Garfield County

FINANCIAL POLICIES

Prepared by the Finance Department

Updated 2020

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INTRODUCTION

The ensuing policy document covers the following policies applicable to the financial practices of Garfield County. They are a key element regarding sound fiscal administration. The purpose of Garfield County's financial policies are to serve as a foundation for long and short range planning; facilitate decision making related to financial matters; establish parameters in which the government can operate; and provide direction to staff for handling the County's day-to-day financial business. These policies also serve as a blueprint to achieve the fiscal stability necessary to carry out the County's strategic plans. Because of the broad and diverse nature of the County's offices and departments it is critical to have written, clearly defined, financial policies which minimize the risk of developing conflicting or inconsistent goals and objectives causing negative impacts on the overall financial position of Garfield County.

SUMMARY

Policy No. 1 – Purchasing Card
Purchasing card program used by Garfield County with the intent of replacing petty cash and the use of personal funds reimbursed through Accounts Payable. Purchases are made within established guidelines, documented with receipts, authorized, audited, and recorded in a timely manner.

Policy No. 2 – Annual Budget Preparation and Monitoring
Financial plan & management control of revenues, expenditures, and fund balances. Budgets are prepared, approved, recorded, and adjusted with proper authorization.

Policy No. 3 – Debt and Other Long-Term Financial Obligations
Financing method for large capital acquisitions. Debt is issued after consideration of all legal financing options and is paid on a timely basis.

Policy No. 4 – Post Issuance Compliance
IRS requirement that tax-exempt debt issuers have written policies and procedures in place, and are monitoring their debt within the established guidelines. Arbitrage and yield restrictions will be calculated by outside agency, report(s) issued, payments made to IRS if applicable, and records maintained to show compliance.

Policy No. 5 – Internal Billing Services
Method to charge departments for centralized expenses. Costs accumulated centrally are appropriately charged to user departments, coded, authorized and recorded.

Policy No. 6 – Supply Inventory
For use in County operations such as construction or maintenance. Material supply inventories are properly controlled, stored, and recorded as inventory if determined to be material.

Policy No. 7 – Capital Assets
Capital assets are long-term tangible and intangible assets costing $5,000 or more. They are authorized in accordance with consideration of long-term needs, recorded appropriately, and controlled to prevent unauthorized use.

Policy No. 8 – Payroll
Compensation of County employees, including benefits. Compensation and benefit payments to and for employees are properly authorized, documented, recorded, and reported in accordance with state and federal regulations.

Policy No. 9 – Accounts Receivable
Billings to external customers of Garfield County. County customers are properly authorized, billed, payments recorded, and reviewed/reconciled on a timely basis.

Policy No. 10 – Accounts Payable
Non-payroll disbursements made to Garfield County vendors through the warrant process and in accordance with state and federal regulations.

Policy No. 11 – Travel
Establishes guidelines for business related travel expenditure and reimbursement in accordance with state and federal regulations.

Policy No. 12 – End of Year
Accurate and timely reporting of financial transactions in order for the County' financial statements to be closed in accordance with state and federal regulations and in preparation for the annual audit.

Policy No. 13 – General Ledger
Master set of accounts used to aggregate information into the County's financial statements in accordance with state and federal regulations.

Policy No. 14 – Cash Receipting
The control of cash with the use of internal controls including proper segregation of duties to reduce the risk of error as well as misappropriation of funds.

Policy No. 15 – Gift Card
Establishes guidelines for the purchase and distribution of gift cards in accordance with state and federal regulations.

Policy No. 16 – Grants
Establishes a framework of internal controls that standardizes grant management and administration in developing, implementing and maintaining oversight including the approach for applying, approving and implementing grants.

TITLE:	**PURCHASING CARD**	**POLICY NO.:**	**1**
APPLICABILITY:	All county	**APPROVAL DATE:**	12/17/2007
RESPONSIBILITY:	Board of County Commissioners (BOCC), Department Heads/Managers, Elected Officials, Finance, Purchasing Card Reconcilers, and Cardholders	**REVISION DATE:**	06/08/2020

POLICY

Garfield County selected the Purchasing Card program ("Purchasing Card") in order to establish a more efficient, cost-effective method of purchasing and paying for goods and services, within established usage limits. It is further intended to replace petty cash, and the use of personal funds reimbursed by Accounts Payable Vouchers. All Purchasing Card transactions are subject to public review and comment. **Under no circumstances will the Purchasing Card be used for personal purchases**.

POLICIES AND PROCEDURES MANUAL

The Purchasing Card Policies and Procedures Manual establishes standards for use of the Garfield County Purchasing Card. It is the cardholder's responsibility to be knowledgeable of and follow all Purchasing Card Policies and Procedures.

ELIGIBILITY FOR A PURCHASING CARD

Purchasing Cards will only be issued to Elected Officials and employees who are authorized by Garfield County to purchase goods and services on behalf of the County. The name of the cardholder and the County both appear on the face of the card along with the department that they are associated with. The Purchasing Card carries corporate liability for the County but carries no liability for a cardholder unless there is intentional misuse by the cardholder.

The Finance Department will make all applicable forms and the Purchasing Card Policies and Procedures Manual available on the Garfield County Employee Intranet.

APPLICATION PROCESS

All requests for Purchasing Cards must be made by the Department Head, Elected Official or assigned designee ("requestor"). The requestor must complete a *Purchasing Card Sign-up Form* (Appendix A) and a *Purchasing Cardholder Acknowledgement and Agreement Form* (Appendix B). These forms can also be found on the Garfield County Employee Intranet under Finance Forms/Purchasing Card Forms. The requestor is responsible to ensure that the cardholder receives a copy of the Purchasing Card Policies and Procedures (also available on the Garfield County Employee Intranet under the Finance Department).

The requestor must complete a *Purchasing Card Sign-Up Form* establishing the limits authorized and forward the completed form along with the employee's signed *Purchasing Cardholder Acknowledgement and Agreement Form* to the Purchasing Card Administrator. The signature on the Agreement form indicates that the cardholder has received, read and understands the Purchasing Card Policies and Procedures, and agrees to abide by the terms. The requestor shall give a copy of the signed agreement to the cardholder. If the Purchasing Card Policy is revised and the change is approved by the BOCC, the cardholder will be issued a new Purchasing Cardholder Acknowledgement and Agreement Form along with the updated Policy. The signed form will be required to be returned to Finance by the requested deadline.

The Purchasing Card Administrator will acquire the Purchasing Card and deliver it to the requestor for distribution to the employee/cardholder. Cardholders must sign the back of their Purchasing Card upon receipt and activate it by calling the toll free number listed on the front sticker of the card.

ADMINISTRATIVE REQUESTS

All requests for or changes to credit limits, cardholder names, department/office change, termination of a Purchasing Card, use of Purchasing Card outside the United States or other administrative requests can only be made by the Department Head, Elected Official or assigned designee, to the Purchasing Card Administrator. With the exception of Elected Officials and the County Manager, cardholders may <u>NOT</u> make a request on behalf of themselves.

The process to delegate any of the above listed responsibilities is for the Department Head or Elected Official to e-mail the Purchasing Card Administrator indicating the name of the assigned designee who is being assigned the duties. A signature authorization form will need to be filled out by the department/office, if applicable.

Additionally, an email to the Purchasing Card Administrator is to be completed when any of the following situations occur:

- Cardholder Name Change
- Cardholder Department Change (only if initially incorrect, NO department transfers)
- Credit Limit Change (temporary or permanent)
- Account Termination because of Employment Change (resignation, termination, transfer)
- Unblocking specific Purchasing Cards for use outside the United States
- Lost or Stolen Purchasing Card
- Employee placed on short-term or long-term disability
- Cardholder violations leading to temporary or permanent revocation of privileges

ALLOWABLE USE

The following are examples of types of items that may be purchased with the card. This is <u>not</u> an all-inclusive list. If in doubt, call the Purchasing Card Administrator.

- Travel-related expenses for County employees
    - ➢ Airfare
    - ➢ Gasoline for rental cars used for County business
    - ➢ Taxi Rides (reasonable gratuity is 15%-20%)
    - ➢ Hotel (gratuity for housekeeping services is not allowed)

    - Meals (reasonable gratuity is 15%-20%)

    For reasonable rates for lodging and meals visit the IRS' guidelines at: http://www.gsa.gov/perdiem
- Conference/seminar registration fees
- Professional membership and license fees
- Work-related books, videos, periodicals and subscriptions
- Freight and package delivery fees
- Food for meetings or trainings
    - An itemized, detailed receipt must be obtained
    - In response to IRS guidelines, the following information is required when the meal is for business purposes
        - Please specify on the receipt the details of the meeting or training, location (i.e. staff meeting at Rifle Airport.), and the names of those who attended.
- Non-contract equipment maintenance and repairs
- Utilities
- General operating supplies
- Online purchases made from Amazon
    - Restriction: Cardholders are prohibited from setting up an individual Amazon account with a County issued purchasing card, and must utilize a department approved Amazon Business account from Procurement that recognizes the County's tax-exempt status
- One-time online transactions through PayPal to pay invoices from vendors
    - Restriction: Cardholders are prohibited from setting up a PayPal account or any other 3rd party pay application such as apple pay with a County issued purchasing card since it stores card information and creates additional security risks

NON-ALLOWABLE USE

At **no** time are the following purchases allowed with your Purchasing Card. This is <u>not</u> an all-inclusive list. If in doubt, call the Purchasing Card Administrator.

- **Personal use** of any kind or for any non-County purpose (employee must pay with personal funds)
    - Travel-related:
        - Travel expenses for a non-county employee (i.e. spouse or travel companion)
        - Travel expenses (meals & lodging) for additional days beyond those required for County business purposes
        - Airline or rental car upgrades
        - Gasoline or any automobile-related purchases for a County Motor Pool vehicle or personal vehicle (gasoline is only allowed for rental cars used for County business)
- Cash advances or cash refunds of any type
- Refunds of original Purchasing Card charge to a gift card
- Firearms
- Controlled substances
- Alcohol or alcoholic beverages of any kind
- Colorado State sales tax
- IT equipment (i.e. iPad, laptop, cell phone)
    - The IT Department is the exception, as they may use a County Purchasing Card to purchase IT equipment on behalf of Garfield County

- Split purchases that intentionally circumvent the limits on an individual's Purchasing Card or the County's Procurement Policy
- Gift card and/or gift purchases for employees
    - Employee recognition programs or reasonable retirement acknowledgments are an exception, as are gift cards for external clients; but must have prior approval from the Department Head or Elected Official, the Finance Department and the County Manager
- International purchases (unless prior approval is obtained by the Finance Department)
- Scooter and bike rentals while traveling on County business
- Online transactions made from the following vendors: Venmo, Etsy, Square, Apple Pay or any other 3rd party pay application except for PayPal

The Purchasing Card is **not** intended to avoid or bypass appropriate procurement or accounts payable procedures. Rather, the Purchasing Card complements the existing processes available.

MONTHLY STATEMENT RECONCILIATION

All transactions must be reviewed by the Elected Official, Department Head, or assigned designee prior to signing the department monthly statement and sending receipts to the Purchasing Card Administrator (electronic signatures are acceptable). Their signature on the department monthly statement indicates their review of the charges made, agreement with the appropriate cost allocations, receipts for all transactions, and signed Lost Receipt Form attached for any missing receipts.

Purchasing Card transactions are reviewed monthly by the County's Finance Department and also reviewed annually by the County's external auditors for compliance with sound business practices, Purchasing Card Policies and Procedures, and any applicable laws and regulations. The Finance Department shall notify any Office or Department whose transactions violate the County's Policies and Procedures. It is the Department Head or Elected Officials responsibility to take the necessary action to recover any non-allowable costs incurred by an individual cardholder, if possible. A reimbursement of non-allowable costs must be made by check, payable to the Garfield County Treasurer, and submitted to the Finance Department for processing.

Examples of violations of the Purchasing Card Policy (including but not limited to):

- Not providing proper receipts (example: itemized purchase receipts and business purpose)
- Purchasing Card expense report and receipts not turned into Finance when due
- Personal use (including inadvertent)
- Transactions without account coding in the Purchasing Card System when due
- Refer to the Non-Allowable uses as described herein

TAX EXEMPT STATUS

Garfield County is exempt from paying Colorado sales and use tax (see Appendix E – Tax Exempt Certificate). Cardholders are advised to carry a copy of the Sales Tax Exempt Certificate along with them when purchases are made. All cardholders are instructed to make every effort to ensure sales and/or use tax is not charged.

If a charge of tax appears on the receipt (regardless of the amount), the cardholder is responsible for contacting the vendor and asking that the charge be credited to the card. If the sales tax exemption is denied, a note must be written on the receipt explaining why it was denied.

LIMITATION OF VENDORS

All vendors that accept Purchasing Cards are registered with their bank under a specific Merchant Category Code (MCC). These codes specify the type of business the vendor engages in (i.e. airlines, medical services, retail stores, restaurants, etc.). The Finance Department has blocked all categories deemed inappropriate for Garfield County business. Purchasing Cards cannot be used to make purchases from vendors that fall under a blocked category on the MCC list.

If your card is declined and the decline should not have occurred, please contact the Purchasing Card Administrator to determine if the decline was because of the merchant blocking or if the monthly cycle limit has been exceeded. Also, contact the Purchasing Card Administrator if you believe your department should be exempt from a specific blocking due to certain departmental needs.

LOST OR STOLEN PURCHASING CARDS

If a Purchasing Card is lost or stolen, it is the cardholder's responsibility to immediately notify the Purchasing Card Administrator in the Finance Department by phone and follow-up with an email unless it occurs on the weekend. If it occurs over a weekend, call **the County's Purchasing Card provider's Customer Service at 1-800-821-5184 (also located on the back of the card) and inform them the card has been lost or stolen. Please also inform the Purchasing Card Administrator in the Finance Department so that his/her records are kept accurate.** The Purchasing Card Administrator will order a new card for the employee to replace the lost/stolen card.

A renewal card will be mailed to the Finance Department and the Purchasing Card Administrator will forward the renewal card to the cardholder's Department Head, Elected Official or assigned designee.

ACCOUNT TERMINATION

If an employee resigns, terminates, transfers to another department, or assumes different duties that do not require the use of the Purchasing Card; the Department Head, Elected Official, or assigned designee is responsible for retrieving the card and sending it to the Purchasing Card Administrator. If the card is retrieved and destroyed by the department, an email can be sent to the Purchasing Card Administrator instead of the card itself. The Purchasing Card Administrator will cancel the Purchasing Card based on physical receipt of the card or the email stating resignation, termination or transfer.

NOTE: It is imperative that the Purchasing Card Administrator receive this information within 24 hours of termination of employment, even if the card is collected, to ensure the card is cancelled with the County's Purchasing Card provider. If the card is not cancelled, misuse by former employee could result in the County being held liable (for charges made) without insurance protection.

If an employee moves to another department, the old department's card does **not** transfer to the new department and it must be terminated. The new department must initiate the card issuance process to obtain a new card for the transferred employee.

