review.reviews the accuracy of the report. If a correction is necessary, staff the Finance Clerk ...

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**Deleted:** Staff The Finance Clerk verifies the beginning check number in the computer software program to the beginning check number in the blank check stock. If the numbers do not match, an ...

**Deleted:** Upon verification that the check number in the computer software program and the blank check stock match, staff the Finance Clerk prints the checks (including a copy) and runs a "Check Register

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¶ ...

K. Any voided checks are marked void over the Payee and signature section and filed in a reconciliation file after being reconciled with the bank reconciliation for the same period.

L. Departments shall submit all prior year invoices to the Finance Department no later than August 31. Any invoices submitted after August 31st may be included in the next fiscal year.

M. Each January, staff compiles and reconciles a preliminary list of 1099s to be issued in accordance with IRS regulations. The Finance Director reviews and approves the preliminary determination of 1099s to be issued. Once approved, staff prints the final 1099s for distribution to vendors and the IRS.

## II. APPROVED CHECK SIGNATORIES

A. Check signers include the Mayor, Vice Mayor, Finance Director, and Town Clerk (per Resolution 2008-744).

B. Check signers may have a signature stamp. Signature stamps shall be placed in a secure location in the check signer's department, but not in the same location as the blank checks. Each check signer is responsible for the safekeeping and authorized usage of the stamp. Each department shall have a designated employee(s) authorized to use the signature stamp in the check signer's absence, and this authorization shall be made in writing.

C. Signatures may be printed by the accounting software program as long as the signatory is reviewing each check run and approving such by initialing and dating each review.

**Deleted:** <#>The Finance Director reviews the invoices and checks, notes any exceptions, and signs the checks, if approved. If the Finance Director is unavailable, the Town Clerk performs the review and signs the checks. The checks, along with invoices approved by the Finance Director or Town Clerk as applicable, are then forwarded to the Mayor (or Vice Mayor) for signature. If the Mayor (or Vice Mayor) is unavailable for signatures, the Finance Director and Town Clerk may sign the checks. All attempts to gain both a staff signature and an elected official signature must be exhausted prior to having both signatures be staff signatures. If due to absences, the required signatures are not available, signature stamps may be used with prior authorization by the absent authorized check signer.¶
¶
<#>The Mayor (or Vice Mayor) reviews the checks and any invoices approved by the first signer, notes any exceptions, and signs the checks, if approved. The checks are then forwarded to the Town Clerk's Office Finance Department for mailing.¶
¶
<#>Finance staff other than the individual that produced the checksThe Town Clerk's Office separates the signed checks, mails the original and any remittance stubs to the payee, and forward the "yellow" copy to the Finance Clerk. The Finance Clerk same employee attaches the invoice(s) and any supporting documentation to the "yellow" copy of the check and marks the invoice(s) as paid.¶
¶
<#>Staff The Finance Clerk files the "yellow" copy of the check attached to the invoice and other ...

**Deleted:** , the routing number, account number, and signature area torn off,

**Deleted:** <#>The Town operates on a cash basis during the fiscal year, and accruals are recorded at year end. Only those goods or services received on or before June 30 and paid after June 30 are accr ...

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¶
Once all prior year invoices have been recorded, staff the Finance Senior Accountant prepares a detailed listing ...

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**Deleted:** SIGNATURE STAMPS

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**Deleted:** PURPOSE: To establish standard procedures for the use of signature stamps for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde.¶ ...

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<#>¶
<#>The signature stamp shall be placed in a separate location from blank checks.¶ ...

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<#>¶

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<#>Each check signer may stipulate that they be contacted for approval of the use of their signature stamp for each occurrence. ¶ ...

CREDIT CARD/BUSINESS CHARGE CARD POLICY

PURPOSE: To establish standard procedures for the use of Town credit cards and business charge cards.

POLICIES/PROCEDURES: The purpose of the credit card is principally for use in making travel arrangements or other purchases where the vendor requires such use. Credit card purchases are intended to be small in scope and of a 'non-capital' nature. All purchasing of budgeted capital items must have the proper approval of the Finance Director and must be purchased via the Purchase Order process. Business charge cards are also available for certain frequently used vendors.

I. RESTRICTIONS

A. Credit cards/business charge cards are to be signed out at the Finance Department and returned promptly after use. In addition, the employee must sign the credit card log to acknowledge return of the credit card. A fully completed Credit Card Use Form, with all receipts and other supporting documentation attached must be submitted to the Finance Department for each separate purchase.

B. Town employees and officials may sign out credit cards/business charge cards in accordance with this policy. If an individual needs a card to keep in his/her possession, they should notify the Finance Department as much ahead of time as possible. Cards are signed out per the above policy.

C. Any approved credit card or business charge card accounts shall be opened by the Finance Director, or his or her designee. No other individuals are authorized to open credit card or business charge card accounts.

D. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle are as follows:
1. Single Purchase Limit - Not to exceed $5,000
2. Billing Cycle Limit - Not to exceed $20,000
Single purchase limit exceptions must be obtained in writing, in advance, from the Finance Director or Town Manager. There is no exception for the Billing Cycle Limit.

II. USE OF CARD

A. The credit card/business charge card is to be used for Town purchases only.

B. No person other than the one who signed out the card is authorized to use it. Employees must not retain credit card numbers for future use when not signed out.

C. All other methods of procurement should be exhausted before using the credit card (i.e., purchase orders or invoicing).

D. The employee must be able to justify that the use of the card was necessary and for official Town business purpose.

E. The employee shall take all necessary precautions to keep the card and card number in a secure location. The Finance Department is to be notified immediately if card is lost or stolen.

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**Deleted:** When the card is returned, it must be accompanied by a

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**Moved up [3]:** In addition, the employee must sign the credit card log to acknowledge return of the credit card.

**Deleted:** , a "Request for Credit Card" (Exhibit T) needs to be filled out by the department head, turned into the Town Manager for signature and forwarded to the Finance Department

**Deleted:** Once the request is approved, the individual must sign the "Credit Card User Agreement" (Exhibit T) before the card is issued

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**Deleted:** CREDIT CARD/BUSINESS CHARGE CARD POLICY ¶
¶
<#>Questions regarding credit card/business charge card accounts and procedures should be directed to the Finance Director.¶
¶
<#>The credit card may be used at any business establishment, which accepts credit cards for payment, as long as the expenditure complies with Town policy requirements.¶
¶

F. The department is responsible for all charges incurred on department issued cards including any annual service fees and finance charges.

G. NO backorders are allowed.

III. DOCUMENTATION

A. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the monthly statement of account. Invoices should be in detail to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.

B. The Town shall not be responsible for any charges incurred if the criteria listed in (A) if supporting documentation is not received in a timely manner by the Finance Department.

C. All purchases are to be recorded on Credit Card Use Form. This form must be maintained as charges occur.

D. For telephone/facsimile orders, the employee shall request that the vendor send, via facsimile, a copy of the invoice. ***The original invoice is still necessary by the Finance Department for reconciliation purposes.***

E. For internet orders, employees must print a copy of the receipt/order confirmation and attach to the Credit Card Use Form. Any originals mailed after the purchase should be attached as well.

F. If, for any reason, the employee does not have documentation for a transaction, the employee must attach a Credit Card Use Form, providing: a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to ensure proper documentation in the future. In addition, the employee and the department head's signature are required on the form.

G. If receipts are related to travel, it is the employee's responsibility to photocopy the receipts to attach to their Training/Travel Authorization and Expense Form. The originals must be forwarded to the Finance Department for reconciliation with the monthly statement.

IV. PROHIBITED CHARGES

A. The following uses of a credit card are **prohibited**:
   1. Cash advances.
   2. Personal purchases. Employees may not charge any personal items on the Town credit cards/business charge cards.
   3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation shall be required.
   4. Alcoholic beverage purchases.