If an employee is on leave of absence, the Department Head, Elected Official or assigned designee must send an e-mail to the Purchasing Card Administrator. Then, the card will be deactivated. When the employee returns to work, a second e-mail must be sent to the Purchasing Card Administrator with a request to reactivate the card.

FRAUD AND FAILURE TO FOLLOW POLICIES & PROCEDURES

Fraudulent use of a Garfield County Purchasing Card is a serious matter that may result in disciplinary action up to and including termination of employment, and may subject the cardholder to legal action. Participation in the Purchasing Card program is a privilege that may be revoked for repeated violations of the Purchasing Card Policies and Procedures.

If a Department Head, Elected Official, or the assigned designee determines there is cardholder abuse, he/she may request to temporarily or permanently revoke a cardholder's privileges by sending an e-mail to the Purchasing Card Administrator. The Administrator will deactivate the Purchasing Card for the amount of time specified in the email. It is the Department Head or Elected Official's responsibility to take the necessary action to recover any costs incurred from the individual whose misuse of the County Purchasing Card resulted in fraudulent activity, if possible.

RESPONSIBILITIES

Elected Official and Department Head Responsibilities – Elected Officials and Department Heads are responsible for making the determination of who is a cardholder within their department/office and determining what the limit for each employee should be. They will also be responsible for reviewing and signing the department monthly statement; and advising the Purchasing Card Administrator of any changes in their department cardholders (i.e. termination, change in departments, change in credit limits, etc.). These responsibilities may be assigned to a designated supervisor ("assigned designee") within the department/office. However, the assigned designee **cannot** be the same individual as the Reconciler (unless the size of the department/office does not allow for separation of duties).

Cardholder Responsibilities – Purchasing Cardholders are issued a card associated with a specific department and make purchases on behalf of Garfield County. Cardholders must **not** lend or share their Purchasing Card. They must keep their Purchasing Card secure and the card number confidential.

Purchases may be made with the Purchasing Card by phone, fax, secured internet site, or in person. When ordering, request that the vendor provide an itemized invoice or receipt. Generally accepted accounting principles require proof of payment through retention of receipts. Cardholders are responsible for obtaining itemized receipts for **charges** and **credits** to their Purchasing Card. Receipts must be given to the Reconciler for cost allocation, reconciliation, and documentation purposes. If a receipt is unobtainable, a Lost Receipt Form must be turned into the Reconciler.

Reconciler Responsibilities - Reconcilers are responsible for the electronic cost allocation of the charges on the Purchasing Cards via the internet; organizing and matching receipts from the cardholders to the monthly statement; meeting the monthly deadline for the cost allocation upload; and remitting their statement and receipts to the Purchasing Card Administrator by the deadline specified at the beginning of each calendar year. Each department must have a reconciler that is **not** the Department Head, Elected Official, or assigned designee.

Purchasing Card Administrator Responsibilities – The Purchasing Card Administrator will be responsible for issuing and terminating Purchasing Cards; changing credit limits; and processing other administrative requests. These requests will be made by Elected Officials, Department Heads, or assigned designees. He/she will maintain records of cardholders and changes to those cardholder accounts; audit monthly cost allocations; upload cost allocations; and pay the Purchasing Card statement for the entire County on a monthly basis.

TITLE:	**ANNUAL BUDGET PREPARATION AND MONITORING**	**POLICY NO.:**	**2**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, Finance, and Budget Managers	**REVISION DATE:**	06/08/2020

POLICY

Garfield County prepares a budget for the forthcoming fiscal year as required by Local Government Budget Law of Colorado. The Finance Department Director is designated as the responsible party for preparing the budget. The County Manager is the designated Budget Officer and is responsible for submitting the annual budget to the Board of County Commissioners (BOCC). The budget process is conducted in a way that allows Elected Officials and Department Heads to review and present their budget each year.

The Garfield County budget document addresses four major purposes:

1. **Policy Document** – the budget includes a budget message articulating strategic priorities as established by the BOCC, describes the budget and financial policies, and addresses long-term concerns and issues. By setting forth the anticipated revenues, operating expenditures, capital expenditures and discretionary expenditures for public services, the annual budget provides a roadmap of the County's priorities and funding principles.
2. **Operations Guide** – an explanation of each office and department responsibilities is provided and a budget is set at a spending limitation for the year. This allows users of the budget document to see the funding level for each spending agency within the County and the purposes for the allocation.
3. **Financial Plan** – the budget provides for financial control by setting spending limitations within each scope of activity. The budget outlines how financial resources will be allocated over the next year and to which programs.
4. **Communications Device** – the budget document is a tool to present financial information to both internal and external customers. This "user friendly" document is designed to enhance Elected Officials and Department Heads, managers, staff and citizens understanding of major issues impacting the County, its revenue sources and uses of those funds.

The Garfield County budget is a numerical representation of the County's operating and capital improvement plan. No budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances. The annual budget must set forth the tax rate for the fiscal year, be balanced and set legal limits on what the County may spend. Projected revenues and expenditures will take into consideration the County's objectives, strategies and assumptions. The annual budgets is:

- Prepared in accordance with timeframes established by State Statute
- Inclusive of data required by State Statute for all funds subject to budgeting
- Inclusive of capital budgets which are funded on a pay-as-you-go basis
- Inclusive of wage and benefit estimates
- Inclusive of operating expenditures
- Approved by the BOCC
- Balanced annually per State Statute (expenditures do not exceed revenues plus beginning fund balances)
- Increased or decreased only by supplemental appropriations approved by the BOCC
- Modified within a fund by equal budget transfers among line items which does not require BOCC approval (such modifications cannot be between wage and non-wage accounts nor between capital and non-capital accounts nor between funds)
- Monitored monthly comparing actual results to budgeted amounts.

BUDGET CALENDAR

The budget calendar is reviewed and updated annually by the Finance Department to ensure compliance with all applicable State Statutes. Departments and Elected Offices are expected to meet all deadlines as set forth in the calendar. In addition to these deadlines, a public hearing must be held to give the citizens of Garfield County the opportunity to express their views on the proposed budget.

AMENDING THE BUDGET

Expenditures must not exceed appropriations approved by the BOCC. If any increase to the adopted budget is needed, a supplemental budget and appropriation must be approved by the BOCC at a public hearing, with prior published notice of the proposed change. Elected Officials and Department Heads may reallocate budgets within an appropriation without the approval of the BOCC.

Supplemental appropriations are used when a policy, law, statute, or court ruling becomes effective which mandates expenditures that were not anticipated or budgeted; used when an expenditure item is essential to the operation of a County office, or department that was neither anticipated or budgeted; used when unexpended amounts are to be spent in a subsequent year (often from grants or unfinished capital projects); and used when revenue is received and designated for a particular purpose, that was neither anticipated nor budgeted.

Budget transfers may be used when one unit is identified as having insufficient budget dollars while at the same time another appropriation unit is identified as having an excess budget. An appropriation transfer is a reallocation of appropriated budget between units, or between spending agencies within a fund. Budget transfers are not allowed if the requested transfer crosses funds. If there is a use of funds (transfer out) that caused a funds expenditure (transfer in) to exceed the original budgeted amount, then a supplemental appropriation is required. Because each fund is considered a separate entity requiring board authorization to utilize the funds, the Department or Elected Office shall submit a budget supplement if the requested transfer crosses funds.

Funding credited to the Capital Fund shall not revert or be transferred to any other fund. Likewise, no transfers are allowed from the General Fund into the Road and Bridge Fund per State Statute, and no transfers are allowed from the Road and Bridge Fund into the Capital Fund.

STAFFING

Staffing shall not exceed the authorized level approved by the BOCC. An increase in headcount must be authorized by the BOCC either through the budgetary process or by separate consideration and approval during the year. All wage line items are budgeted and utilized by each Department and Office subject to the following terms and conditions:

a. No transfer shall be allowed to the extent such transfer would occur between a wage line item and operating line item of the individual Department or Office.
b. Any new or proposed change to individual wages shall be authorized by individual Department Heads or those Elected Officials who have opted to follow County policies. The Human Resources department will confirm that the changes are consistent with the Personnel Policies and Procedures Manual, which includes the County's Pay Administration Philosophy Strategy and Guidelines, and with the then current pay grades and structure approved by the BOCC and individual Elected Officials as appropriate. The Finance Department will process all such changes as long as budgeted funds are available.
c. Any new or proposed change to individual wages authorized by an Elected Official who has adopted a pay policy that differs from the County's shall be processed by the Finance Department as long as budgeted funds are available. Each Elected Official that adopts a separate pay policy accepts full and sole responsibility for ensuring that requested wage changes comply with that policy.

MONITORING OF BUDGETS

The Finance department provides monthly financial reports to the BOCC including a review of each fund and department's performance against budget and in-depth analysis of any significant variances. Elected Officials and Department Heads are responsible for reviewing their budgets on a monthly basis and investigating any unusual variances. The Elected Official or Department Head should contact the Finance Department for needed adjustments, or prepare a Posting Correction Request Form and submit to Finance.

CARRY OVERS

Carry overs for operating expenditures are not allowed except for projects not complete by the end of the fiscal year tied to a contractual agreement. Carry overs for capital improvement projects are allowed for projects in the bidding phase, or that have started but are not complete by the end of the fiscal year.

Only the amount remaining on the contract or necessary to complete the project may be carried over into the impending budget year. The Finance Department will present any supplemental carryover requests to the BOCC in January for review and approval.

INTERFUND TRANSFERS

Interfund transfers are necessary in order to maintain adequate fund balances, cash flow or to meet required State Statutes (TABOR). The Finance Department is responsible for budgeting any interfund transfers during the annual budget process.

FUND BALANCES

Available fund balance is an important measure of economic stability. Each fund should maintain a fund balance at a level that will provide for a positive cash balance throughout the fiscal year, which will reduce the likelihood of having to enter into short-term debt to pay for current operating expenditures, or so major unplanned occurrences will not jeopardize the financial position of the County.

Adequate fund balance levels preserve the credit worthiness of the County; provide working capital for the County to meet cash flow needs during the year; provide a comfortable margin of safety to address unanticipated expenditures, emergencies, and unexpected declines in revenue due to economic downturns; and provide a resource to stabilize fluctuations from year to year in the property taxes paid by County taxpayers.

GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to provide more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. Fund balance is reported in five categories: Non-spendable, Restricted, Committed, Assigned, and Unassigned Fund Balance.

As part of the annual budget process, the Finance Department will estimate the surplus or deficit for the current year and prepare a projection of the year-end fund balances for all County funds subject to annual appropriation including the unassigned general fund balance. Any anticipated balance in excess of the minimum unassigned general fund balance may be assigned to other purposes. Fund balance may be used as appropriate (and approved by the BOCC) under sound management practices when current revenues are not adequate to cover current expenditures.

In order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain a sound bond rating, the County shall maintain an unassigned fund balance in its General Fund plus Oil & Gas Mitigation Fund of one third of the County's total General Fund expenditures. Garfield County will also maintain an emergency reserve in an amount equal to at least three percent of fiscal year spending in accordance with the provisions of Article X, Section 20 of the State Constitution (TABOR Amendment).

Withdrawal of any amount of unassigned general fund balance that reduces the balance to less than the minimum amount shall require replenishment of fund balance as soon as economic conditions allow.

Replenishment of unassigned fund balance may be accomplished through the control of operating expenditures, unexpected revenues sources, year-end budget surpluses, above average sales tax revenues, or increased property tax revenues.

The County will strive to maintain an adequate level of fund balance for its Enterprise Funds for future capital needs, unforeseen circumstances, emergencies and any post closure costs related to the County's Landfill.

TITLE:	**DEBT AND OTHER LONG-TERM FINANCIAL OBLIGATIONS**	**POLICY NO.:**	**3**
APPLICABILITY:	Finance	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	BOCC, County Manager, Department Heads/Managers, Elected Officials, Finance, Treasurer, County Attorney, Clerk and Recorder, and the Garfield County Finance Authority	**REVISION DATE:**	08/20/2018

POLICY

The purpose of this policy is to establish guidelines and provide steps for issuance; administration; periodic evaluation; and reporting of debt and/or other long-term financial obligations issued by Garfield County.

DEBT ISSUANCE

Debt is an important tool for acquiring or constructing capital assets including land, buildings, machinery and equipment. To obtain debt, Garfield County has placed an appropriate balance between establishing limits and providing the needed flexibility for government operational goals as it pertains to the capital budget, operating budget, and financial plan.

PURPOSES AND USES OF DEBT

Debt and other long-term financial obligations will be issued in accordance with State Statues, and if required, will be approved by registered, qualified voters of the County. It is only to be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current revenues or budgeted resources. Debt is issued only after exhausting all possible resources, such as grants and pay-as-you-go funding. Any debt issued shall not have a maturity date beyond the useful life of the asset being acquired or constructed by the debt proceeds. Issuance of debt should not to be used to finance current operating expenses. There must also be sufficient revenues available to meet ongoing debt payments.

TYPES OF DEBT

Debt and other long-term financial obligations should be obtained at the best possible debt rating, which is favorably maintained through prudent financial management. It may include but is not limited to:

- General obligation bonds
- Revenue bonds
- Certificates of participation
- Conduit debt
- Overlapping debt

- Lease/purchase agreements
- Other obligations deemed appropriate

The Garfield County Finance Authority was established in 2001 to construct the County Administration building and maintenance facility project. The debt was issued in the form of certificates of participation (COP) and the debt was extinguished in 2012. The Finance Authority continues to meet annually per the articles of incorporation and Garfield County continues to certify with the State annually, in the occurrence that future debt issuance is needed.

PROJECT LIFE

Debt and other long-term financial obligations can be issued for major capital facilities/projects and purchase of capital assets with a minimum of ten years of useful life. The County's strives to use Pay-as-you-go financing, however, the BOCC at its discretion may choose to acquire debt for capital facilities/projects and assets with a minimum useful life of less than ten years. Facilities/projects and capital assets should be planned for accordingly and included in the County's annual budget process to ensure sufficient funds will be available on a Pay-as-you-go basis, or that sufficient revenues are available to meet ongoing debt payments.

LEGAL DEBT LIMIT

The legal debt limit is calculated at 1.5 percent of the County's total assessed valuation. This is the maximum amount of debt or other long term financial obligations that the County can have at one time. However, the BOCC at its discretion may choose to acquire debt above the maximum amount established herein. Both the total assessed value and the legal debt limit are published in the annual Adopted Budget.

PROCESS OF ACQUIRING DEBT

Prior to obtaining debt, a Budget Supplement must be approved by the Board of County Commissioners (BOCC) for financing capital facilities/projects or the purchase of capital assets. The Finance department will coordinate with applicable departments such as BOCC, County Manager, County Attorney, Procurement, originating department/project manager, and debt rating agencies to establish the debt process. During this process, a Request for Proposal (RFP) is required to hire a bond counsel; a financial advisor; and an underwriter. They will work with the County to help determine debt type and debt issuance to include: method of sale; negotiation of terms; structure of the transaction; and assurance of complete disclosure at time of sale.