   Any prohibited use of cards shall be reported to the applicable department head and/or the Town Manager.

B. Per Diem. Per diem requests are processed through Accounts Payable prior to travel. Refer to the Travel and Training Section.

**Deleted:** <#>TELEPHONE, FACSIMILE, AND INTERNET ORDERS¶
<#>¶
<#>When placing a telephone/facsimile order, the employee shall confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.¶
<#>¶
<#>All telephone/facsimile/internet orders must be recorded on the "Credit Card Use Form" (Exhibit S) when the transaction occurs. ¶
<#>¶
<#>For telephone/facsimile orders, the employee shall request that the vendor send, via facsimile, a copy of the invoice. The original invoice is still necessary by the Finance Department for reconciliation purposes.¶
<#>¶
<#>For internet orders, employees must print a copy of the receipt/order confirmation and attach to the "Credit Card Use Form" (Exhibit P)..¶
<#> ¶
<#>If no receipt is available for the telephone/facsimile order, complete the "Credit Card Use Form" (Exhibit P) detailing the purchase in entirety. This form shall be used as the documentation when reconciling the monthly statement of account.¶
<#> . ¶

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**Deleted:** <#>Copies of all necessary forms are enclosed within the exhibits section of the Financial Operations Guide as well as on the shared network. Files in the shared network are located in the Financial Operations Guide folder located in the Finance Department's Public Folder.¶
¶
<#>An original invoice/sales order must accompany the credit card receipt. It should be in detail, to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.¶
¶

**Deleted:** CREDIT CARD/BUSINESS CHARGE CARD POLICY ¶
¶

C. Employees shall also comply with any applicable departmental restrictions on usage.

D. Employees may not violate any procurement requirements, as it pertains to obtaining quotes, when using the Town credit card.

## V. RECONCILIATION AND PAYMENT

A. All invoices are reconciled to the monthly statement by the Finance Office.

B. Payment shall be made promptly and before the due date to avoid any service or finance charges.

C. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the credit card account shall be assessed the finance charges imposed by the issuing financial institution.

## VI. POLICY VIOLATIONS

Failure to follow this policy may result in loss of card privileges and, for employees, may result in disciplinary action, including termination of employment.

**Deleted:** <#>After each purchase, the department must submit the completed "Credit Card Use Form" (Exhibit S) to the Finance Department to hold for reconciliation to the monthly statement.¶
¶
<#>The employee attaches any additional documentation necessary to the "Credit Card Use Form" (Exhibit P), completes the form fully and assures that all necessary signatures have been obtained.¶
¶
This form is reconciled with both the receipts and the credit card's monthly statement of account by the Finance

**Deleted:** Department.

**Deleted:** <#>If unable to submit the required documentation by the due date, please contact the Finance Department as soon as possible.¶
¶

**Deleted:** <#>TERMINATION/RESIGNING EMPLOYEES¶
¶
<#>All efforts shall be made by the Finance Department to obtain the credit card, any receipts, "Credit Card Use Forms" (Exhibit S) and other related forms when a Cardholder employee is terminated or resigns.¶
¶
CREDIT CARD/BUSINESS CHARGE CARD POLICY
¶
<#>If the credit card cannot be collected, notify the Finance Director immediately to ensure the card is canceled.¶
¶

PETTY CASH ACCOUNTS

PURPOSE: To account for minor disbursements when immediate payment is required.

I. POLICIES

A. The petty cash reimbursement and reconciliation shall be reviewed by someone other than the custodian or person who purchased the items.

B. Petty cash shall be properly safeguarded at all times.

C. At a minimum, the Petty Cash Custodians shall request replenishment when the petty cash balances are more than 50% below the established beginning balance and an immediate need for replenishment is anticipated.

D. All petty cash receipts shall be submitted for reimbursement no later than the fiscal year-end in which the purchase is made, to ensure all amounts are recorded correctly.

E. Petty cash funds may not be used for personal services/items.

II. PROCEDURES

A. DISBURSEMENTS

1. The requesting employee shall obtain the department head approval before purchases are made.
2. The requesting employee completes the Petty Cash Withdrawal Request form.
3. The Petty Cash Custodian receives all Petty Cash Withdrawal Request forms and vendor receipts and ensures the form is complete and properly approved before any disbursement is made from the Petty Cash Account.
4. The Petty Cash Custodian maintains a Petty Cash Disbursement/Replenishment Log, either in hard copy form or in Excel, for all disbursements and replenishments.
5. The Petty Cash Custodian checks the amount requested for mathematical accuracy and notes any discrepancy.
6. Upon disbursement of cash to the employee, the employee signs the Petty Cash Withdrawal Request form for acknowledgement of receipt of cash.
7. If there is change from the purchase, the employee signs the form acknowledging his/her return of any monies, and the Petty Cash Custodian verifies the amount of the vendor receipt against the amount of the original disbursement.

B. RECONCILIATION

1. On a quarterly basis or as needed, using the Petty Cash Disbursement/Replenishment Log, the Petty Cash Custodian reconciles the disbursement and change returned amounts listed on the various Petty Cash Withdrawal Request forms.
2. The Petty Cash Custodian also reconciles the Petty Cash Fund comparing the established beginning balance to amounts disbursed and remaining cash.
3. The Petty Cash Custodian researches and resolves any discrepancies.
4. The department head reviews the reconciliation.

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**Deleted:** <#>The Petty Cash Custodian stamps the "Petty Cash Withdrawal Request" form and vendor receipts "PAID", to prevent reuse.¶

**Deleted:** PETTY CASH ACCOUNTS¶
¶

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5. The Petty Cash Custodian prepares a check request to replenish petty cash funds, when necessary. All receipts and Petty Cash Withdrawal Request forms should be attached the check request.
6. The Petty Cash Custodian receives a petty cash fund reimbursement check made payable to the applicable petty cash custodian for the purposes of replenishing the petty cash fund.

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BANK ACCOUNTS AND RECONCILIATION

PURPOSE: To ensure that all activity within the general ledger is complete and properly reconciled to the bank.

I. POLICIES

A. In accordance with Arizona Revised Statutes (A.R.S.), each bank account that the Town maintains over the FDIC insured amount shall be collateralized by the bank for the amount over the FDIC insured amount.

B. All bank accounts and related activity shall be properly recorded in the general ledger.

C. Prior to opening or closing any Town bank accounts, Council authorization shall be obtained.

D. Only the Mayor, Vice-Mayor, Finance Director, and Town Clerk are authorized check signers on the Town's accounts as established in Resolution 2008-744.

E. Authorization may be given by Council for selected Staff to initiate and approve direct transfers of funds between Town bank accounts to provide for the payment of accounts payable and payroll transactions as well as other authorized transactions.

F. Each bank account shall be reconciled monthly and on a timely basis to resolve any discrepancy. Reconciliations shall be signed and dated by the preparer and forwarded to the designated person for review. Once reviewed and signed, the reconciliations are returned to the Finance Department.

II. INTERFUND BORROWING

A. The General Account serves as the general operating bank account of the Town and represents the pooled cash of all funds, except those amounts retained in separate bank accounts for legal or operational purposes.

B. Each fund's share of the pooled cash is recorded on the general ledger as Equity in Pooled Cash.

C. Once all bank accounts have been reconciled for the month, the Finance Director reviews and reconciles the Equity in Pooled Cash balances to ensure the amounts agree to the offsetting entries in the General Fund.