Upon issuance of debt, the Finance Department is responsible for setting up new accounts and booking the initial transaction in the financial software. Finance should request amortization schedules from the Trustee. Reporting requirements must be determined and included in the financial statements and Adopted Budget.

REFUNDING POLICIES

Refunding is when the issuer refinances an outstanding bond issue by issuing new bonds. The County will monitor the municipal bond market for opportunities to obtain interest rate savings by refunding or advance refunding outstanding debt. Refunding may occur with BOCC approval to reduce interest rates or to remove a restrictive covenant and/or bylaws.

DEBT ADMINISTRATION

Establishes the process needed to administer and pay debt obligations.

PAYMENT OF DEBT

Issued debt must be repaid in accordance with amortization schedules provided by the Trustee. The Finance Department in conjunction with the Treasurer's Office will transact electronic payments based upon the periodic debt schedule. The BOCC will receive a report from Finance for debt service principal and interest payments based upon the periodic debt schedule. All electronic payments will be approved by the BOCC prior to release of funds transfer. All BOCC approvals are recorded with the County Clerk.

REPORTING DEBT

The Finance department shall report outstanding debt and other long term financial obligations in the Comprehensive Annual Financial Report (CAFR) and Adopted Budget.

For compliance review, an arbitrage specialist will be retained. The Finance department shall provide the requested documents, so that the arbitrage calculation can be performed. The arbitrage specialist must report the results to Garfield County Finance Department and the Federal Government. The County will either pay the arbitrage penalty to the Federal Government or receive a rebate from them.

EVALUATION FOR POTENTIAL REFUNDING OR RETIREMENT OF DEBT

The debt and other long-term financial obligations will be periodically evaluated by Finance for a potential refunding option or payment of debt in full. Findings will be presented to the BOCC by Finance for their input and direction when advantageous, legally permissible, and a net present value savings is achieved.

YEAR-END REQUIREMENTS

The Finance department will execute the following items at year-end:

- Perform annual due diligence (see Post Issuance Compliance Policy)
- Determine required reserve amounts per bond documents and per calculation by Trustee
- Record year-end adjustments

Prepare and/or update CAFR debt footnote and Adopted Budget for debt service schedules, policies and supporting documentation.

TITLE:	**POST ISSUANCE COMPLIANCE OF DEBT**	**POLICY NO.:**	**4**
APPLICABILITY:	Finance	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	The Compliance Officer assisted by other Garfield County staff, Bond Counsel, the Financial Advisor, the Paying Agent, the Trustee, and the Arbitrage Consultant.	**REVISION DATE:**	09/10/2018

POLICY

The Tax Code was put into place to minimize the benefits of investing tax-exempt or tax-advantaged debt proceeds, thus encouraging expenditures for the governmental purpose of the debt issuance and to remove the incentive to: issue debt earlier than needed; leave debt outstanding longer than necessary; and/or issue more debt than necessary for a governmental purpose. The post issuance compliance of tax-exempt qualified obligations must be monitored to ensure they meet the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations concerning tax-exempt and tax-advantaged debt ("debt issuances"). Specifically:

- Arbitrage on gross proceeds of the debt issuance must be calculated and, if needed, rebated to the federal government every five years after the date of issuance (or earlier if elected) through and including the final maturity date.
- Yield restriction requirements must be met to avoid compromising the tax-exempt or the tax-advantaged status of the debt issuance. Yield restriction calculations must be completed and yield reduction payments made, if needed, every five years after the date of issuance (or earlier if elected) through and including final maturity.
- The Finance Department is primarily responsible for the administration of this policy. Within the Finance Department, the Compliance Officer will be responsible for the due diligence review. Due diligence review will take place at regular intervals, as well as at each filing date, to ensure each debt issuance is compliant with the requirements of the Tax Code.
- Adequate records must be maintained (for a period of three years after the maturity date of the issuance) to substantiate compliance and meet the IRS record retention requirements. This includes, but is not limited to documentation of: financial transactions; qualified use of proceeds; issuance price; volume cap allocation; fair market value of investments; and continuing disclosure.

Non-compliance with the Tax Code may result in fines and/or loss of the preferential status of the debt issuances. The Compliance Officer/Finance Department is responsible to resolve non-compliance in a timely matter by taking remedial action as advised by Bond Counsel.

TITLE:	**INTERNAL BILLING SERVICES**	**POLICY NO.:**	**5**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	09/10/2018

POLICY

This policy establishes the documentation and process needed to create and distribute internal billing statements, reconcile the liability account, and prepare any related adjustments. All invoices to internal departments are:

- Substantiated by adequate backup (determination of amount due);
- Properly coded to a valid expense account and documented as approved for departmental charge;
- Billed in a timely manner; and
- Adjusted only with appropriate authorization.

STATEMENT CREATION

A number of internal service transactions are paid centrally using liability accounts then charged to departments and offices for their proportionate share. Finance summarizes these charges and creates a monthly statement distributed to departments and offices for review. Departments and offices must approve their statement and validate the expense account to be charged.

GENERAL LEDGER RECONCILIATION

Finance reviews the accounts on a monthly basis, clears the liability accounts at year end to ensure the balance is zero and documents any variances.

ADJUSTMENTS

Adjustments may be necessary if monthly statements are not returned to Finance in a timely manner, or if estimated rates vary significantly from actual costs. Departments and offices should inform Finance of incorrect statement amounts if discovered, or if a data entry error has occurred. Finance will prepare and process an adjusting journal entry for any necessary corrections.

TITLE:	**SUPPLY INVENTORY**	**POLICY NO.:**	**6**
APPLICABILITY:	County departments dealing with construction and maintenance	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	County departments with significant supply inventories on hand, and Finance.	**REVISION DATE:**	09/10/2018

POLICY

Supply inventories are maintained for use in County operations such as construction and maintenance; are not intended for resale prior to obsolescence; and controlled and recorded if material in nature.

Supply inventory is recognized as an expense either at the time of purchase (purchases method) or when supplies are actually used (consumption method). Supply inventory may be written-off as an expense when acquired under the purchase method. However, significant amounts of inventory must be reported on the balance sheet, even if the purchase method is used.

The Finance Department will contact departments and offices at year-end for any large value of supplies on hand that warrant recording inventory on the balance sheet. Affected departments or offices must produce an inventory list by December 31st listing items and their estimated cost (if actual is not available). Finance will prepare a journal entry for any necessary adjustments.

Supply inventories include but are not limited to:

- Sanding materials
- Culverts
- Guard rails
- Rock/gravel
- Vehicle parts
- Fuel

TITLE:	**CAPITAL ASSETS**	**POLICY NO.:**	**7**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	06/18/2018

POLICY

Capital assets should be purchased, constructed or otherwise acquired in accordance with the Garfield County Procurement Code; authorized in accordance with approved budgets; recorded at historical cost (or estimated historical cost) and depreciated over their useful lives; recorded in proprietary or government-wide financial statements, as appropriate, in accordance with GAAP; inventoried annually in accordance with State Statues and County Finance procedures; and disposed of properly with authorized sale proceeds (if any) returned to the County.

CAPITAL ASSET ACQUISITIONS, CONSTRUCTION AND IMPROVEMENTS

Capital assets should be purchased, constructed or acquired in accordance with the Garfield County Procurement Code; within authorized budget; and coded appropriately in the applicable capital expenditures fund. Assets can be tangible (land, buildings, building improvements) or intangible (software, water rights, easements, other ancillary charges necessary to place the asset into service). The qualifying criteria for capital assets include:

- Cost of the individual item is over $5,000;
- Item is used in operations; and
- Item has an initial useful life over 1 year.

County resources expended on existing capital assets that either 1) increase capacity or serviceability, or 2) extend the asset's total estimated useful life may be classified as a capital expense. Such improvements add value; therefore, their cost should be capitalized as part of the cost of the underlying asset. Significant additions or improvements are capitalized if:

- Project costs exceed $5,000;
- Useful life of the asset is increased significantly;
- Quantity of units produced from the asset are increased; and
- Quality of the units produced are enhanced.

County resources expended on existing capital assets that do nothing more than return a capital asset to its original condition, regardless of amount, should be classified as maintenance and repairs. Since maintenance and repairs provide no additional value, their costs are recognized as an expense when incurred.

Assets acquired for the purpose of sale (foreclosure properties) or investment do not qualify as capital assets, regardless of their form, because they are not used in operations.

Donated assets shall be recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential or the amount at which a liability could be liquidated. Departments or Offices should notify Finance when an asset is donated to the organization and provide supporting documentation of the donation.

Finance is responsible for determining the estimated useful life of the asset purchased, constructed or otherwise acquired. The best source for determining the estimated useful life of a capital asset is the government's own experience with similar assets. The following factors should be taken into consideration when determining an asset's estimated useful life:

- Quality – similar assets (roads, bridges) sometimes have substantially different useful lives because of differences in materials, design and workmanship (asphalt vs concrete);
- Application – how an asset is used may significantly affect its useful life;
- Environment – environmental differences may affect an asset's useful life.
- Industry Standard – GAAP, GASB and best practices by the GFOA may provide a recommended useful life by capital asset type.

Real property acquisitions are subject to additional procedures as required by the County Attorney's Office.

DISPOSAL OF CAPITAL ASSETS

Capital assets, including those be auctioned, shall be disposed of according to the Garfield County Procurement Code. Departments and Offices should notify Finance when the asset is disposed of using the Capital Asset Disposal-Transfer Reporting Form. The Finance Department is responsible for removing the capital asset from the County's financial system. Any proceeds from sales or insurance recoveries should be recorded as revenue in the appropriate fund.

A gain or loss shall be recorded in the County's financial system when a capital asset is sold or traded for an amount different from its net book value.

This policy is <u>**not**</u> applicable to capital assets acquired using Federal funds or property seized by the Sheriff's Office.

TRANSFER OF CAPITAL ASSETS

Capital assets may be transferred among County Departments and Offices. If the asset is transferred across funds, a warrant may be written to record the transfer. The Department or Office must process an accounts payable voucher if the asset is to be purchased from another department in another fund. The Department or Office must also notify Finance if an item is being transferred using the Capital Asset Disposal-Transfer Form. The Finance Department is responsible for recording the transfer, addition or deletion in the County’s financial system.

IMPAIRMENT OF A CAPITAL ASSET

The Department or Office must notify the Finance Department when a capital asset has been impaired. This may include, but is not limited to:

- Physical damage where action would be needed to restore lost service;
- Changes in laws, regulations, or other environmental factors that negatively affect service levels;
- Technological developments that negatively affect service levels, or evidence of obsolescence;
- A change in the manner or duration of use of a capital asset that negatively affects its service level;
- Stoppage of construction; or
- Stoppage of development.

Additionally, there must be a significant and unexpected decrease in the service of a capital asset in order for it to be impaired.

Finance will determine and adjust if necessary the depreciation being charged against the asset, and update the County’s capital asset records. Finance is responsible for ensuring compliance with all GASB (Statement No. 42) accounting and financial reporting standards for the impairment of capital assets.

ANNUAL INVENTORY OF CAPITAL ASSETS

State Statutes require an annual physical inventory of capital assets to verify their existence, location and status. The Finance Department shall provide a list of assets to each Department or Office for verification annually. Finance is responsible for adjusting the County’s capital asset records based on the results of the Department and Office inventory validations, and following up on missing items.

CAPITAL ASSET ACTIVITY REPORTING

Capital asset records should be summarized for inclusion in the CAFR footnotes, based on generally accepted accounting principles (GAAP). Finance shall maintain separate schedules for each proprietary fund and for all governmental fund capital assets. The schedules should include beginning balances, additions, deletions, and ending fund balances. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

DEPRECIATION OF CAPITAL ASSETS

Annually the Finance Department will run depreciation calculations using the straight-line method after all additions or deletions are recorded and ending balances reconciled. Depreciation calculations are reviewed; posted to the general ledger; and CAFR schedules updated to reflect the new depreciation totals.

FINANCING OF CAPITAL ASSETS

Pay-as-you-go financing refers to the use of current financial resources to fund capital projects, including current revenues, fund balances, grants, and donations. Pay-as-you-use financing refers to the issuance of various debt instruments to fund capital projects. The County will strive to use pay-as-you-go financing as its preferred method to ensure future funds are not tied up in servicing debt payments; interest savings can be put toward other projects and Board priorities; greater budget transparency; and to avoid any risk of default.

Regarding intergovernmental grants and private donations, the County will seek to leverage such resources whenever available provided those capital projects identified are consistent with capital improvement plans and County priorities, and whose operating impact have been documented in operating budget forecasts.

TITLE:	**PAYROLL**	**POLICY NO.:**	**8**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, Human Resources, Finance, and employees	**REVISION DATE:**	06/08/2020

POLICY

All compensation to employees is processed in-house, is paid on a bi-weekly pay schedule (employees receive payment every other Friday), 26 times per year and is:

- Authorized at approved pay rates and pay types by Department Heads, Elected Officials and Human Resources;
- Substantiated by adequate backup (PAR forms, timesheets, etc.);
- Documented as approved by the BOCC for payment;
- In compliance with County hiring/compensation requirements;
- Properly coded to the general ledger;
- Authorized within approved budget;
- In compliance with County policies as per Human Resources, applicable State Statutes and Federal regulations; and
- Reported as required by State publication requirements.

EMPLOYEE INFORMATION

All employee new hires, changes and terminations must be reviewed and approved by Human Resources (HR) for compliance with County policies and/or hiring and compensation benefits before those changes take effect in payroll. Finance verifies that the changes are within budget and the headcount is available prior to processing. Changes to an employee in the payroll system may include personal information, pay rate changes, employment status changes, bank account changes, etc.

Finance will take all necessary precautions to protect the privacy and personal information of County employees. This includes, but is not limited to:

- Will not accept requests to change banking information by email;
- Will not accept W-4 tax withholding changes from a non-county email account;
- Will not email any information containing social security numbers directly to employees;
- Will encrypt all emails containing personally identifiable information when corresponding with outside parties regarding employee benefits;
- Will securely store any information containing sensitive employee information electronically or in a locked cabinet when paper copies are necessary; and
- Will shred any obsolete paper records or information.

Note: Some changes can be submitted by employees through Garfield County's online employee self-service portal such as their name, address, email, W4, and direct deposit, and will take effect after they are approved by HR and Finance.

Pay Rate Changes
It is the Department Head or Elected Official's responsibility to submit a PAR form to HR for any promotions or pay rate changes. HR is responsible for reviewing, approving and providing Finance with a copy of the PAR form. Finance is responsible for entering the approved changes into the payroll system, which will take effect in the next scheduled payroll. If the PAR form is not received during the pay period of the increase, the employee will receive a retroactive payment for the difference between what was paid and what should have been paid if the increase was received on the date and during the payroll in which it occurred.

Tax Withholding Changes
To make a change to tax withholding, employees must submit an updated W-4 form to Payroll. This includes both marital status and number of exemption changes. Requests to change tax withholding information from a non-county email address will not be accepted. Note: additional documentation will be required by Human Resources for marital status changes.