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**Deleted:** <#>Bank statements, for each account, shall be received by the Town on a monthly basis.¶
¶

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<#>The Finance Director shall review the bank statement reconciliation and sign and date as evidence of the review. ¶

**Deleted:** <#>PROCEDURES¶
¶
<#>Upon receipt of the bank statements, staff the SeniorFinance Accountant verifies that all cancelled checks listed agree with the Town's accounting records. Cancelled checks are reviewed for alterations, irregular endorsements, and authorized signatures. ¶
¶
<#>Staff The SeniorFinance Accountant compares transaction amounts listed on the bank statements to the Town's records to ensure that amounts were accurately debited or credited. ¶
¶
<#>Staff The SeniorFinance Accountant forwards all reconciliation documentation to the Finance Director to review that the reconciliation was properly completed and all items reconciled.¶
¶
<#>Upon receipt of the collateralization statements, the Finance Director SeniorFinance Accountant ensures that any amounts over the FDIC insured amount are collateralized. ¶
BANK RECONCILIATION¶
¶
<#>In addition to the monthly bank reconciliations, the Finance Director or SeniorFinance Accountant will review the detail general ledger monthly for items such as mispostings, duplicate payments, etc. ¶
¶

CAPITAL ASSETS

PURPOSE: To establish standard policies and procedures for the accurate tracking of capital assets.

POLICIES: Capital assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of $5,000 or more. Stewardship assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of $1,000 to $4,999.

Deleted: The majority of capital expenditures will be tracked in the Capital Improvement Projects Fund (CIP Fund). All non-CIP Fund capital expenditures are coded to an 8XXX object code to ensure proper classification and to facilitate the reconciliation of capital asset additions.

I. PROCEDURES

A. Departments must notify the Finance Department when any item is acquired, disposed of, or transferred to another department when the item was purchased for or valued at $1,000 or more.

B. For items valued at $1,000 or more, the department must complete and submit an Asset Acquisition Form to the Finance Department for inclusion on either the Capital Asset Listing or the Stewardship Asset Listing.

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For items valued at $1,000 or more, the department must complete

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C. Each year staff forwards an updated Capital Asset Listing and Stewardship Listing to the Risk Manager for insurance purposes.

D. Capital assets are depreciated on a straight-line basis.

E. In consultation with department heads, the Finance Director assigns useful lives to individual assets based on asset category.

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F. When equipment items are acquired, departments shall request property tags from the Finance Department to be affixed to the assets, if feasible. Property tags should not be affixed to any item if this would seriously impair the item's value or usefulness. Engraving or other means of identification of such items is recommended to facilitate their possible return if they are lost or stolen.

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Departments indicate the property tag number assigned on the vendor invoice before forwarding to the Finance Department. Staff provides copies of such invoices to the Finance Department for updating the Capital Asset/Stewardship Listings.

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G. If an asset has been donated to the Town, the receiving department shall complete the "Asset Acquisition Form" and submit to the Finance Department at the time of receipt of assets. The Finance Department will issue a property tag as applicable, and staff will update the Capital Asset/Stewardship Listings.

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H. Departments shall complete the Request for Authorization to Dispose of/Transfer Equipment and submit to the Finance Department at the time of disposal or transfer of assets. The Finance Director reviews and approves all Request for Authorization to Dispose of/Transfer Equipment forms.

Disposals of assets must comply with approved methods. Refer to the section titled Asset Disposal for the policies and procedures regarding the disposal of surplus or impaired assets. Assets generally cannot be donated unless it can be demonstrated that the donation serves a public purpose.

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Departments shall report lost, stolen, or destroyed assets within ten working days of discovery to the Risk Manager and the Finance Department.

I. For capital projects (assets acquired through construction or assets acquired through similar multiple payments), a separate account code shall be created to track the costs to be capitalized. For existing assets, projects should be identified as to whether they are improvement projects or repair/maintenance projects. Improvement projects significantly extend the useful life of an asset or increase the value of an asset. Repair/maintenance projects generally maintain the condition of an asset so that the expected useful life is attained.

J. Once a year, the Finance Department distributes current equipment listings for verification and physical inventory by department heads or designees, along with instructions regarding how physical inventories are to be performed. If there are any discrepancies, the proper corrections to the listing are indicated noting the date of the change and any other needed information (price, useful life, etc.). In addition, during the physical inventory process, the department heads or designees examine assets for possible impairments and designate surplus assets available for auction/disposal. The listings are returned to the Finance Department. The Finance Director researches and resolves any discrepancies between the physical inventory and the Capital Asset Listing. Each year, the Finance Department will physically sample a random selection of the Capital Asset Listing for verification that the items are still in the possession of the Town and are in working condition. During this review, staff will also search for items not listed on the Capital Asset Listing.

K. Staff reviews and reconciles the Capital Asset Listing to the general ledger on an annual basis. The Finance Director reviews the reconciliation, initialing and dating as evidence of review.

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ASSET DISPOSAL

PURPOSE: To establish standard policies and procedures for the disposal of surplus or impaired assets.

I. POLICIES/PROCEDURES

A. The Town utilizes the Public Service website to dispose of surplus supplies and/or assets. This website adheres to the specific procurement requirements that public agencies must follow in disposing surplus supplies and/or assets. The website address is http://www.publicsurplus.com/sms/campverde.az.

B. For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property. Therefore, surplus supplies and/or assets cannot be donated to other organizations. The law does allow for donation to other governmental entities.

C. The following steps shall be followed in the disposal of surplus supplies and/or assets:
   1. The department head must authorize the disposition of surplus supplies and/or assets.
   2. Send an email to "All Employees" describing the item (include a photo if available) available. Allow at least four (4) working days to allow requests for the item to be transferred to another Town department.
   3. If no requests to transfer the item to another Town department are received, prepare the item for submission to the Public Service website as follows:
      a. Take a digital photo of the item.
      b. Complete the Vehicle Property or General Property description form.
      c. Email the description form, digital photo, and any suggestions for a start price or reserve (minimum amount for the item) if applicable to auctions@campverde.az.gov. Indicate whether the item has instruction manuals and/or accessories, as well as the working condition and general condition of the item. Provide as much information as possible.
      d. Indicate in the email who should be contacted to pick-up the item when sold and when it will be available for pick-up.
   4. At the end of the auction timeframe, if the item sells, a Closing Notification report is generated from the Public Surplus website detailing the item sold as well as the sales price and the purchaser. A copy of this report is to be given to the Finance Department. This report is used to update the assets listed on the Stewardship and Capital Asset listings.
   5. When the purchaser pays for the item, an "Auction Receipt" report is generated. A copy of this report is to be given to the Finance Department. Payment from the purchaser is received by Public Surplus and transmitted to the Town.

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UNCLAIMED PROPERTY

PURPOSE: To establish standard policies and procedures for recording and handling unclaimed property.

I. POLICIES/PROCEDURES

A. Unclaimed Property

1. On a monthly basis, review all checks that are still outstanding on all bank reconciliations.
2. If checks have not cleared after 90 days, the Finance Department will attempt to contact the individual or vendor. Checks held for pickup will be mailed after 14 days if not picked up.
3. If the individual/vendor cannot be reached or a mailed check is returned, the Finance Department staff shall void the check and place a copy of it in the individual, vendor or employee's file.
4. Record the voided check amount in the Unclaimed Property liability account.
5. If the vendor, or employee, contacts Finance after the check has been voided, reissue another check and remove the amount from the Unclaimed Property liability account. Place a copy of the reissued check in the vendor or employee's file.
6. On an annual basis (on July 1), review all amounts in the Unclaimed Property liability account and identify those that have reached the period when payment must be turned over to the state. The dates used on the "Unclaimed Property Report" are July 1 through June 30. The report is due November 1.
7. Send the completed Unclaimed Property Report to Accounts Payable for payment.