Benefit Changes
The HR Department is responsible for administering County benefits. They must provide Finance with any employee benefit changes. Finance will enter those changes into the payroll system.

Direct Deposit
The employee must submit a copy of a voided check, deposit form, or an official document from the bank showing the routing number, account number and type of account through the employee self-service portal. The employee may also complete a Direct Deposit form and submit it to HR in hard copy form. Requests to change banking information received by email will not be accepted.

If an employee requests a new direct deposit or changes their bank account information, the first paycheck drawn from the new account will be a paper check sent to the employee's mailing address, or can be picked up in the Finance Department.

PAY PERIODS AND TIMESHEETS
Each pay period consists of two weeks and begins on Sunday and ends on Saturday. Employees are paid 13 days following the end of the pay period, on the second Friday.

Electronic timesheets must be complete and accurate and shall be submitted/approved by the employee after the close of each pay period. It is the Supervisor's responsibility to review and approve employee timesheets after the close of each pay period by Tuesday at noon following the end of the pay period.

For non-exempt/hourly employees this is the official record of hours worked. For exempt/salary employees, they are paid a salary equivalent to 80 hours each 2-week pay period, which may include vacation or sick time. Hours will be pro-rated for exempt/salary employees who are categorized as a new hire, termination, on approved leave, or part-time/reduced hours.

PAYROLL PAYMENTS
The first paycheck for new employees will be a paper check sent to their mailing address, regardless of their direct deposit selection.

Employees may elect to have their paycheck(s) deposited directly into their bank account. The first paycheck and any paycheck(s) after a bank change, will be a paper paycheck. The employee may elect to have this paycheck mailed to them or may make arrangements with the Finance Department for pick-up (in Glenwood Springs) or courier to their office location (in Rifle).

Employee electing not to enroll in direct deposit will receive paper checks sent to their mailing address and mailed no later than the scheduled pay date. Checks are not permitted to be picked up in person unless approved by the Finance Director in advance of the pay period.

A paper copy of the bi-weekly paystub will not be provided to employees. Employees will receive an email notification after each payroll when their paystub is available on the employee self-service portal. It is the employee's responsibility to provide and enter a valid email address through the employee self-service portal to receive the email notifications.

If a paycheck is lost or misplaced, payroll will re-issue a replacement check within 5 business days. All payroll checks must be cashed within 90 days or they become stale dated and must be re-issued.

If an employee closes his/her bank account during the payroll funds transfer, the County will wait for the funds to be returned, before re-issuing payment. The re-issued payment will be in the form of a paper paycheck.

PAYROLL DEDUCTIONS

Employees may have voluntary or involuntary deductions subtracted from their paycheck. After payroll is processed, the Finance Department will reconcile and make payments to appropriate vendors through Accounts Payable.

Voluntary deductions are when an employee elects to have additional money subtracted from his/her paycheck for his/her benefit. Voluntary deductions may include:

- Insurance premiums
- Flexible spending
- 457b retirement employee contributions
- Loan payments

An involuntary deduction would include a mandatory deduction, which the employer has an obligation to deduct and remit to the appropriate vendor/agency. Involuntary deductions may include:

- Taxes
- 401a retirement employee contributions required as a condition of employment
- Court ordered garnishments

PAYROLL ACCRUALS

Vacation and sick time are accrued in accordance with current HR policies approved by the BOCC. Accruals are earned and posted during the week of pay day for the prior two-week pay period. Employees may only use vacation and sick time which has been earned and posted.

Employees who are out on approved leave without pay (LWOP) or are short their regularly scheduled hours (not including the use of vacation or sick time), will earn accruals on a pro-rated basis.

PAYROLL CORRECTIONS
In the circumstance an error occurs in payroll, the correction will be made in the next scheduled payroll. An accrual adjustment (vacation or sick time) may be done outside of payroll if there is no difference in net payment to the employee.

PAYROLL REPORTING
The Finance Department provides the BOCC reports on payroll activity in compliance with State Statutes.

State Statute also requires salary publications in a local paid-for newspaper twice a year. Annual salaries are published in February (from the prior year); monthly salaries are published in August, for the month of June. The reports will contain job titles and salaries, but does not include names.

The Finance Department will file periodic payroll reports as required by State and Federal regulations. These quarterly reports include the Federal Form 941 and the Colorado Unemployment reports.

Annual payroll report filings required by State and Federal regulations include the Federal W-2 and W-3, as well as the State of Colorado wage transmittal.

Employees will receive his/her W-2 and Form 1095C by the required Federal deadline each January and the forms will be mailed to the employees mailing address on record. An electronic copy of the W-2's are made available to employees on the self-service portal.

EMPLOYEE TERMINATIONS
Terminated employees are processed through the payroll system and receive their last paycheck according to the payroll calendar on the next regularly scheduled payday. The employee's final paycheck will include a payout of vacation time in compliance with current HR policies approved by the BOCC.

If payroll is notified of any County property which has not been returned, the value of such items may be deducted from an employee's final paycheck.

All final compensation will be paid by the same method the employee has elected prior to termination.

TAXABLE COMPENSATION
According to the IRS, certain types of other compensation are taxable. The following are examples of such items:

- Relocation Expenses
- Awards, Prizes and Gifts
- Employer Provided Clothing

Relocation Expenses are determined by the HR Department. Finance will process all relocation reimbursements according to current IRS rules and regulations.

Awards, Prizes and Gifts
Under IRS regulations, prizes, awards or gifts given by an employer to an employee are generally taxable and must be included in the employee's wages and are subject to withholding.

- Safety and length of service awards may be excluded from income up to a specific dollar amount, if certain IRS guidelines are met.
- Cash or cash equivalent fringe benefits (gift cards, prepaid credit cards, etc.) no matter how small, are <u>always</u> taxable and must be reported to Payroll.

Employer Provided Clothing
IRS regulations state the value of work clothing provided by the employer is not taxable to the employee if the following two conditions are met:

- The employee **must** wear the clothing as a condition of employment; <u>**and**</u>
- The clothes are not suitable for everyday wear.

If clothing provided to employees does not qualify as a deductible expense (i.e. as a uniform), then the clothing or reimbursement for the clothing must be treated as a taxable fringe benefit. Departments purchasing clothing with the Garfield County logo, or any other clothing for employees, should be aware of this IRS regulation and contact Finance if uncertain. Any item that appears to be questionable may, at the Finance Department's discretion, be questioned or forwarded to a higher level of authority for review. Unusual expenditures are brought to the attention of the Finance Director and/or the County Manager.

NON-TAXABLE COMPENSATION
De Minimis Fringe Benefits
Under IRS regulations, *de minimis* fringe benefits include any property or service, provided by an employer for an employee, the value of which is so small in relation to the frequency with which it is provided, that accounting for it is unreasonable or administratively impracticable. The value of the benefit is determined by the frequency it is provided to each individual employee, or, if this is not administratively practical, by the frequency provided by that employer to the workforce as a whole.

The IRS has advised that a benefit greater than $100 is not considered de minimis. Garfield County adheres to the IRS recommendation and therefore has a threshold of $100 for de minimis fringe benefits. It is the Department Head or Elected Official's responsibility to ensure they have sufficient available funds to cover de minimis benefits to employees, and that those funds are adequately appropriated for through the annual budget process. If a benefit is too large to be considered de minimis, the entire value of the benefit is taxable to the employee; not just the excess over a designated de minimis amount.

Examples of Excludable De Minimis Fringe Benefits:
- Personal use of photocopier (no more than 15% of total use)
- Group meals and employee picnics
- Occasional coffee, doughnuts, or soft drinks
- Flowers, plaques, coffee mugs, or clothing for special occasions
- Nominal gifts for holidays such as a Turkey at Thanksgiving

Commuter Pass
Employees may utilize the *Commuter Pass* benefit offered by the County. Employees can qualify if they use the public transit system to commute to and from work as a non-taxable benefit up to the amount specified in IRS guidelines. Amounts over the IRS guideline will be taxed.

TITLE:	**ACCOUNTS RECEIVABLE BILLING**	**POLICY NO.:**	**9**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/08/2013
RESPONSIBILITY:	Finance and decentralized departments billing external customers	**REVISION DATE:**	12/10/2018

POLICY

The Finance Department is responsible for ensuring that all accounts receivable are recorded, recognized and reported in accordance with generally accepted accounting principles as prescribed for governments by the Governmental Accounting Standards Board (GASB). Garfield County departments and offices will make a vigilant effort to collect all receivables that are due for products or services rendered, consistent with the practicality and marginal cost of collection. If the accounts receivable is deemed uncollectible, it will be classified as a bad debt.

All billings to external customers must be substantiated by adequate backup; documented as approved for billing; billed in a timely manner; properly coded; reviewed monthly for satisfactory collection; and adjusted or written off only with appropriate authorization.

CREDIT APPLICATIONS

Departments and offices requiring a credit application from potential customers are responsible for sending the credit application to the customer, obtaining customer information and forwarding to Finance. The Finance Department will review the application for completeness, perform a credit/reference check, and make the final determination to approve or reject the customer's application. If approved, Finance will set up the new customer in the financial system for future invoicing.

INVOICE CREATION

Invoices may be created by the Finance Department or decentralized departments. All invoices must be substantiated with authorized backup documentation and determination of the amount due. Invoices can be mailed or electronically sent to the customer.

INVOICE COLLECTION

All invoice payments must be directed to the Finance Department to ensure proper segregation of duties for decentralized departments who create their own invoices but do not have adequate staff to record their own invoice payments. Decentralized or Finance staff responsible for invoice creation are not authorized to receipt invoice payments.

A vendor may submit payment via check, cash, credit card, or electronically with prior approval from the County Treasurer's Office. The Finance Department is responsible for receipting all invoice payments.

INVOICE ADJUSTMENTS

Invoice adjustments occur when the Accounts Receivable billing was for the wrong amount or billed to an incorrect customer. All invoice adjustments are completed by the Finance Department and require back up documentation approved by the Department Head or Elected Official.

AGING INVOICES

The Finance Department will issue quarterly aging invoice reports to departments and offices with outstanding invoices over 90 days. It is the responsibility of the department or office to contact those customers and collect payment.

For outstanding invoices over one year, Finance will contact the Department Head or Elected Official and request written permission to write off the bad debt. The bad debt will be expensed to the department or office.

Unpaid invoices will not be sent to a collection agency due to the substantial fees typically charged for their services. A collection agency may be hired by the department or office after multiple attempts to collect its receivables have been made, and there is documentation that substantiates hiring a collection agency is in the best financial interest for the organization. All collection fees will be charged back to the department or office.

CREDIT BALANCES

A customer credit balance will be applied to the current invoice during invoice creation. For any credit balances over 90 days, the Finance Department will send notification to the customer of the credit balance and issue a refund upon request.

TITLE:	**ACCOUNTS PAYABLE/VENDOR DISBURSEMENTS POLICY**	**POLICY NO.:**	**10**
APPLICABILITY:	All county	**APPROVAL DATE:**	10/21/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	10/8/2018

POLICY

This policy applies to all non-payroll disbursements. Departments and offices are responsible for determining accountability for disbursement of public funds; supporting a sound internal control environment; ensuring cost effective safeguards are in place; and guaranteeing appropriate action is taken when discrepancies or audit findings are identified.

An expenditure is the decrease or use of the financial resources of a fund and refers to only those payments made by check, ACH or EFT. All payments to vendors are in compliance with applicable State and Federal law; in compliance with Garfield County's Procurement Code; substantiated by adequate backup (i.e. original invoices, signed contracts, purchase orders); properly coded to the general ledger; authorized within approved budget; approved by the BOCC; and published and reported as required by State law.

VENDOR MAINTENANCE

The Finance Department is responsible for the vendor management process to ensure compliance with applicable Internal Revenue Service (IRS) laws. The County maintains a vendor database in the County's financial system that is used to set-up, maintain, and update vendor information.

The IRS requires the County to file annual reports notifying them, and certain vendors doing business with the County, of payments made by the County during the year. Each year, vendors that have received payment from the County are issued a 1099 notifying them of the amount the County will report to the IRS when combined payments exceed the IRS threshold. Annually, a paper form 1099-I or 1099-MISC will be sent to the vendor and an electronic file will be sent to the IRS by the Finance Department. The County Treasurer will provide Finance with 1099-I information.

To ensure the County conforms to the IRS 1099 regulations, a vendor's taxpayer identification number (TIN) and legal name must be provided to Finance. Departments and offices requesting a new vendor must submit a completed W-9 and new vendor form to Finance. Vendors that have not provided a TIN that matches their legal name on file with the IRS shall not be set up in the County's vendor database and will not receive payment.

Departments and offices requesting a vendor address change must submit a copy of the invoice with the new address listed to Finance. A new W-9 form must be submitted to Finance for any legal business changes such as the business name and TIN number.

If the IRS informs the County of a legal name or TIN mismatch, or if the County discovers the vendor is ineligible, the vendor shall be inactivated in the County's vendor database. Payments to an inactive vendor shall not be processed and paid. To be reactivated, the vendor shall submit a signed W-9 form. The information will be verified, and if accurate, the vendor will be reactivated.

The Finance Department is responsible for responding to all IRS B-notices annually by the end of the 4th Quarter of each fiscal year. The County's fiscal year is January 1 to December 31.

INVOICE PAYMENTS

Decentralized departments must enter their accounts payable invoice information directly into the financial system. Non-decentralized departments and offices are required to prepare an accounts payable voucher and submit to Finance. Accounts payable information must include the vendor name, vendor number, PO number (if applicable), invoice number, invoice date, description of the expenditure, invoice amount, accurate general ledger account coding, and appropriate signature or system approvals. Special instructions must be included if there are specific mailing instructions or other circumstances pertaining to payment processing. All payments must be substantiated with appropriate backup (i.e. original invoices, signed contracts, purchase orders). Payments are not made based on statements from vendors. Incomplete payment requests will be returned to the requesting department or office.

The deadline for entering invoices by decentralized departments or submitting vouchers to Finance is 5pm Friday each week. If the deadline falls on a holiday, invoices entered by decentralized departments or submitted to Finance prior to the holiday will be processed for payment. The Finance Department will print checks each Wednesday. Checks are mailed the following Monday after BOCC approval. In the absence of the BOCC meeting, the County Manager/designee has signature authority to approve and release payments to vendors, which will then be retroactively approved at the next scheduled BOCC meeting.

Departments and offices are responsible for reviewing, approving and allocating to the proper line item all invoices submitted for payment. The approval signature signifies that the request for payment complies with the following conditions:

- Is necessary;
- Is for a valid business purpose;
- Is received, or is an authorized prepayment;
- Is <u>from</u> the correct <u>account</u>;
- Is <u>for</u> the correct <u>amount</u>;
- Is not a duplicate payment;
- Is timely to ensure no penalties;

- Does not exceed available budgeted funds;
- Has been procured in accordance with the County's Procurement Code;
- Complies with applicable contractual, grant, and/or debt restrictions;
- Includes accurate supporting documentation.

All vouchers over $10,000 require a PO number unless waived by the Procurement Department. All vouchers over $250,000 must be processed as a wire transfer request and also require BOCC approval prior to disbursement.