**Deleted:** In the "Check Sign-Out Book", and prepare a letter to the payee advising them that monies are being held for them to pick up.

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JOURNAL ENTRIES

PURPOSE: To maintain balanced accounts and to make necessary adjustments to resolve unbalanced accounts.

I. POLICIES/PROCEDURES

A. A Journal Entry form is completed detailing the adjustments needing to be made. Any supporting schedules or other documentation are attached. The employee preparing the journal entry shall sign and date the Journal Entry form.

B. Journal entries shall be approved by the Finance Director prior to entry into the accounting system.

C. Approved journal entries are entered into the accounting system monthly. Only the Finance Director shall be able to post entries into the system.

II. AUDIT ADJUSTING JOURNAL ENTRIES

A. The Finance Director shall review to determine the validity of any audit adjusting journal entry(ies).

B. Upon consensus, the audit adjusting journal entry(ies) is/are input into accounting system and posted by the Finance Director.

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GRANTS

PURPOSE: To ensure grants are properly approved and accounted for.

I. POLICIES

A. All grant applications must be approved by the Town Manager prior to the application being submitted.

B. Grants larger than $50,000 require approval from the Town Council prior to application.

C. The Department administering the grant shall be responsible for the submission of any required quarterly and annual financial reports required by the granting agencies. They are also responsible for verifying that all expenditures are reviewed for reasonableness for compliance with the grant requirements.

II. PROCEDURES

A. REIMBURSEMENT GRANTS

1. Monthly, quarterly or as required by the granting agency, the department representative shall obtain a listing of all applicable grant expenditures from the accounting system. Employee wages allocated to the grant must be documented and listed on a per day basis for allocated hours with relevant and allowable wage and ERE costs totaled.
2. After the reimbursement claim is prepared, it is forwarded to the Finance Department for approval before it is submitted. Any discrepancy between the expenditures incurred and the reimbursement claim prepared shall be documented and returned to the department representative for adjustment. Once approved by the Finance Director, the claim is submitted to the granting agency for reimbursement.
3. Finance staff prepares journal entries to record related receivables, transfer of monies for any matching requirements, or adjustment of expenditures as needed.
4. Finance staff maintains a file of pending reimbursement claims. Upon receipt of grant monies, staff ensures that the reimbursement received reflects the amount requested. If not, staff researches and resolves the discrepancy.
5. Finance staff periodically reviews the file of pending reimbursement claims to determine if any outstanding claims have not been received in a timely manner.

B. ADVANCE-TYPE GRANTS

1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures along with the grant amounts advanced from the granting agency from the Finance Department.
2. All expenditures are reviewed for reasonableness for compliance with the grant requirements by the Department administering the grant.
3. Once verified, any required financial status reports are prepared, reviewed by someone other than the preparer, and submitted to the granting agency. Copies of the reports are forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the financial status reports prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reports.
4. The Finance Director prepares journal entries to transfer monies for any matching requirements, or adjustment of expenditures as needed.

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DONATIONS

PURPOSE: To ensure that donations received by the Town and are properly reviewed, accepted, accounted for and reported.

I. POLICIES

A. GENERAL DONATIONS

Donations without direct guidance from the donor will be received into the General Fund as unrestricted monies.

B. RESTRICTED DONATIONS

1. Donations that are restricted in form by the donor as to use or timing of use or any further conditions open the use of such monies must be approved by the Finance Director. Restricted Donations may be returned if it is determined by the Finance Director to be in the Town's best interest to do so. Donations of a de minimis amount (less than $100.00) and for established designated functions do not need the Finance Director's approval.
2. Employees of the Town may not impose their own restrictions on received donations. Only direct communication from the donor may restrict the use of a donation.

II. PROCEDURES

A. The Finance Director shall be notified as soon as any restricted donations are received, pledged or expected.

B. Restricted donations are not officially received and accepted until they are deposited by the Town.

C. Restricted donations must be received with the following information in writing:
   1. Donor's Name
   2. Donor contact information
   3. Conditions of use

D. Restricted donations shall be identified and tracked in the general ledger and reconciled on a quarterly basis.

TOWN FUNDS

PURPOSE: To establish policies related to the operation of Town funds.

I. CREATING / REMOVING FUNDS

A. All requests to add or remove funds must be approved by the Town Council.

B. New funds generally are requested and approved as part of the annual budget process; however, if the need arises during the year, a request for creation of a new fund should be submitted to the Town Council for approval. Funds shall only be considered for removal during the budgeting process each year.

C. Once approved, the Finance Director will create the new fund or remove the old fund in the accounting system.

D. The Finance Director notifies applicable employee(s) of the uses and non-uses of the new fund or of the disuse of the old fund.

II. OPERATING TRANSFERS

A. Operating Transfers are authorized by the Town Council during the annual budget process.

B. If an unbudgeted operating transfer becomes necessary or if the amount budgeted was insufficient by more than 5%, approval for the transfer or the increase in amount must be obtained from the Town Council.

C. Operating transfers are recorded through a journal entry (refer to the Journal Entries Section).

D. Operating transfers shall be recorded in a timely manner. Depending upon the nature and purpose, operating transfers shall be recorded quarterly.

**Deleted:** <#>Prior to completion of the grant, the balance of any unspent grant monies is determined.¶ <#>A determination is made if the remaining grant funds will be returned or if there is an allowable expenditure for which the funds could be used.¶
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OPERATING TRANSFERS¶
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PURPOSE: To establish policies regarding the proper approvals and accounting of operating transfers between funds.¶

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BUDGET POLICY

PURPOSE: To establish policies and procedures to carefully account for public funds, manage the finances wisely and plan for adequate funding of services that are desired by the public. The following budget policy provides guidance for preparing the Town of Camp Verde's annual budget (all funds) as well as adoption, implementation, and monitoring of the budget.

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I. POLICIES

A. BUDGET PHILOSOPHY. The Town of Camp Verde's budget philosophy includes funding the service delivery system using the resources provided through current revenue collection while planning for future needs through capital funding and maintenance.

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B. BALANCED BUDGET. Arizona law (Title 42 Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget. The Town of Camp Verde will develop a balanced budget by June 30th each year, where projected revenues meet or exceed projected expenditures. In the event that projected revenues are not adequate to sustain the service delivery system desired by the Town's citizens, a draw on fund balance may be authorized by the Town Council in accordance with Town Code Section 3-4-5 Fund Balance Policy. In addition, the Town will not use one-time (non-recurring) revenues to fund continuing (recurring) expenditures.

Deleted: Balanced Budget

C. CONSERVATIVE PROJECTIONS. Revenues and Expenditures will be determined through conservative projections. Current revenues will be sufficient to support current operating expenditures allowing the Town to maintain a positive operating position.

D. USER FEES. User Fees will be adjusted as necessary to recover the full cost of services provided, except when the Town Council determines that a subsidy from the General Fund is in the public interest.

II. PROCEDURES

A. BUDGET PROCESS

1. The Town Manager will meet with all Department Directors to discuss his/her outlook for the coming year and give staff direction as to the financial direction of the new year's budget.
2. Department Heads will develop the budgets for their departments based on the recommended direction of the Town Manager.
3. Department Heads will enter their completed budget requests into the computer accounting system with appropriate notes for review by the Town Manager. Individual meetings are held with each of the Department Heads to discuss their budget requests and to assure that the Departments' narratives are complete.
4. The compiled preliminary draft budget is distributed to Council Members and Department Heads. Budget Work Sessions are scheduled to present each budgetary unit to Council, answer questions that may arise, make adjustments as directed, and obtain Council's preliminary approval of the requests. The Finance Department, with the Town Manager's direction, makes final adjustments to the budget and verifies that all information is properly included in the budget document.
5. In June, the Tentative Budget is approved by Council and the budget is advertised in the local newspapers for two consecutive weeks.

Deleted: <#>The budget process begins in February with a an off-site retreat of Council Members and Department Heads to discuss the departments' priorities and obtain guidance from Council on strategic objectives and special funding requests.¶
In March, t

Deleted: he Finance Department compiles information, makes projections, and completes non-departmental revenue estimates. Based on the revenue estimates projected, the Finance Department determines the subsidy allocation to be provided to each department through a General Fund Subsidy Allocation. These allocations are distributions of the monies provided from general purpose revenues (non-departmentally generated revenues) to help fund the department's operations. A meeting is held with the Department Heads to convey the budget direction, discuss the budget process, and explain the General Fund Subsidy Allocation amounts allocated to each department

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In April,

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6. In July, Public Hearings on the Tentative Budget are held. If no changes have been directed, the Final Budget is adopted and implemented.

B. BUDGET AMENDMENT POLICY

1. Once the tentative budget is adopted, the expenditure limitation amount is set for the fiscal year. The Town Council may not approve additional appropriations above that amount.
2. Throughout the fiscal year, amendments may be made to the adopted budget. All budget amendments must be approved by the Town Council. Budget amendments include, but are not limited to, transfers of appropriations between departments, transfers of appropriations from the Contingency to departments and/or funds, and transfers of appropriations between funds.
3. The Town Manager may approve budget reallocations within functional department areas as follows:
   a. General Government – All "100 & 900" departments
   b. Magistrate Court – All "300" departments
   c. Public Works – All "400" departments
   d. Community Development – All "500" departments
   e. Marshal's Office – All "600" departments
   f. Library – All "700" departments
   g. Parks & Rec – All "800" departments
4. A budget adjustment is requested with the Budget Change/Re-Appropriation Form. The form is submitted to the Finance Director for review.
5. The Finance Director shall submit the completed Budget Change/Re-Appropriation Form to Council for approval.
6. Approved changes to the budget shall be documented, signed and entered by the Finance Director and filed in an annual budget adjustment file.

C. BUDGET MONITORING

1. The Finance Department, along with each Department Head, monitors the budget continuously throughout the fiscal year. The Town focuses on the object level (total salary expenditures, total operational expenditures, etc.) of tracking rather than focusing on the sub-object level (each specific line item). This means that instead of tracking each line item to ensure that it remains within the budget appropriation, the focus is on whether the Department as a whole operates within its total budget appropriation.
2. Revenue projections are monitored monthly and statistically projected throughout the remainder of the fiscal year to determine the need to decrease expenditure appropriations in order to maintain a balanced budget.
3. Financial reports are given to the Town Council and Department Heads quarterly detailing the status of each department and the Town as a whole. Along with these reports, the Finance Department also presents a report to Council detailing the revenue projections through the end of the fiscal year and makes recommendations as needed to decrease appropriated expenditures, as a result of any shortfall in our revenue base, which may materialize.

D. BUDGET CALENDAR

1. In February of each year, the Finance Director shall obtain approval of the budget calendar for the following fiscal year.

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<#>All budget changes/re-appropriations shall be authorized by the Town Council and within the amounts budgeted.¶
<#>To request a budget change/re-appropriation, complete the "Budget Change/Re-Appropriation Form" (Exhibit AC). Submit the completed form to the Finance Director for approval. ¶
<#>The Finance Director shall submit the completed "Budget Change/Re-Appropriation Form" to Council for approval.¶
<#>Upon approval from Council, the Finance Director shall make the appropriate change in the budget document and in the financial software system. ¶

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## E. CAPITAL IMPROVEMENTS

1. The Town will make all capital improvements in accordance with an adopted and funded capital improvement program (CIP). The CIP will provide for adequate design, construction, maintenance and replacement of the Town's capital assets over a five-year period.
2. The Town will use intergovernmental assistance to finance only those capital improvements that is consistent with the Capital Improvement Plan and Town priorities, and who's operating and maintenance costs have been included in the budget.
3. The Town will coordinate development of the capital improvement budget with the development of the operating budget.
4. If funding new facilities, the Parks Fund and other special development impact funds may only be used if those new facilities are included in the Town's master plans.

## F. FUND ACCOUNTING

1. The Town utilizes fund accounting, which is a method of tracking revenues and expenditures based on restrictions being placed on the revenues requiring that they be used for specific purposes only. Each fund is considered a separate accounting entity. All funds except agency funds are included in the budget document. Agency funds are not required to be included in the budget document as they are monies belonging to separate entities, which the Town holds in trust for them.

## G. GOVERNMENTAL FUNDS

1. General Fund - The General Fund is the main operating fund of the Town of Camp Verde; it accounts for the majority of the departments within the Town.
2. Special Revenue Fund - Special Revenue Funds are separate accounting records used to track revenues (and the related expenditures) that are legally restricted for specific purposes.
3. Debt Service Fund - Debt Service Fund is used to account for the funding allocations and the payments of general long-term debt principal, interest and related costs.
4. Capital Project Fund - Capital Project Funds are used to track the financial resources to be used for the acquisition or construction of capital assets. A capital asset is defined by the Town as any item with an extended useful life whose purchase price (or value if donated) is $5,000 or more.
5. All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means that the amount of the transaction can be determined. Available means that the funds are collectible within the current period or soon thereafter to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred.

## H. FIDUCIARY FUNDS

1. Agency Fund - The Agency Fund is used to account for monies belonging to other agencies that the Town holds in a trustee capacity.
2. Fiduciary Funds - Fiduciary Funds are accounted for using the accrual basis of accounting. This method of accounting recognizes the financial effects of transactions and other events and circumstances that have cash consequences in the periods in which transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

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## I. BUDGET BASIS

1. The Town maintains its financial records in accordance with Generally Accepted Accounting Principles (GAAP) for government entities. The budgets of General Government Funds are prepared on a modified accrual basis. This includes all fund types managed by the Town of Camp Verde.

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DEBT POLICY

PURPOSE: To establish policies and procedures to provide for the preservation and eventual enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions and required disclosures to investors, underwriters, and rating agencies. These policy guidelines will also be used when evaluating the purpose, necessity, and condition under which debt will be issued. These polices are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, City Charter, federal tax laws, and the Town's current bond resolutions and covenants.

The Town utilizes long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an "intergenerational equity", as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the cost of the asset.

All projects funded with General Obligation Bonds or Revenue Bonds can only be undertaken after voter approval through a town-wide bond election.

I. POLICIES/PROCEDURES

A. The overall debt management policy of the Town is to ensure that financial resources of Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.

B. The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt "pay as you go" capital financing.

C. The Town does not intend to issue commercial paper (CP) or bond anticipation notes (BANs) for periods longer than two years or for the term of a construction project. If CP or a BAN is issued for a capital project, it will be converted to a long-term bond or redeemed at its maturity.

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D. Whenever the Town finds it necessary to issue revenue bonds, the following guidelines will be adhered to:

Deleted: <#>The issuance of variable rate debt by the Town will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner. ¶
¶
¶

1. Revenue Bonds are defined as bonds in which the debt service is payable from the revenue generated from the operation of the project being financed or a category of facilities, from other non-tax sources of the Town, or from other designated taxes such as Highway User's Revenues, excise tax, or special fees or taxes. For any bonds or lease-purchase obligations in which the debt service is paid from revenue generated by the project, that debt service is deemed to be revenue bonds and are excluded from the calculation of the annual debt service limitation.
2. Revenue Bonds of the Town will be analyzed carefully by the Finance Department for fiscal soundness. The issuance of Revenue Bonds will be subject to the most careful review and must be secured by covenants sufficient to protect the bondholders and the name of the Town.
3. Revenue Bonds should be structured to provide level annual debt service over the life of the issue.
4. Debt Service Reserve Funds should be provided when required by rating agencies, bond insurers, or existing bond covenants.
5. Interest earnings on the reserve fund balances will be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.