Payment for goods or services cannot be made until after goods are received or services are provided. Payment, or partial payments in advance can be made in the following circumstances:

- Registration for conferences and seminars;
- Membership dues;
- Reservations and arrangements for County sponsored events;
- Deposits or advance payments to vendors agreed to during the Procurement process;
- Purchases of items from specialty establishments requiring payment accompany the order;
- Benefit or insurance contributions.

Invoice payments to vendors may be subject to involuntary court ordered garnishment deductions.

BOCC REPORTS AND APPROVALS

The BOCC approves disbursements at each regularly scheduled Board meeting. The BOCC's approval ensures all payments are drawn upon the proper fund and that sufficient funds are available (C.R.S. 30-25-110 (1)). Disbursements shall be signed by the BOCC Chairman and attested by the County Clerk. The Finance Department provides the BOCC with a cash requirement listing report at the regularly scheduled Board meeting to show there are sufficient funds available to cover all checks and wires. The County Treasurer authorizes payment of the checks and wire requests upon presentation to the bank after approval by the BOCC.

In the absence of the regularly scheduled BOCC meeting, the County Manager/designee has signature authority to approve and release payments to vendors for that week's regularly scheduled check run, which will then be retroactively approved at the next scheduled BOCC meeting.

EARLY RELEASE

Early release of payments is prohibited unless prior approval is obtained from the BOCC during a public meeting for emergency purposes only. If approved, an Early Release Request Form must be authorized by the BOCC and received by Finance along with an accounts payable voucher and invoice, one business day prior to the date the payment must be mailed/wired to guarantee processing. The County Manager/designee does not have signature authority to approve early release payments to vendors.

All checks will be mailed. Checks are not permitted to be picked up in person unless approved by the Finance Director in advance, which will require a photo ID for verification prior to disbursement.

MANUAL PAYMENTS

Manual payments generated outside the regularly scheduled check run must obtain approval from the BOCC, and include a completed voucher with appropriate documentation and signatures. Manual payments are produced only for emergency purposes when a County issued purchasing card is not accepted and early release of the payment is not sufficient. The Finance Department will process the payment; disburse as instructed by the BOCC on the Early Release Request Form; and prepare a Memo (Request to Modify Warrant List) for BOCC approval.

PUBLICATION REQUIREMENTS

Finance is required by State law to publish disbursement information monthly (C.R.S. 30-25-111 (1)). Finance will transmit the required information to a paid-for newspaper by the 15th of each month, to be published at the end of the month. A semi-annual review of cancelled/reconciled payments presented to the bank are also published according to State law (C.R.S. 30-25-111 (2)). The semi-annual review is validated by the Treasurer's Office and compared against the originally issued payment listings previously approved by the BOCC.

VOID/LOST/STALE DATED PAYMENTS

Departments and offices must notify Finance of any payments to be voided and re-issued, are lost, or stale dated. Any returned checks should be directed to Finance.

Finance will request a stop payment from the Treasurer's Office for any void/lost checks or uncashed checks over 90 days (stale dated). Upon notification from the Treasurer's Office that a stop payment has been issued, Finance will void the check and re-issue if necessary. Stale dated checks may be included in the Great Colorado Payback database and a letter sent to the vendor if they are unsuccessfully reissued.

Finance will prepare and present a monthly void report to the BOCC for review and approval.

EMPLOYEE REIMBURSEMENTS

Employees must complete an Employee Reimbursement AP voucher to be reimbursed for work related expenses paid with personal funds. Detailed itemized receipts are required in order for employees to be reimbursed for non-mileage expenses. Original receipts are preferred. Electronic copies are acceptable but must be reviewed by the supervisor, department head or elected official to ensure the reimbursement request is not a duplicate or fraudulent in any way. Incomplete forms will be returned to the requesting department or office. Missing receipts will not be reimbursed.

Mileage reimbursements may be included on the Employee Reimbursement AP voucher or submitted separately using a Mileage Log. Mileage reimbursement requests must clearly state the purpose and destination of the trip, and attach documentation validating from/to locations and the distance between. Incomplete forms will be returned to the requesting department or office.

Reimbursement requests and Mileage Logs must be turned in within 60 days of the date of travel, or the date the transaction posted. Accepting and processing employee reimbursement requests over 60 days puts the County at risk of being disqualified under an Accountable Plan per the IRS. Reimbursement requests submitted after 60 days of the date of travel, or when the transaction posted will not be reimbursed.

TITLE:	**TRAVEL EXPENDITURES POLICY**	**POLICY NO.:**	**11**
APPLICABILITY:	All county	**APPROVAL DATE:**	10/21/2013
RESPONSIBILITY:	Board of County Commissioners (BOCC), Department Heads/Managers, Elected Officials, Finance, and Employees	**REVISION DATE:**	06/08/2020

POLICY

Garfield County's Travel Expenditure Policy is intended to establish standards for allowing the use of issued Purchasing Cards and/or reimbursing employees when expenditures are incurred; while performing their specific job duties. It is further intended to ensure proper documentation is maintained by the County and the documentation meets standards required by the IRS and other regulatory agencies. Employees should neither gain nor loose personal funds due to a reasonable business expense.

POLICIES AND PROCEDURES MANUAL

The Travel Expenditures Policies and Procedures Manual establishes guidelines for expenditure control, business related travel expenditures, reimbursement procedures, and Internal Revenue Services (IRS) requirements. It is the employee's responsibility to be knowledgeable of and follow all Travel Expenditure Policies and Procedures.

PROPER SUBSTANTIATION OF BUSINESS EXPENDITURES

Documentation including detailed receipts showing amount, time, place, and items purchased is required for all business expenditures within 30 days of expenditure for Purchasing Cards and within 60 days of expenditure for employee reimbursement purposes. Employees should state the business purpose and if applicable, other attendees. Failure to provide all required documentation substantiating the business expenditure, puts Garfield County at risk of being disqualified under an Accountable Plan per the IRS. Adequate documentation permits Garfield County to continue under an Accountable Plan; therefore reimbursements are not considered wages nor are they taxable to the employee.

EXPENDITURE CONTROL

Certain expenditures are evaluated for reasonableness. Finance provides the IRS rates within the policy and suggests to Departments and Offices they use these as a guideline in determining reasonable rates. Therefore, it is the Department Head or Elected Official's responsibility to determine what is reasonable within their Department or Office, and to ensure their approved annual budget is sufficient to cover all costs. It is also the Department Head or Elected Official's responsibility to request reimbursement from the employee, or deny a reimbursement request, if the amount spent is considered unreasonable. Any item that appears to be questionable may, at the Finance Department's discretion, be questioned or forwarded to a higher level of authority for review. Unusual expenditures are brought to the attention of the Finance Director and/or the County Manager.

The Finance Department performs an in-depth review of each Purchasing Card expenditure and all Employee Reimbursement Requests submitted for payment. The review performed by Finance is intended to resolve any errors or miscoding of expenditure and assure compliance with policies, procedures, and IRS regulations. This review is not a substitute for the review performed by the Department Head or Elected Official approving the expenditure. The approving individual is responsible for verifying the expenditure as a legitimate business expenditure (i.e. that the employee was traveling on the trip for which he/she is submitting the expenditures), and to verify that there is a valid business purpose.

DISBURSEMENTS

Garfield County employees may incur business related expenditures for the purpose of County business. The preferred method of payment is a County issued Purchasing Card. If a card has not been issued to the employee, or a Purchasing Card is not accepted by the vendor, an employee may use personal funds and be reimbursed. See the Accounts Payable Procedure for more information on Employee Expense Reimbursements.

Documentation is required for all business expenditures within a reasonable time. If the documentation is missing or the expenditure is not substantiated, then the expenditure will not be reimbursed through the Accounts Payable process as an Employee Expense Reimbursement. If a Purchasing Cardholder loses a receipt, he/she must contact the vendor to have a replacement receipt mailed, emailed, or faxed to him/her. If a replacement receipt cannot be obtained after several attempts, a Lost Receipt Form must be completed. Cardholders who develop a history of lost receipts may have their Purchasing Card revoked on a temporary or permanent basis.

RESPONSIBILITIES

EMPLOYEE RESPONSIBILITIES

It is the employee’s responsibility to ensure that they are in compliance with the policies set forth in this document and the procedures related to this document. Failure to comply with this policy may result in the revocation of the employee’s Purchasing Card or the denial of an Employee Reimbursement Request. In addition, the Department Head/Elected Official will be notified of the employee’s non-compliance.

Travel and business related expenditures which are not in compliance with policy, or considered unreasonable by the Department Head or Elected Official, are the personal responsibility of the employee and may not be reimbursed. The employee is responsible for obtaining and submitting all receipts and other required documentation to properly substantiate business expenditures within 30 days of expenditure for Purchasing Cards and within 60 days of expenditure for employee reimbursement purposes. Accepting and processing employee reimbursement requests over 60 days puts the County at risk of being disqualified under an Accountable Plan per the IRS.

AUTHORIZED APPROVER/SIGNOR RESPONSIBILITIES

Elected Officials and Department Heads have authority to approve expenditures or these responsibilities may be assigned to a designated supervisor ("assigned designee") within the department/office. The oversight of expenditure submissions helps to ensure that the County's financial resources are appropriately used to provide the highest possible value and that all employees have an appropriate awareness of cost control.

The assigned designee/signor's review of the submitted expenditures supplements the audit performed by the Finance Department. Finance's audit of the expenditures is focused primarily on compliance with the Travel Expenditures policy, as well as documentation requirements. The assigned designee/signor's review provides confidence that the expenditures claimed are valid under the specific circumstances and within the approved budget for the Department or Office.

If the Department Head or Elected Official does not believe the costs are reasonable and necessary, they have the authority to reject the expenditure. If the expenditure is not approved, the employee will not be reimbursed for personal funds used. If a Purchasing Card expenditure is not approved, the employee will need to reimburse the County for the expenditure.

EXPENDITURE GUIDELINES

MEALS

When multiple County employees are traveling together it is acceptable to utilize one County issued Purchasing Card for a group meal, however, the names of all attendees should be listed on the receipt. The group shall consist of County employees only. Meals of Non-County employees must be paid for separately.

EMPLOYEE MEALS DURING TRAVEL

Employees, who are traveling on County business, should first determine the location of travel to determine reasonable and customary rates (excluding all applicable taxes) according to the IRS Meals and Incidental Expenses (M&IE) breakdown at http://www.gsa.gov/perdiem. It is the Department Head or Elected Official's responsibility to determine what is reasonable and customary, and to ensure their approved budget is sufficient to cover all costs. The Travel Request Form is a tool to assist Department Heads and Elected Officials in calculating reasonable rates, but is not required by Finance. The Finance Department may question and request back-up documentation on a case-by-case basis.

Detailed receipts are required (amount, time, place, and items purchased) for all expenditures. Employees should specify the details related to the travel expenditure on the receipt (business purpose and if applicable, other attendees). Purchases made at the lodging establishment for room service, restaurants, and other stores require a detailed receipt. The lodging receipt is not sufficient enough for these types of transactions.

If an employee is not able, or chooses to decline a restaurant meal purchase due to dietary, health, religious beliefs or other reasons, food may be purchased at a grocery store as long as a detailed receipt is obtained.

If a conference or meeting includes or provides a meal, the employee shall not be reimbursed for that same meal, and any amount reimbursed to the employee for meals shall be adjusted. Some business exceptions may occur that warrant a reimbursement, but require Department Head or Elected Official approval prior to reimbursement.

Tipping is limited to 15-20% of the total charge less tax.

Alcohol shall not be:

- Purchased with a County-issued Purchasing Card
- Reimbursed by the County.

EMPLOYEE WORK-RELATED MEALS

Meals purchased inside the County must be work-related (connected with your work or job), approved by the Department Head/Elected Official, and have sufficient budgeted funds available to pay for the expense. Examples include: business meetings, training, staff meeting, etc.

Employees should follow the IRS guidelines for Meals and Incidental Expenditures (M&IE) at http://www.gsa.gov/perdiem (excluding all applicable taxes). It is the Department Head or Elected Official's responsibility to determine what is reasonable and customary, and to ensure their approved budget is sufficient to cover all costs. The Travel Request Form is a tool to assist Department Heads and Elected Officials in calculating reasonable rates, but is not required by Finance. The Finance Department may question and request back-up documentation on a case-by-case basis.

Employees must have an itemized detail receipt for all meals; in addition to the credit card receipt if a County issued Purchasing Card was used. Detailed receipts are required (amount, time, place, and items purchased) for all expenditures. Employees should specify the details related to the travel expenditure on the receipt (business purpose and if applicable, other attendees).

Tipping is limited to 15-20% of the total charge less tax.

Alcohol shall not be:

- Purchased with a County-issued Purchasing Card
- Reimbursed by the County

TRANSPORTATION

The Travel Expenditures Policy is not intended to avoid or bypass appropriate Procurement or Motor Pool Policies and Procedures; rather, the Travel Expenditure Policy compliments the existing processes available.

RENTAL VEHICLES

Rental vehicles may be used when needed for out of County travel or in instances where the County does not have the appropriate type of vehicle available. Departments are responsible for the costs of rental vehicles within their own budgets. It is acceptable, and preferred, to purchase rental cars and fuel for rental cars on a County issued Purchasing Card.

County employees using a rental vehicle for official County business are covered by the County's CAPP insurance; therefore, it is not necessary to purchase additional insurance (decline optional personal accident insurance and optional supplemental liability protection).

In the case of a rental car, a County employee may want to determine whether there is a need to purchase additional insurance for themselves and/or their passengers if they are using the rental vehicle for possible mixed County/personal use. Additional insurance is considered a personal cost and should therefore be purchased with personal funds.

County employees should select the safest, least expensive car that meets their needs and include roadside assistance with the rental. If required, rental car upgrades should be approved by the Department Head/Elected Official at the time arrangements are made.

EMPLOYEE TRAVEL BY COUNTY VEHICLE

Employees are encouraged to utilize a Motor Pool vehicle in order to conduct business within Garfield County, rather than taking his/her personal vehicle. All County vehicles are supplied with fuel keys and fuel cards. An employee may not use the County issued Purchasing Card to put fuel in the County vehicle. Fuel may only be purchased with a County issued Purchasing Card when it is for a rental vehicle. See the County's Motor Pool/Fleet Management Plan for more information.

EMPLOYEE TRAVEL BY PERSONAL VEHICLE

If a County Motor Pool vehicle is not available and an employee must use his/her personal vehicle, he/she will be reimbursed at the IRS business standard mileage rate. Mileage from an employee's home to the assigned office is defined as commuting and is not subject to reimbursement. Travel during on-duty hours must utilize the most direct route unless an alternate route would be less time consuming, safer and/or more effective.

If the employee travels **outside the County** for business (i.e. meetings, trainings, conferences, legislation, legal matters, etc.) in his/her personal vehicle, the total reimbursable mileage for the trip is equal to the lesser of:

a) The distance from the individual's workplace to the destination, and back to the individual's workplace.
b) The distance of the individual's place of residence to the destination, and back to the individual's place of residence.