6. The term of any revenue bond or lease obligation issue will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.
7. The target for the term of Revenue Bonds will typically be between twenty and thirty years. The target for the "average weighted maturities" for Revenue Bonds of the Town (except for those issued through the Arizona Water Infrastructure Finance Authority) will be twelve and one half (12 1/2) years.

E. Improvement District (ID) and Community Facility District (CFD) Bonds shall be issued only when the formation of the district demonstrates a clear and significant purpose for the Town. It is intended that Improvement District and Community Facility District Bonds will be primarily issued for neighborhoods and business districts desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage. The District must provide a specific benefit to the property owner(s). The Town will review each project through active involvement of Town staff and/or selected consultants to prepare projections, review pro-forma information and business plans, perform engineering studies, and analyze minimum debt coverage and value to debt ratios, and other analyses necessary to consider the proposal against specific criteria. Both ID and CFD Bonds will be utilized only when it is expected that they will be outstanding for their full term.

F. Refunding Bonds will be measured against a standard of the net present value debt service savings exceeding 5% of the debt service amount of the bonds being refunded, or if savings exceed $750,000, or for the purpose of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town.

G. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.

H. The Town shall comply with all requirements of Title 15.1 Arizona Revised Statutes and other legal requirements regarding the issuance of bonds and certificates of the Town or its debt issuing authority.

I. The Town will maintain regular contact with rating agencies through meetings and visits on and off-site. The Town will secure ratings on all bonds issued if economically feasible.

## II. SHORT-TERM DEBT

A. The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval by ordinance or resolution.

B. The Town may issue inter-fund loans, rather than outside debt instruments to meet short-term cash flow needs. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations.

## III. LONG-TERM DEBT

A. The Town will confine long-term borrowing to capital improvements that cannot be funded from current revenues.

B. Where possible, the Town will use special assessment revenue or other self-supporting bonds instead of general obligation bonds.

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**Deleted:** FISCAL POLICY¶
¶
PURPOSE: To establish policies and procedures to establish and maintain effective management of the Town's financial resources. The Town's formal policy statements and major objectives provide the foundation for achieving this goal. ¶
¶
<#>POLICIES/PROCEDURES¶
¶
<!>GENERAL FINANCIAL GOALS¶
¶
<#>To maintain a financially viable Town that can maintain an adequate level of municipal services. ¶
<#>To maintain financial flexibility in order to be able to continually adapt to local and regional economic changes. ¶
<#>To maintain and enhance the sound fiscal condition of the Town.¶
¶
<#>OPERATING BUDGET POLICIES¶
¶
<#>The Town will adopt a balanced budget by June 30 of each year. ¶
<#>An annual base operating budget will be developed by conservatively projecting revenues and expenditures for the current and forthcoming fiscal year. ¶
<#>Current revenues will be sufficient to support current operating expenditures and a budgeted positive operating position will be maintained. ¶
<#>Annual operating budgets will provide for adequate design, construction, maintenance and replacement of the Town's capital assets. ¶
<#>The purchase of new or replacement capital equipment with a value of $5,000 or more and with a minimum useful life of two years will require budget approval. ¶
<#>The Town will annually project its equipment replacement and maintenance needs for the next five years. A maintenance and replacement schedule will be developed and followed. ¶
<#>The Town will annually review the General Fund operating position to determine if funds are available to operate and maintain future capital facilities. If funding is not available for operations and maintenance costs, the Town will delay construction of the new facilities. ¶
¶
<#>REVENUE POLICIES¶
¶
<#>The Town will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. ¶
<#>The Town will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate. Revenue estimates adopted by the Town Council must be conservative. ¶
<#>User fees will be adjusted as necessary to recover the full cost of services provided, except when the Town Council determines that a subsidy from the General Fund is in the public interest. ¶
<#>One-time operating, capital and reserve revenues will be used for one-time expenditures only. ¶
<#>The Town will identify as necessary, developer fees and permit charges received from "non-recurring" services performed in the processing of new development and use those funds to meet peak workload requirements. ¶
¶
<#>EXPENDITURE POLICIES¶
¶

INVESTMENT POLICY

PURPOSE: To establish policies and procedures to create a guide for the investment of Town funds. The Town also desires to take advantage of resources not available to the Town through the Local Government Investment Pool.

Therefore, it is the investment policy of the Town and its designee, the Finance Director, to maintain the safety of principal, maintain liquidity to meet cash flow needs and provide competitive investment returns as identified below. The Finance Director will strive to invest with the judgment and care that prudent individuals would exercise in their own affairs.

**Deleted:** of Camp Verde (hereinafter referred to as "the Town")

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**Deleted:** The Town currently has no written guidelines advising how the Town should invest its funds, nor guidelines detailing the desired outcomes and priorities.

**Deleted:** Director (hereinafter referred to as "the Finance Director")

I. POLICIES/PROCEDURES

A. GOVERNING AUTHORITY

1. The investment program of the Town shall be operated in conformance with Federal, State and other legal requirements, primarily outlined in A.R.S. §35–323.

B. APPROVAL OF THE INVESTMENT POLICY

1. The investment policy shall be formally approved and adopted by the Town Council and reviewed on or about July 1 of every odd numbered year by the Town Council or their designee.

C. SCOPE

1. The Town will consolidate cash and reserve balances from all funds in order to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs, except for cash in certain restricted and/or special funds, which are exempted from this policy.
2. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
3. The Finance Director will follow A.R.S. §35–323 and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 *et seq.*) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

**Deleted:** <#>This policy is designed to apply to the investment needs of the Town. ¶

D. INVESTMENT POLICY OBJECTIVES

1. The primary investment objectives of the Town in order of priority are:

   a. Safety
   b. Liquidity
   c. Optimal yield
   d. Collateralization

2. These objectives are defined below:

   a. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to prudently

mitigate credit risk and interest rate risk. It is understood by the Town that no investment is completely free of risk.

1) Credit Risk - The Town will seek to mitigate credit risk, which is defined as the risk of loss due to the failure of the security issuer or backer. Mitigating credit risk is to be accomplished by:

   a) Limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323;
   b) Diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited. Specific diversification parameters will be noted in Section VIII. Portfolio Criteria;
   c) Utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality.

2) Interest Rate Risk - The Town will seek to mitigate interest rate risk, which is defined as the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase. This mitigation will be accomplished by:

   a) Structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities in an adverse market environment prior to maturity;
   b) Investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with the needs of the Town;
   c) Utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.

b. Liquidity - The investment portfolio shall remain sufficiently liquid to meet anticipated cash flow requirements. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs (static liquidity). Furthermore, because all possible cash demands cannot be anticipated, the portfolio should consist of securities for which there exist active secondary markets (dynamic liquidity). Alternately, a portion of the portfolio may be placed in money market mutual funds or the Local Government Investment Pool, which offers same-day liquidity for short-term funds.

c. Optimal Yield - Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The investment portfolio shall be designed to optimize the yield the Town obtains from the portfolio taking into account the criteria of the investment policy, the dynamic liquidity needs of the Town and the current interest rate outlook/economic condition.

d. Collateralization – Securities will be registered in the name of the Town of Camp Verde.

E. INVESTMENT MANAGEMENT AUTHORITY

1. Authority to manage internally or to delegate the management of the investment program of the Town to an external manager is granted to the Finance Director. If authority to manage all or a part of the investment program of the Town is delegated to an external manager, the Finance Director is responsible for:

   a. Periodic investment portfolio reporting;
   b. Evaluating the performance of the externally managed portfolio;
   c. Monitoring manager compliance with the investment policy;
   d. Conveying the investment needs of the Town to the external manager;
   e. Developing investment strategy with the external manager.

F. BROKERS/DEALERS

1. When the Town is investing directly with Brokers/Dealers, investment transactions shall only be conducted with financial institutions that are licensed, as may be required by law, to do business in Arizona. Primary government securities dealers or broker-dealers, engaged in the business of selling government securities, shall be registered in compliance with section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to A.R.S. §44-3101, as amended. In addition, investment transactions shall be conducted only with those direct issuers who meet both credit and capital requirements established by the Finance Director. It shall be the responsibility of the broker-dealer to provide the following:

   a. Audited, most recent annual financial statements within six months of the close of the fiscal year;
   b. Unaudited, most recent quarterly financial statements;
   c. Proof of National Association of Security Dealers certification;
   d. Proof of Arizona registration (as needed);
   e. A signed letter acknowledging that they have read and agree to abide by the investment policy.

G. PORTFOLIO CRITERIA

1. Acceptable Asset Classes
   As of 4/16/2007, A.R.S. §35-323A defines the acceptable asset classes available for the Town to invest in as follows:

   1. Certificates of deposit in eligible depositories.
   2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in Section 35-323.01.
   3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
   4. Repurchase agreements with a maximum maturity of one hundred eighty days.
   5. The pooled investment funds established by the state treasurer pursuant to § 35-326.
   6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.

7. Bonds or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns or school districts.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district within this state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district in this state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:

    1) The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
    2) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated "P1" by Moody's Investor Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.
11. Bonds, debentures and notes that are issued by corporations organized and doing business in the United States and that are rated "A" or better by Moody's Investor Service or Standard and Poor's rating service or their successors.

2. All other investments are thereby prohibited from consideration for investment. Furthermore, the Town may desire to be more conservative in its investment portfolio and restrict or prohibit certain of the investments listed above.

H. BENCHMARK

1. The performance of an actively managed portfolio on behalf of the Town will be expected to at least match the performance of the Local Government Investment Pool during any one-year period.

2. Occasionally, based on the liquidity needs and the portfolio strategy of the Town it may be reasonable and desirable to measure portfolio performance against a total return benchmark. The Finance Director shall define such a benchmark after consultation with professionals in the field of financial management and the Town Council.

I. MATURITY PARAMETERS

| | |
|---|---|
| Funds Maximum Maturity: | 3 Years |
| Maximum Maturity for Repurchase Agreements: | 180 Days |
| Portfolio Duration Target: | To be defined by the Finance Director in consultation with the Town Council. |
| Portfolio Duration Range: | + / – 20% of the Portfolio Duration Target |

J. CONCENTRATION AND DIVERSIFICATION

1. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issued by any single entity. Debt backed by the United States Treasury or GSE's are exempt from this concentration criterion.

K. MINIMUM ACCEPTABLE CREDIT QUALITY

1. As indicated in the table below, all corporate portfolio holdings at the time of purchase must have a minimum rating (*) by at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO's).

| | **S & P** | **Moody's** |
|---|---|---|
| Short Term Rating | Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1) | Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1) |
| Long Term Rating | One grade higher than the Town of Camp Verde current G.O. Bond Rating * | One grade higher than the Town of Camp Verde current G.O. Bond Rating * |

*In no case shall the rating be lower than that required by A.R.S. §35-323, as amended.

L. SAFEKEEPING AND CUSTODY

1. Delivery vs. Payment - All trades of marketable securities 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.

2. Safekeeping - Securities will be held by a custodian selected by the Town and evidenced by custodial reports. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

M. REPORTING

The Finance Director shall produce for the governing body of the Town or their designee a quarterly investment report.

N. CUSTODIAN RECONCILIATION

1. The report of investment holdings shall be reconciled within 30 days of the close of each month to the Finance Director's custodian bank. Discrepancies shall be reported to the Finance Director.

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**Deleted:** The purpose of the report is to enable the Town to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should include:¶
<#>¶
<#>a. A list of individual securities held at the end of the reporting period;¶
<#>b. . The realized and unrealized gains or losses in the portfolio;¶
<#>c. The duration of the portfolio and of each security held in the portfolio;¶
<#>d. . The maturity date of each security held in the portfolio;¶
<#>e. The book value and market value of each security in the portfolio;¶
<#>f. . The percentage of the total portfolio market value that each security represents;¶
<#>g. The yield to maturity of the portfolio and of each security held in the portfolio;¶
<#>h. . The periodic interest earnings of each security held in the portfolio;¶
<#>i. The credit quality of each security held in the portfolio;¶
<#>j. . A periodic summary of portfolio transactions, including fees incurred for external management and custody services.¶

O. ETHICS AND CONFLICTS OF INTEREST

1. Officers and employees involved in the investment process shall refrain from personal business activities 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, within ten (10) days, any material interests in financial institutions with which they conduct 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 Town.

P. POLICY CONSIDERATIONS

1. Exemption – Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy. Any deviation from the preceding policy shall require the prior specific written authority of the Town Council.

Q. INVESTMENT TRAINING

1. Investment officials shall have a finance, accounting or related degree and knowledge of treasury functions. Investment training must take place not less than once in a two-year period and receive no less than ten hours of instruction relating to investment responsibilities from an independent source such as Government Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public Accountants, Government Finance Officers Association-Arizona, Arizona Society of Public Accounting or other professional organizations.

2. The Chief Financial Officer and all investment officials of the Town shall attend at least one training session relating to their cash management and investment responsibilities within 12 months of assuming these duties for the Town. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.

3. A report of the training(s) attended shall be submitted to Council at the time of the bi-annual review of the Investment Policy subject to Section 3-4-4.3.

FRAUD POLICY

PURPOSE: To establish policies and procedures to maintain an ethical environment as a top priority for the Town of Camp Verde. The Town's Fraud Policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Camp Verde is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Camp Verde's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

I. POLICIES/PROCEDURES

A. The Town of Camp Verde recognizes the importance of protecting the organization, its taxpayers, its employees, and its assets against financial risks, operational breaches and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.

B. The impact of misconduct and dishonesty may include:

1. The actual financial loss incurred
2. Damage to the reputation of the Town and our employees
3. Negative publicity
4. The cost of investigation
5. Loss of employees
6. Loss of public confidence
7. Damaged relationships with our contractors and suppliers
8. Litigation
9. Damaged employee morale

C. The Town of Camp Verde's goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

D. The Town of Camp Verde is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

E. Definitions - As used in this policy, the terms listed below shall have the following definitions:

1) Assets – the entire property of the Town of Camp Verde. Assets include, but are not limited to, all Town vehicles, building properties, office equipment, software, cash receivables, wages and benefits, equipment, and tools.

2) Corruption – the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity.

3) Embezzlement – any loss resulting from the misappropriation of the Town of Camp Verde's assets.

4) Employee(s) – all Town of Camp Verde employees, independent contractors, consultants, temporary workers, and volunteers.

5) Fraud – the intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.

6) Loss – the Town of Camp Verde losing possession or control of any type of asset through fraudulent activities.

7) Misappropriate – to take or make use of any item without authority or right.

8) Misapplication – illegal or improper use of lawfully held funds or property.

F. Zero Tolerance Policy - The Town of Camp Verde has adopted a zero tolerance policy regarding fraud. No employee of the Town shall remove any Town of Camp Verde asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town of Camp Verde asset. Any evidence supporting fraud, theft, or embezzlement of the Town of Camp Verde's assets and equipment may be subject to the following actions including, but not limited to: suspension, termination, restitution, and criminal charges. Any Town of Camp Verde employee who is aware of fraud being committed against the Town of Camp Verde by anyone shall report such activity to the Town Manager or the Ethics Hotline (aka Whistle-Blower Hotline).