Other eligible travel **outside of the County** includes travel between the place of lodging and the conference or event when then conference or event is not on the same premises as the place of lodging, or travel between a business related meeting and the place of lodging, conference or other event. Employees must maintain a record of travel documenting the from/to locations and the distance between, for which reimbursement is being sought.

When it is necessary for an employee to travel from his/her **normal work location** to any other location **within the County** for purposes of conducting assigned or required duties, the IRS mileage reimbursement rate shall apply for the actual miles driven. Employees must maintain a record of daily travel documenting the from/to locations and the distance between, for which reimbursement is being sought.

When assigned or required duties make it necessary for an employee to travel from his/her **home** to any other location **within the County** which is not his/her normal work location, the IRS mileage reimbursement rate shall apply for the actual miles driven **in excess of their normal commute**. Employees must maintain a record of daily travel documenting the from/to locations and the distance between, for which reimbursement is being sought.

An employee may not use the County issued Purchasing Card to put fuel in his/her personal vehicle. The IRS Business Standard Mileage Rate includes the cost of fuel and maintenance. Fuel may only be purchased with a County issued Purchasing Card when it is for a rental vehicle.

The County does not provide insurance coverage for a personal vehicle when used for County business; the County expects employees to maintain auto insurance as required by State Laws.

TRAFFIC AND/OR PARKING VIOLATIONS

Because parking, speeding, or other traffic tickets received by an employee, even when on County business, are unlawful, they are considered a personal expense and are to be paid by the employee and are not reimbursable.

AIRLINE TRAVEL

County employees should make travel arrangements in advance to take advantage of the lowest airfare rates available. All employees are required to travel in coach/economy class. Airline travel insurance is acceptable to protect the County from additional costs related to an unplanned flight changes. Upgrades to seating or class are not an allowable County paid expenditure.

Standard baggage fees (1 or 2 bags) are allowable expenditures and require a receipt. Additional baggage fees must be approved by the Department Head/Elected Official prior to travel.

Spouse or companion travel for non-County employees may not be purchased with a County-issued Purchasing Card. If an employee wishes to book a County business trip and include a companion/spouse, then he/she should pay with personal funds and the County will reimburse for the employee's portion of the flight(s).

LOCAL GROUND TRANSPORTATION

Lower cost options should be selected for local ground transportation and require a receipt. This expenditure category includes taxis, train fares, bus fares, shuttle services, ride share services, and public parking. Transportation to/from a restaurant or other establishment of choice must utilize the safest, most direct route unless an alternate route would be less time consuming, safer and/or more effective, and be within a reasonable distance from the lodging location. It is the Department Head or Elected Official's responsibility to determine what is reasonable and to ensure their approved budget is sufficient to cover all costs. Any item that appears to be questionable may, at the Finance Department's discretion, be questioned or forwarded to a higher level of authority for review.

There is significant risk to the County and insurance issues related to scooter and bike rentals. Currently, scooters and bike rentals are not an approved mode of transportation while on County business.

TIPPING

Tipping by an employee paid to a taxi or shuttle service is allowed up to 15-20% of the fare amount, however it is only reimbursed when a receipt is provided. Tipping by an employee for meals is allowed up to 15-20%, and will only be reimbursed when a detailed receipt is provided. Courtesy tipping, such as tips paid to parking attendants, bellhops or housekeeping, are not essential to the transaction of official County business. Therefore, they are not allowed and will not be reimbursed. Some business exceptions may occur that warrant courtesy tipping for parking attendants or bellhop services, but require Department Head or Elected Official approval prior to reimbursement.

TRAVEL PAY
Refer to the County's Employee Handbook.

LODGING
Employees, who are traveling on County business which requires an overnight stay, should first determine the location of travel to determine reasonable and customary lodging rates (excluding all applicable taxes) according to the IRS. For reasonable and customary lodging rates please visit: *http://www.gsa.gov/perdiem*. It is the Department Head or Elected Official's responsibility to determine if the transaction is reasonable and customary, and to ensure their approved annual budget is sufficient to cover all costs. The Travel Request Form is a tool to assist Department Heads and Elected Officials in calculating reasonable rates, but is not required by the Finance. The Finance Department may question and request back-up documentation verifying rates on a case-by-case basis.

Severe inclement weather, physical exhaustion, or other circumstances that pose a compelling safety hazard that would warrant overnight lodging to ensure the safety of the employee is a reimbursable expense, or an authorized charge on a County issued Purchasing Card with approval from the Department Head or Elected Official.

All hotel reservations should be made at the same time as air travel and car reservations to ensure availability. Except when registering for lodging at a pre-arranged group rate in conjunction with a conference or meeting, County employees should request the government rate or lowest available eligible rate when making lodging arrangements. Special lodging, such as accommodations at an RV park, campground, or air bnb shall require approval from the Department Head or Elected Official.

Employees are allowed to bring a spouse/companion as long as it does not require a separate room or additional charges. If additional rooms are necessary, the employee is responsible for paying the additional charges and any applicable taxes using personal funds.

If an employee should want to stay for additional days, beyond those required for County business purposes, then he/she will be responsible for paying for those additional nights of lodging and tax with personal funds.

Purchases made at the lodging establishment for room service, restaurants, and other stores require a detailed receipt. The lodging receipt is not sufficient enough for these types of transactions.

When multiple County employees are traveling it is recommended that each employee pay for their room separately. If the rooms are put on one invoice, one traveler may take care of the invoice but should provide the details on who stayed in each room on the invoice.

EXPENDITURE PROCESSING

IRS REQUIREMENTS

Garfield County requires complete documentation on all expenditures in order to comply with IRS guidelines. Receipts are a key element to documenting expenditures, and must be submitted for all expenditures under an Accountable Plan. All receipts must meet IRS requirements for proper documentation purposes. Documentation required includes detailed receipts showing amount, time, place, and items purchased. Employees should state the business purpose and if applicable, other attendees.

RECEIPTS FOR PURCHASING CARD EXPENDITURES

The cardholder is responsible for obtaining all credit card slips, detailed itemized receipts, packing slips, and/or on-line order confirmations to document their purchases. Receipts are due within 30 days from incurred expenditure and need to follow the Purchasing Card calendar.

If a cardholder loses an original receipt, he/she must contact the vendor to have a replacement receipt mailed, e-mailed or faxed to him/her. If a replacement receipt cannot be obtained after several attempts, a *Lost Receipt Form* (see Employee Intranet under Finance forms) must be completed. Cardholders who develop a history of lost receipts may have their Purchasing Card revoked on a temporary or permanent basis.

RECEIPTS FOR EMPLOYEE REIMBURSEMENT VOUCHER REQUIREMENTS

Paid receipts are required for reimbursement of travel/business expenditures. This includes taxi cabs, airport shuttle, parking, and any other form of transportation-related expenditure.

Employee reimbursement expenditures (i.e. mileage, meals, supplies, etc.) must be turned in within 60 days of the date of travel, or they will not be reimbursed by the County. Accepting and processing employee reimbursement requests over 60 days puts the County at risk of being disqualified under an Accountable Plan per the IRS. Original receipts must accompany the voucher for any expenditure to be reimbursed.

Mileage reimbursement forms should be completed in full (stating the purpose and destination of the trip) and documentation of from/to locations and the distance between attached (i.e. online MapQuest directions showing route and total mileage).

SUMMARIZED LIST OF ALLOWABLE TRAVEL COSTS

Although this is not a complete list, the following are examples of allowable expenses that are eligible for reimbursement by the County if they are not charged to a County issued Purchasing Card.

1. Meals while traveling on County business. This includes food purchases made at a grocery store due to dietary, health, religious beliefs, or other reasons where an employee is not able, or chooses to decline a restaurant meal purchase. This also includes meals that may exceed the IRS recommended rates with permission from the Department Head or Elected Official approving the expense as reasonable and customary.
2. Work related meals purchased inside the County. This includes meals that may exceed the IRS recommended rates with permission from the Department Head or Elected Official approving the expense as reasonable and customary.
3. Tipping for meals up to 15-20%.
4. Incidental expenses such as:
    a. Internet access connection if internet access is necessary for County related business
    b. Copy machine charges incurred to copy documents for County use
    c. Fax machine charges incurred to send or receive documents for County use
    d. County business calls
    e. Parking.

5. Rental vehicles for out of County travel or in instances where the County does not have the appropriate type of vehicle available.
6. Roadside Assistance for rental vehicles.
7. Employee travel by personal vehicle outside of the County, from their normal work location to any other work location within the County for purposes of conducting assigned or required duties, or from his/her home to any other location within the County for purposes of conducting assigned or required duties.
8. Airline travel insurance.
9. Local ground transportation including taxis, trains, bus fares and shuttle services.
10. Tipping for ground transportation including taxis or shuttle services up to 15-20% of the fare amount.
11. Lodging while traveling on County business that requires an overnight stay. This includes lodging necessary to ensure the safety of the employee due to severe inclement weather, physical exhaustion, or other circumstances that pose a compelling safety hazard.
12. Other exceptions due to acts of God or unforeseen circumstances due to County business.

SUMMARIZED LIST OF NON-ALLOWABLE TRAVEL COSTS

Although this is not a complete list, the following are examples of non-allowable expenses that will not be reimbursed by the County and should not be charged to a County issued Purchasing Card.

1. Alcoholic beverage expenses.
2. The cost of the daily commute between the employee's regular office location and official residence.
3. If a conference or meeting includes or provides a meal, the employee shall not be reimbursed for that same meal. Some business exceptions may occur that warrant a reimbursement, but require Department Head or Elected Official approval prior to reimbursement.
4. Certain travel expenses considered personal and not essential to the transaction of official County business. Such non-allowable expenses include, but are not limited to
    a. Bellhop services (see exceptions on page 7).
    b. Housekeeping services.
    c. Scooters and bike rentals.
    d. Airline upgrades.
    e. Taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment and other non-County business locations.
    f. Costs of personal trip insurance such as personal accident insurance and extended liability insurance, and personal medical and/or hospital services.
    g. Any tips or gratuities associated with personal expenses.
    h. All expenses related to the personal negligence of the employee such as parking tickets and fines, towing, traffic violations, damage to personal vehicles, clothing or other items.
    i. Travel expense, meals, or child care cost of other persons, such as spouse or family members, traveling with the employee.
    j. Expenses and/or fees associated with social or non-mandatory activities at conferences such as tours, sports activities, golf outings, event tickets (movies, theater tickets), in-rooms movies, in-flight movies, etc.

k. Additional transportation, hotel or other expenses for personal vacation related travel in connection with business travel (taken before, during or after business trip).
l. Personal items and services such as dry cleaning, laundry, shoe shines, haircuts, clothing, manicures, massages, personal health and hygiene items, recreation expenses, pet care costs, souvenirs or personal gifts, and personal reading materials such as magazines and newspapers.

TITLE:	**END OF YEAR**	**POLICY NO.:**	**12**
APPLICABILITY:	All county	**APPROVAL DATE:**	10/21/2013
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	06/18/2018

POLICY

The County's fiscal year is January 1 to December 31. It is the Finance Department's responsibility for the financial statements to be closed in a timely manner for regulatory compliance and in preparation for the annual audit. Departments and Elected Offices must follow the County's end of year procedures in order for the financial statements to be closed in a timely manner.

End of year procedures are designed to:

- Comply with Federal/State reporting requirements;
- Record financial transactions in the appropriate accounting period;
- Close the general ledger in order to prepare financial statements in accordance with generally accepted accounting principles; and
- Prepare the ensuing general ledger for use in conjunction with the approved budget.

The Finance Department is responsible for all Federal and State reporting requirements. Federal reporting requirements include payroll W-2 and W-3 electronical transmittals; accounts payable 1099 electronic transmittals; and federal reporting for employee moving expenses. State reporting requirements include payroll W-2 and W-3 electronic transmittals.

TITLE:	**GENERAL LEDGER**	**POLICY NO.:**	**13**
APPLICABILITY:	All county	**APPROVAL DATE:**	08/20/2018
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	

POLICY

Garfield County uses a general ledger as a master set of accounts that summarizes all transactions occurring throughout the year. In addition, there are subsidiary ledgers (i.e. Payroll, Accounts Payable, etc.) that summarize information into the general ledger. All transaction postings (subsidiary ledgers and other postings such as journal entries, budget adjustments, etc.) are reviewed to ensure they are reasonable, accurate, and complete; documentation attached; and reconciled where applicable prior to posting. The general ledger, in turn, is used to aggregate information into the financial statements.

The general ledger is comprised of a chart of accounts that is used to record the assets, liabilities, equity, revenues, and expenses. There are debit and credit entries for every transaction recorded within the general ledger, so that the total of all debit balances should always match the total of all credit balances. If they do not match, the general ledger is said to be out of balance, and must be corrected before reliable financial statements can be compiled from it.

The County General Ledger is reviewed and balanced on a monthly basis by:

- Following generally accepted accounting principles (GAAP) as applicable to governmental entities to facilitate interim and annual reporting;
- Closing the books on a monthly basis to prevent inaccurate prior period reporting;
- Reconciling to subsidiary ledgers on a timely basis to enhance completeness and accuracy;
- Tying the year-to-date and month-to-date trial balances to ensure that the general ledger is in balance and no corrections are needed.

CHART OF ACCOUNTS

It is necessary to set-up and maintain the financial software to ensure the General Ledger is accurate. The chart of accounts is a list of account numbers, descriptions, and classifications in which all financial data is recorded. New account strings (org. sets) need to conform to the overall numbering scheme for each portion of the account number. Any changes to the chart of accounts must be approved by the Finance Department. New funds are established by BOCC resolution.

Long-term asset & liability accounting is accomplished by using separate New World Systems funds that are combined with appropriate funds/fund types for financial reporting: Solid Waste Disposal L-T Asset & Liability (Fund 900); Motor Pool L-T Assets & Liability (Fund 910); and GASB 34 (Fund 990).

REVENUE CODE SETUP

Revenue codes are needed to accommodate revenue collections entry by decentralized departments directly into the financial system or when filling out a revenue deposit form. Revenues are receipted into the general ledger by the Finance Department and decentralized departments such as Sheriff and Public Health. Departments and Offices must notify the Finance Department when a new revenue/payment code is needed or when one is no longer valid.

MISCELLANEOUS BILLING CODE SETUP

Miscellaneous billing codes are needed to bill customers and receipt in revenues. Billing is completed by the Finance Department and by decentralized departments such as Airport and Community Development. All receipting of miscellaneous billing must be performed by the Finance Department to maintain good internal controls. The Finance Department must be notified when a new miscellaneous billing code is needed or when one is no longer valid.

PROJECT ACCOUNTING

Project accounting can be used to further identify transactions related to multi-year construction projects, grants, county events, or to account for emergency costs. Departments and offices must notify the Finance department to set up project account codes that will be utilized for all applicable transactions related to the project such as journal entries; accounts payable vouchers; revenue deposit forms; miscellaneous billing; and payroll.

TRANSACTION POSTINGS

Transaction postings are entries that occur with system processes (i.e. payroll and accounts payable) and other posting types (i.e. journal entries and budget adjustments). System processes are posted to the subsidiary ledger when the process is complete and then manually posted to the general ledger. The other posting types are posted directly to the general ledger. To ensure timely postings and up-to-date records, all journal entries must be reviewed and posted on a daily basis by the Finance Department.

RECONCILIATIONS

Reconciliations are performed by the Finance Department on a monthly basis prior to and after closing the month's general ledger to ensure accuracy of the books and financial statements.

GENERAL LEDGER MONTHLY CLOSE

The general ledger is closed monthly to prevent transactions from being posted to prior periods in error. As a result, upper management has the assurance that their financial data has been reconciled and is ready for their review. Departments and offices are responsible for running and reviewing their financial reports after month close. Any needed adjustments must be corrected by preparing posting corrections, journal entries or a budget transfer request and submitting it to Finance.

FINANCIAL SOFTWARE MAINTENANCE

The Finance Department (in conjunction with the Information Technology Department) is responsible for maintaining the security and running updates for the County's financial software system. The general ledger software system must be maintained so that it is conducive to supporting internal controls by segregating duties of staff members.

TITLE:	**CASH RECEIPTING POLICY**	**POLICY NO.:**	**14**
APPLICABILITY:	All departments receiving cash directly	**APPROVAL DATE:**	09/05/2017
RESPONSIBILITY:	Receiving department and Finance	**REVISION DATE:**	04/16/2018

POLICY

It shall be the responsibility of each department head to develop, implement and maintain the necessary procedures required to ensure that the provisions of this policy with regard to the control of cash are complied with by everyone under his/her supervision. Any department in which there is cash receipting must ensure that financial duties are segregated among different people to reduce the risk of errors as well as misappropriation (fraud or embezzlement).

Employee personal funds shall not be commingled with County funds. Employees are prohibited from borrowing money or issuing personal IOU's in exchange for County funds of any kind. Employee personal funds, petty cash accounts, cash drawers or other revenue sources shall not be used to reimburse shortages in cash funds. Any employee suspected of theft, or of violating these policies, could be subject to discipline up to and including termination.

CHANGE DRAWER

Change drawers are used exclusively to make change in the conduct of official County business for customers paying with cash. Change drawers need to be maintained at original balances; therefore, reconciliation is required daily by the cashier and periodically by the supervisor. Cash receipts should not be used to offset shortages in the drawer's original balance. Change drawers are subject to annual and periodic audits by the Finance department and County's external auditor.

Finance should be contacted to request a new change drawer, to increase/decrease the amount of an existing account, or close out a change drawer. The cash drawer should be kept neat, orderly, and in balance at all times. Large amounts of cash collected during a business day should be transferred to secured storage. The cashier shall balance the drawer daily, including any amount held in the secured storage, to the original change drawer balance. The supervisor shall reconcile the change drawer periodically to the original change drawer balance. Any overages/shortages shall be reported to Finance immediately.

During County business hours, cash must be kept in a change drawer or cash box not accessible to unauthorized persons. The drawer should be locked during nonworking hours, when unattended, or not in use during business hours with keys restricted to as few designated employees as possible. A record of office keys issued should be maintained and the department head should ensure that such keys are returned by terminated or transferred employees, or employees whose duties no longer permit access. Wherever possible, only one cashier should be assigned to an individual cash drawer. If staffing restrictions require that someone else have access during breaks or lunch periods, a reconciliation should be made of the cash drawer's content both before and after such times in order to ensure the integrity of its content for the protection of all parties involved.

SECURITY OF CASH RECEIPTS

Because cash receipts are sensitive to theft, careful consideration should be given to their collection and storage prior to depositing with the bank. During County business hours, cash must be kept in a change drawer not accessible to unauthorized persons. The drawer should be locked during nonworking hours, when unattended, or not in use during County business hours with keys restricted to as few designated employees as possible. All cash held overnight shall be securely stowed in a safe with safe combinations and keys restricted to as few designated employees as possible. The department head shall ensure that the combinations to safes are changed when an employee who has knowledge of the combination is terminated, transferred, or whose duties no longer permit access.

CASH RECEIPTING

Cash receipts shall be recorded in a timely manner into the general ledger. Any officer or employee of a department who receives money in connection with their official duties shall issue an official County receipt immediately upon receipt of the funds, for the exact amount received.

No one person within any County department or office shall have control over all aspects of financial transactions. Wherever possible, the functions of cash collection and depositing should be performed by an employee who is independent from general ledger recordkeeping and bank reconciliation. Where departments have limited staff and the inability to segregate duties, cash receipts shall be receipted through a procedure approved by Finance; that ensures adequate internal controls; is supported by the County's external auditor; and does not interfere with operations and customer service responsibilities.

In the event that a refund is authorized to be issued, it should be generated in the same form of currency as the original cash receipt. If the remittance was originally paid by cash or check, a written refund request should be submitted to Finance and processed through the Accounts Payable system. If the remittance was originally made with a credit card, the refund should be processed using only the credit card upon which the original charge was made. If the original credit card used has since become inactive, a written refund request should be submitted to Finance and processed through the Accounts Payable system.

If a deposited check is returned by the bank for Non-Sufficient Funds (NSF), an invalid/closed account or any other discrepancy, the Finance and receipting department will be forwarded as soon as possible whatever notification was received from the bank by the Treasurer's office. It is the receipting department's responsibility to contact the Payor of the returned check to arrange for collection and to record a correction of the original deposit into the general ledger.

The cashier shall open a new revenue batch daily, or as often as payments are received (if not daily). This includes any payments made by cash, check, credit card or ACH. The cashier shall accept checks/credit cards only for the exact amount of the payment; enter remittances and print a customer receipt; balance their revenue batch and change drawer; and prepare the associated daily revenue deposit.

If a receipt is entered using the incorrect payment code or for any other reason that warrants a void, and the batch is still open, the cashier shall void the receipt and re-enter. A void reason must be selected. If the batch has already been posted to the general ledger and an error is discovered the department shall contact Finance.

If the ability to print a system generated receipt is not working, hand written receipts are acceptable so long as the receipts are from a numbered receipt book. The cashier is expected to reconcile all hand written receipts to ensure there are no missing receipts. The cashier is expected to retain a copy of the hand written receipts and attach as backup to their revenue batch in the system once it is back up and running.

The reconciler shall review and approve the cashier's revenue batch by noon the following business day from when the revenue batch was created. This includes approving any voids; performing a daily reconciliation of revenues receipted into the department's primary cash tendering system with the County's revenue receipting system; performing a reconciliation by tender type; and depositing the cash receipts directly with the bank or at a regularly scheduled armored service pick-up by 5pm that day.

TRANSMITTAL OF CASH RECEIPTS

Employee safety is of utmost importance when transmitting remittances from a department to a deposit location; therefore, all department employees involved in the process should be aware of basic safety procedures. Deposits must be kept intact and concealed as much as possible from public observation. Deposits should be made during regular County business hours directly with the bank or at a regularly scheduled armored service pick-up. Whenever possible, deposit times and patterns should be varied, and a security escort provided for significant amounts of cash.

If the transmittal of cash receipts requires the use of an automobile, it is recommended to use a County authorized vehicle for that purpose. If a County authorized vehicle is not available and an employee must use his/her personal vehicle, he/she will be reimbursed at the IRS business standard mileage rate as outlined in the County's travel policy. Deposits should be taken directly to the nearest bank through the most direct route.

CASH OVERAGES / SHORTAGES

Departments shall notify Finance immediately of any cash shortage regardless of the amount. Cash shortages of $100 or more will be reported by Finance to the County Manager's Office who will notify the Board for further review. Any missing or stolen monies, which are the result of burglary or robbery, or the suspicion that one has occurred shall be reported to the law enforcement agency having jurisdiction, County Manager's Office and the Finance Department.

BANK ACCOUNTS

Bank accounts shall be for official County use and must be under the control of the County Treasurer. In addition to the County Treasurer, only authorized County employees will have access to County bank accounts. Non-county employees shall not have access to County funds held by the County Treasurer, which includes access to County bank accounts, debit cards, credits card and checks. No bank accounts shall be opened or closed without approval of the County Treasurer, and in the case of departmental special use accounts, by BOCC resolution approval.

Bank account reconciliation will be done by the Treasurer's office on a monthly basis. Accounting errors or discrepancies shall be corrected immediately. If an error is discovered involving another department, the Treasurer's office will notify the department supervisor upon discovery of the error. If the error has not been corrected by the next reconciliation month, the department director will be notified.

FRAUD

Financial misconduct or dishonesty includes (but is not limited to) theft or other misappropriation of County assets; misstatements and other irregularities in County records, including the intentional misstatement of the results of operations; forgery or alteration of documents; fraud and other unlawful acts. Garfield County specifically prohibits these and any other illegal activities in the actions of its employees, managers, department heads and elected officials. All employees have a responsibility to report suspected financial misconduct. Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.

It is the responsibility of every employee, supervisor, department head and elected official to immediately report suspected misconduct or dishonesty. An employee is expected to address any suspected misconduct with his/her supervisor who shall report the claim to the County Attorney. If the suspected fraudulent activity is being conducted by the supervisor, the employee shall report the claim directly to the County Attorney. The County Attorney shall notify the County Manager’s Office. It shall be the responsibility of the County Manager’s Office to notify the Board of any alleged fraudulent activity.

TITLE:	**Gift Cards**	**POLICY NO.:**	**15**
APPLICABILITY:	All county	**APPROVAL DATE:**	08/12/2019
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	

POLICY

This policy establishes the guidelines necessary for the purchase and distribution of gift cards/certificates purchased with County funds to ensure compliance with the County's tax withholding and reporting obligations. According to the rules of the IRS, because cash and cash equivalents, such as gift cards/certificates, have a readily ascertainable value, they are considered taxable income regardless of the face amount of the gift card/certificates. There is no de minimis fringe benefit amount relating to gift cards/certificates.

For employees, the value of gift cards/certificates is considered compensation subject to federal, state and employment tax withholding, and reporting on Form W-2. For Non-employees, the value of all gifts, gift cards/certificates, other awards and payments in an aggregate amount of $600.00 or more per calendar year must be reported to the IRS on Form 1099-MISC as other compensation.

Purchase of Gift Cards or Certificates

Prior approval is required by the Department Head, Finance Director and County Manager prior to purchasing gift cards/certificates. For elected offices, approval is only necessary by the Elected Official or an assigned designee.

For security purposes, purchases should be timed as close to the distribution date as possible. Gift cards/certificates must be purchased with a County issued Purchasing Card and the Purchasing Card Policy shall apply. Requests for gift cards/certificates should not be processed through Accounts Payable, including employee reimbursements, or paid for through the use of an approved County checking account.

Because the County must show good faith effort to track the recipients, a log must be completed and turned in with the purchasing card receipt that includes the individual's name receiving the compensation, amount and date received.

Control of Gift Cards or Certificates

Gift cards/certificates should be kept under lock and key at all times to ensure proper physical security and to protect from theft and loss. Access to the gift cards/certificates and keys to the lock areas should be limited to the individual(s) responsible for safekeeping of the gift cards/certificates.

Gift Cards or Certificates to Employees

Gift cards/certificates to employees are prohibited with the exception of employee recognition programs (i.e. anniversary, safety, and wellness) or reasonable retirement acknowledgements, but must have prior approval from the Department Head, Finance Director and the County Manager. For elected offices, approval is only necessary by the Elected Official or an assigned designee.

Any gift card/certificate purchased with County funds and given to an employee will be considered taxable income to the employee and added to their Form W-2 during the calendar year the gift card/certificate was received. There is no minimum dollar amount for this rule.

If gift cards/certificates are awarded to employees through a third party, a log of employees redeeming their cash award must be provided to Finance by the issuing Department or Office, and shall include the employee name, amount and date received.

If gift cards/certificates are purchased with a County issued purchasing card, a log must be completed and turned in with the purchasing card receipt that includes the employee’s name, amount and date received.

Gift Cards or Certificates to Non-Employees

Gift cards/certificates are allowed for Non-employees and external clients, but must have prior approval from the Department Head, Finance Director and County Manager. For elected offices, approval is only necessary by the Elected Official or an assigned designee.

Gift cards/certificates presented to Non-employees may be taxable and reportable income on form 1099-MISC to the recipient if they are over $600.00. Gift cards/certificates should not be given in exchange for services. The County will track all compensation received by such individuals. If the individual receives other awards or payments during the calendar year in excess of $600.00, the entire amount will be reported on Form 1099-MISC.

A log must be kept for such individuals and a form W-9 requested at the time of gift card distribution if there is any indication that an individual might receive $600.00 during the year and they are not already set up as a vendor in the County’s financial system.

If gift cards/certificates are purchased with a County issued purchasing card, a log must be completed and turned in with the purchasing card receipt that includes the individual’s name receiving the compensation, amount and date received.

TITLE:	**Grants**	**POLICY NO.:**	**16**
APPLICABILITY:	All county	**APPROVAL DATE:**	04/20/2020
RESPONSIBILITY:	BOCC, Department Heads/Managers, Elected Officials, and Finance	**REVISION DATE:**	

POLICY

Grants are an attractive form of funding and frequently come with special requirements that the County must follow. Negative consequences may arise for failing to meet grant requirements and in addition, grants may, either as a condition of the grant itself or politically, commit the County to financially maintaining a program or asset after the expiration of the grant. An effective grants policy is necessary to provide guidance to staff as it relates to associated processes and procedures in order to maximize the benefits and minimize the risks.

The purpose of this policy is to ensure that every grant application submitted by County agencies/departments for federal, state, local government, or private grant funding is consistent with and adheres to County priorities, and to ensure that all grant funding, whether competitive or formula, is recorded in the County's financial system of record. This policy provides a framework of internal controls that standardizes grant management and administration in developing, implementing and maintaining oversight including the approach for applying, approving and implementing grants. The County's requirements, processes, responsibilities to compliance requirements and related liabilities accompanying receipt of such grants from grantors is also identified.

Funding through grants is encouraged as a means of financing projects or one-time expenditures. The County generally does not support the use of grant assistance for routine and/or ongoing operational programs which will require additional local funds to continue, in whole or part, once the grant assistance is no longer available, except in uniquely beneficial circumstances. Programs and projects funded by grant assistance shall generally be reduced, or eliminated, when such revenue sources are reduced or eliminated. Departments and Offices may request continuation of the program or project with County funding as part of their annual budget submission.

GRANT DEFINITION

A grant is defined as financial assistance awarded to the County from an external entity to carry out a public purpose or stimulation, or when specifically identified by the awarding agency, as a "Grant" at the time of award. A grant is a multi-defined instrument used by the County to subsidize programs and projects that fit within the funding criteria of each respective grantor.

Grants can be unrestricted or restricted, to be used by the recipient in any fashion within the parameter of the recipient organization's activities or for a specific purpose by the grantor.