G. Prohibited Acts

1. Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:

   a. Falsification of expenses and invoices.
   b. Authorizing or receiving compensation for goods not received or services not performed.
   c. Theft of cash or any assets.
   d. Forgery, unauthorized alteration or falsification of records.
   e. Improprieties in the handling or reporting of money transactions.
   f. Knowingly providing false information on job applications.
   g. Authorizing or receiving compensation for hours not worked.
   h. Embezzlement, bribery or conspiracy.
   i. Misappropriation, misapplication, destruction, removal, or concealment of Town of Camp Verde property.
   j. Misrepresentation of fact.
   k. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
   l. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

H. Deterring Fraud and Corruption

1. The Town has established internal controls and policies and procedures in an effort to deter, prevent, and detect fraud and corruption. All new full time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The Town may also verify all applicants' employment history, education and personal references prior to making an offer of employment.

2. All vendors, contractors, and suppliers must be in good standing and be authorized to transact business in the Town of Camp Verde. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.

3. When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

4. Town employees will receive annual fraud and corruption awareness training (ethics training). New employees will receive this policy as part of their training at orientation. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy and attended the awareness training.

5. Each department is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

I. Reporting of Fraud or Corruption

1. Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal and external audit reviews, or from any other interested parties.

2. All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

3. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:

   a. Dismiss or threaten to dismiss the employee,
   b. Discipline, suspend, or threaten to discipline or suspend the employee,
   c. Impose any penalty upon the employee, or
   d. Intimidate or coerce the employee.

   Violations of the whistle-blower protection will result in discipline up to and including termination.

4. Concerns should be reported to any of the following:

   a. Town Manager
   b. Town Council
   c. Human Resources Director
   d. The employee's immediate supervisor
   e. Anonymous Ethics Hotline (aka Whistle-Blower Hotline)

5. Reporting Procedures

   a. Mayor and Town Council Responsibilities

      1) If the Mayor or a Town Councilmember has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
      2) The Mayor or Town Councilmember shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Town Manager (Town Attorney or Human Resources Director if the Town Manager is involved).
      3) The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the Town Manager in consultation with the Town Attorney and the Human Resources Director.

   b. Management Responsibilities

      1) Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
      2) Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is, or was, in existence in his or her area.
      3) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
      4) If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Manager or Human Resources Director if the supervisor is involved).
      5) Department Heads should inform the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
      6) Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
      7) Management should support the Town's responsibilities and cooperate fully with the Human Resources Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
      8) Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
      9) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:

a) Incorrect accusations.
b) Alerting suspected individuals that an investigation is underway.
c) Treating employees unfairly.
d) Making statements that could lead to claims of false accusations or other offenses.

10) In handling dishonest or fraudulent activities, management has the responsibility to:

a) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
b) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.
c) Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.
d) Direct all inquiries from the suspected individual, or his or her representative, to the Town Manager or Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. All inquiries from the media should be directed to the Town Manager.
e) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Human Resources Director, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

c. Employee Responsibilities

1) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
2) When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the Town Manager (or contact the Town Attorney or Human Resources Director if the next higher level of management and/or the Town Manager is involved).
3) If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the Ethics Hotline (aka Whistle-Blower Hotline).
4) The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

d. Human Resources Department Responsibilities

1) Upon assignment by the Town Manager, the Human Resources Director will promptly investigate the fraud.

2) In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Human Resources Director, in consultation with the Town Attorney, will contact the Marshal's Department.
3) The Human Resources Director shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
4) If evidence is uncovered showing possible dishonest or fraudulent activities, the Human Resources Director will proceed as follows:
   a) Discuss the findings with the appropriate management/supervisor and the department director.
   b) Advise management, if the case involves staff members, to meet with the Human Resources Director (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Town Personnel Rules and any applicable Memorandums of Understanding.
   c) Report to the External Auditor such activities in order to assess the effort of the illegal activity on the Town's financial statements.
   d) Coordinate with the Town's Risk Management insurer regarding notifications to insurers and filing of insurance claims.
   e) Take immediate action, in consultation with the Town Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
      i. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
      ii. Preventing the individual suspected of committing the fraud from having access to the records.
5) In consultation with the Town Attorney and the Marshal's Department, the Human Resources Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
6) If the Human Resources Department is contacted by the media regarding an alleged fraud or audit investigation, the Human Resources Department will consult with the Town Manager and the Town Attorney, as appropriate, before responding to a media request for information or interview.
7) At the conclusion of the investigation, the Human Resources Department will document the results in a confidential memorandum report to the Town Manager and the Town Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Marshal's Department for subsequent transfer to the County Attorney for disposition.
8) Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Human Resources Department no later than seven calendar days after notice is received.
9) The Human Resources Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
10) Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Human Resources Department to that department.

6. <u>False Allegations</u>

a. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

7. Corrective Action and Discipline

a. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the Town Manager (or Town Council if the Town Manager is involved).

b. Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.

c. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:

1) Disciplinary action (up to and including immediate termination of employment).
2) Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3) Forwarding information to the appropriate authorities for criminal prosecution.
4) Institution of civil action to recover losses.
5) Where the Town of Camp Verde elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
6) The Town of Camp Verde may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

8. Confidentiality

a. All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

9. Questions or Clarifications Related To This Policy

a. All questions or other clarifications of this policy and its related responsibilities should be addressed to the Town Manager, who shall be responsible for the administration, revision, interpretation, and application of this policy.

CELLULAR TELEPHONE POLICY

PURPOSE: The purpose of this policy is to provide guidance and procedures governing the use of Town owned cellular telephones. This administrative guideline will also help ensure consistency among Town departments using cellular phones.

I. POLICIES

A. The Town of Camp Verde issues cellular phones to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not readily available and where such use will benefit the Town and its citizens.

B. Cellular phones are intended for special applications such as safety purposes or to assist in the completion of an assigned task or official responsibility. They are not intended for personal convenience.

II. UNAUTHORIZED USES OF A TOWN OWNED CELLULAR TELEPHONE

A. Any call which could suitably be made from a standard Town telephone or other electronic communications.

B. Any call made in relation to an official's or employee's personal affairs or personal business enterprise.

C. Any call for the purpose of entertainment, such as 900 numbers, movie links, etc.

D. Any usage while driving or operating machinery.

III. PROCEDURES

A. All requests for cellular telephones require completion of Request for Cellular Telephone Form, approved in advance by the department head and the Town Manager, and then forwarded to the Finance Department.

B. The user of the cellular telephone shall be required to complete the Cellular Telephone User Agreement prior to being issued a cellular telephone.

C. The Finance Department tracks all cellular phones issued on the Cell Sign In/Out Log.

D. All purchases of Town cellular telephones shall be through State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.

E. All cellular telephone bills shall be sent to the Finance Department and not to a home or business address.

F. Cellular telephone bills shall be reviewed each month by the applicable department head and/or supervisor to ensure proper use of the phones.

IV. POLICY VIOLATIONS

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A. Failure to follow this policy may result in loss of cellular phone privileges and, for employees may result in disciplinary action, including termination of employment.

B. Excessive non-work usage of a Town owned cellular telephone is reviewed by the employee's supervisor to determine whether continued access to a cellular telephone is in the Town's interest.

V. TERMINATED EMPLOYEES

A. Any employees issued a Town owned cellular telephone must return it no later than the last day of employment. The employee shall be required to sign the Request for Cellular Telephone Form and the Cell Sign In/Out Log to indicate the phone was returned.

B. Any employees not returning Town owned cellular telephone as of their last day of employment shall be billed for the cost of the phone and any minutes used subsequent to termination.

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