Grant agreements are legal contracts. It is the County's responsibility to carry out grant activities to accomplish its objectives, while adhering to the regulatory and budgetary terms and conditions prescribed by the grantor in the grant agreement. Failure to do so exposes the County to legal liability and compromises current and future grant funding. The County carries a significant legal and ethical responsibility when accepting grant funding, and management of grant awards requires heightened awareness throughout the organization.

TYPES OF GRANTS

A. **Block Grants** – a broad intergovernmental transfer of funds or other resources by the federal government to state or local governments for specific activities such as secondary education or health services, but with few restrictions attached. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education or transportation.
B. **Competitive** (Discretionary) **Grants** – an award of financial assistance in the form of money, or property in lieu of money, often by the federal government to an eligible grantee, usually made on the basis of a competitive review process.
C. **Conditional Grant** – involves one grantor seeking the involvement of recipients by making their grant (only a part of the total costs of a project) conditional upon the remainder of the cost being funded from another source.
D. **Cooperative Agreement** – a variation of a discretionary grant, awarded by a Federal, State or other agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.
E. **Entitlement Grant** – a grant awarded by the Federal, State or other agency based on a formula as prescribed by legislation or regulation.
F. **Formula Grant** – a grant that the federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulations.
G. **Pass-Through Grant** – grant funds received from one grantor but passed through another grantor or funding source which are typically federal in nature.
H. **Reimbursement Grant** – a type of funding program under which the grantee is reimbursed by the grant for qualifying expenditures already incurred, as specified in the terms of the grant agreement for such a program.
I. **Advance Grant** – a grant made where funding is provided to the County before expenditures are incurred. The County generally prefers reimbursement grants.
J. **State Grant** – a grant made by the State of Colorado Government.
K. **Federal Grant** – a grant made by the US Federal Government.

ROLES AND RESPONSIBILITIES

Departments and Offices are responsible for identifying grant opportunities and applications; managing the grant; grant closeout; and compliance with federal guidelines where applicable. Departments Heads and Elected Offices are responsible for ensuring County personnel administering grants are familiar with applicable regulations governing their respective grant awards. At a minimum, personnel administering federal grants must be familiar with the requirements of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards.

The Department or Office applying for the grant award must seek prior approval from the Board of County Commissioners (BOCC) if the grant requires one or more the following:

1. The County is the fiscal agent;
2. There is a non-budgeted County match component to the grant;
3. The grant funding proposal requires new full or part time employees; or
4. The grant requires the Board's signature.

If the grant application does not require BOCC approval and signature, the Department Head or Elected Office is authorized to approve and sign grant applications which their office or department is responsible to facilitate.

The Department or Office receiving the grant must inform the Procurement Department of grant requirements before requisitions and purchases are made to ensure compliance with the County's Procurement Code and the attached Garfield County Federal Purchasing Policy (if applicable).

The Finance Department is available for the guidance and review of grant related financial activity. In this role, the Finance Department may review financial reports generated by recipient Departments and Offices as needed, and provide general oversight of other grant related issues, including the proper budgeting and accounting for grants. Finance validates that expenditures being sought for reimbursement are properly charged in the General Ledger and/or Project Accounting Module to ensure completeness for audit purposes.

The Finance Department annually produces the Schedule of Expenditures of Federal Awards (SEFA) and works with the external auditors by providing them with documentation to perform the Single Audit. The SEFA reports all federal grant expenditures for the year, which is a requirement for all governmental entities that expend over $750,000 of federal funds in a year. A Single Audit is an audit of this schedule performed by the external auditors in conjunction with the annual financial audit. The Single Audit tests compliance in accordance with Federal Uniform Guidance cost principles (2 CFR 200).

Dun & Bradstreet (D&B) issues a D-U-N-S number, a unique nine-digit identification number that is required to apply for federal government contracts or grants. The Finance Department has the sole responsibility of managing and obtaining the D-U-N-S number for the County for the Federal Government's Contractor Registry. As needed the Department or Office may obtain the County D-U-N-S number from Finance. Additionally, the Finance Department is responsible for registering with the System for Award Management (SAM), which is a required step for the County to be able to apply for federal grants.

The Finance Department is responsible for updating and certifying the County's Cost Allocation Plan annually. The Cost Allocation Plan includes the calculation of an indirect cost rate, which may be used by Departments and Offices when applying for non-federal grant funding.

Since funds from federal awards are performed within the individual operating agencies, there needs to be a process whereby central service costs (Accounting, Procurement, Legal, etc.) can be identified and assigned to benefitted activities on a reasonable and consistent basis. That process may require outside contracted services to determine a federally approved indirect cost rate. If a federally approved indirect cost rate does not exist, a de minimis indirect cost rate may be used. If chosen, this methodology once elected must be used consistently for all federal awards until the County chooses to negotiate for a federally approved indirect cost rate.

CONFLICTS OF INTEREST

Grant audit findings due to conflicts of interest can damage the reputation and credibility of the County. Further, the appearance of a conflict of interest can be just as damaging to the County's reputation and credibility as an actual conflict. It is the Department Head, Elected Offices and employee's responsibility to know and follow the conflict of interest requirements as stated in the grant agreement; the County's Employee Handbook; the County's Procurement Code and the Garfield County Federal Purchasing Policy.

GRANT IDENTIFICATION AND APPLICATION

Departments and Offices are responsible for identifying grant opportunities and applications. Grants pursued by the County must be consistent with the County's strategic priorities. Grants that align with the strategic priorities of the County should examine the total effects and costs to the County due to matching requirements or new operating costs; allowance of indirect costs; whether General Fund revenues are necessary to cover the gap between cash expended and revenues received; and whether County General Fund revenues are necessary to support the project after the expiration of the grant.

Projects funded in whole or in part with grant money are not independent of County operations and policies and should not be created simply in reaction to a notice of availability of funds, whatever the source. It is the practice of the County to be proactive in its pursuit of supplemental funding sources. County personnel should identify problems that cannot be solved with current resources, engage in broad-based planning to address those problems, and carefully consider whether grants are an appropriate resource to pursue, given their temporary nature.

Grants that may incur management and reporting costs greater than the grant amount are discouraged. Such costs include, but are not limited to, indirect costs, overhead and any other items needed to administer the grant.

The initiating Department or Office should complete a **Grant Pre-Application Risk Assessment** and **Fiscal Impact Analysis** prior to applying for the grant. Various types of risk are associated with the acceptance of grant funding. It is important to review the risks associated with each grant prior to accepting funding. These two documents should be done well in advance of grant submission due dates to avoid last minute delays or problems that could cause the grant deadline to be missed.

Each Department or Office seeking a grant shall provide advance notice to the appropriate authority, such as Finance and Procurement, so that the effects on the government (budget, cash flow, legal considerations, procurement requirements, financial reporting, or compliance requirements) can be reviewed and understood beforehand.

GRANT ACCEPTANCE AND AWARD

If BOCC approval is required, then the Department or Office receiving the grant award must prepare an agenda item, which should be accompanied by the award letter, grant agreement, budget amendment request if needed, and any other pertinent documentation to be presented at a regularly scheduled Board meeting.

The Department or Office is responsible for submitting the BOCC grant approval to the grantor by the specified due date. All Departments and Offices that receive grant awards must develop an implementation plan promptly upon the approval of the grant award.

In the event that funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the time of application have changed, the Department or Office must ensure the goals, objectives and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor. If award terms need to be amended before the grant award can be accepted, the Department or Office must negotiate with the grantor and obtain changes to the grant award in writing. Any amendment to a grant that requires additional matching funds be provided by the County must be brought before the Board for consideration and approval.

Departments and Offices receiving a grant award shall duplicate and forward an electronic copy of the award notification, the grant agreement or contract, and any related documentation to the Procurement and Finance Departments promptly. If federal grant funding is received, the Department and Office must also send the Catalog of Federal Domestic Assistance (CFDA) number to the Finance Department. A CFDA number is assigned to each federal award program and is used to identify the internal controls/compliance requirements for each grant.

GRANT MANAGEMENT

Effective grant management is essential to ensure that funds are administered in accordance with applicable county, state and federal laws and regulations including Title 2 Part 200 of the Code of Federal Regulations (Federal Uniform Guidance); Office of Management and Budget (OMB); and specific grant terms and conditions. Additionally, grant management is necessary to ensure that the County has met the goals of the grant and properly accounted for grant transactions.

For federal grants, the Department or Office should ensure compliance with the applicable requirements in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, any other state and/or federal requirements specified in the grant conditions. The Finance Department will review expenditures for obvious non-compliance and will act as liaison with independent auditors.

No grant funds shall be disbursed until the grant has been approved by the appropriate level of authority, the proper accounting structure has been established in an appropriate fund, and required documentation is complete.

Minimal time is to occur between grant receipts and grant expenditures. Payments tied to federal funding must comply with 2 CFR 200.305, which includes minimizing the time elapsing between the transfer of funds from the US Treasury and or pass-through entity and the disbursement by the non-federal entity. The non-federal entity may be paid in advance, provided it maintains both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-federal entity, and financial management systems that meet the standards for fund control and accountability.

All revenues, fees and resources resulting from a grant funded project/program shall be managed and maintained as established by the grantor. Any program income must be accounted for during the performance period of the award and be reported per the method of utilization approved by the grantor. The use of program generated revenue resulting from federal grant funding shall comply with 2 CFR 200.307.

Grant funds may only be used for grant related expenses and expended within a period of performance identified in the grant agreement. Grant funds shall not be used to supplant an existing expense so that current funds can be diverted to another use, unless such use of grant funds is explicitly identified as allowable in writing by the grantor in the grant award. All procurement activity associated with grant funded projects or programs shall adhere to the County’s Procurement Code and the Garfield County Federal Purchasing Policy (if applicable). It is the responsibility of the Department or Office to notify the Procurement Department of the existence of any and all grant conditions when requesting goods or services using grant funds.

Equipment purchased with grant funds shall be used exclusively during the life of the grant for the project or program for which it was acquired. Equipment purchased with grant funds must be properly maintained and safeguarded. All property and equipment acquired through grant funds shall follow the grantor and County's policy and procedures for capital assets. Grant purchased equipment and real property acquired with federal funds must also comply with 2 CFR 200.313 and 200.311, respectively.

Compensation for personnel services on federal grants must comply with 2 CFR 200.430 and be based on documented payroll using system approved timesheets as supporting documentation. The Project Accounting module may be used to capture costs of grants and capital projects. Where an employee works on single or multiple awards (including federal and non-federal), a distribution of their salaries/wages and fringe benefits must be supported by:

- After-the-fact distribution of the actual activity logged by the employee on their timesheet; and
- System approved timesheets approved by the supervisor having knowledge of the work performed by the employee.

Cost sharing is provided either through cash or expenditures, in-kind services, or through a third-party commitment. For federally funded grant awards, all cost sharing/match must be in accordance with 2 CFR 200.306. Salaries and wages of employees used in meeting cost sharing/match requirements of federal awards must be supported in the same manner as those claimed as allowable under federal awards.

GRANT REPORTING

Every award has reporting requirements specified in the grant agreement. It is critical that all reports are complete, accurate, and submitted per the specified dates outlined in the agreement. Accurate and timely reporting is critical to maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding and result in Single Audit findings.

Departments and Offices receiving grant funding are responsible for ensuring reports are submitted by the deadlines established in the grant agreement.

Costs claimed by the County must be allowable, allocable and reasonable, and must have adequate documentation to support charges to the grant. Typical transactions may include personnel costs, purchase of equipment and supplies, and contracted services. Departments and Offices are responsible for submitting documentation of eligible expenses and proof of payment for expenses incurred during the reporting period.

Documentation of eligible expenses may include copies of invoices, timesheets and receipts. Proof of payment of expenditures may include credit card receipts, cancelled checks, bank statements or other proof that complies with federal and state audit standards.

SUBRECIPIENT MONITORING

The County may encounter situations where it does not have the workforce capacity to adequately fulfill all the grant objectives and must seek outside assistance to perform certain functions. These activities will be obligated in the form of a subcontract or sub award. In addition, during the course of the grant award, certain materials and supplies and equipment may be purchased through various contractors. In these situations, the Department or Office must comply with the County's Procurement Code. In instances where federal funds are expended the County must also comply with 2 CFR 200.330 through 200.332.

The County may require on-site visits, risk assessments, limited scope audits, and a review of internal controls to provide reasonable assurance over funds being dispersed to subrecipients. The Department or Office is responsible for applicable subrecipient monitoring and are encouraged to utilize the **Grant Subrecipient Monitoring Tool**.

REQUESTS BY NON-COUNTY ENTITIES

Often outside organizations may seek grant funding that requires the County to act as the fiscal agent. Any requests for the County to be the fiscal agent must be presented to the BOCC for their approval and signature. If the grant is awarded, the Finance Department will be the fiscal agent through which all accounts must be established, and all transactions processed. Finance will act as the liaison between the grantor and non-county entity (subrecipient); ensure proper receipt and distribution of pass through funds; ensure compliance with the grant agreement; and compliance with any state or federal regulations.

If pass through grant funds are federal, the outside organization must work with the Finance and Procurement Departments to ensure compliance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

It is the County's responsibility to ensure the subaward is clearly identified to the subrecipient as a subaward, and that the roles and responsibilities are clearly identified through a signed agreement.

GRANT CLOSURE

When a grant is closed all funds for that grant are closed and spending for the grant ceases as of the project period end date for the grant. Upon completion of the grant term for each grant award, the recipient Department or Office shall notify the Finance Department to place the fund and/or project in a non-posting status. Notification should include the name of the grant, the project/program and describe the final disposition of the funds and required activities. The Finance Department will update the accounting system and confirm grant closeout. For federal grant awards, the Department or Office must comply with 2 CRF 200.343 regarding grant closeout.

Records pertinent to the grant award should be retained for at least three years following grant closeout or longer if required by the grantor. For federal grant funds, records must be retained as specified in 2

CFR 200.333. Departments and Offices must ensure they comply with retention requirements specified by each grantor.

Source documents include copies of all awards, applications and required recipient financial and narrative reports. Personnel and payroll records shall include approved timesheets for all individuals reimbursed under the award.

Federally funded grant records must also comply with 2 CFR 200.82, which requires safeguarding data records against unauthorized alteration including personally identifiable information (PII). PII is defined to include a person's name in combination with information such as a social security number, credit card number, bank account, health records, and other similar information.

The Finance Department may review files, activities, equipment, and interview personnel and contracted entities of any County project/program funded with grants awarded to the County. Departments and Offices receiving grant awards should maintain a file structure that includes the following sections.

- Submittal – application guidance and copy of the application
- Award – award letter, signed grant agreement, and anything else related to the award
- Financial – account set up, purchase orders, invoices, etc.
- Reports – reports to the granting entity

EXCEPTIONS

Various Block, Entitlement and Formula grants may be exempt from components of this policy due to the nature of the funding.

Discretionary grants awarded by the BOCC utilizing un-restricted General Fund dollars, or other funding sources as directed by the BOCC, are also exempt from the components of this policy.

GARFIELD COUNTY FEDERAL PURCHASING POLICY

This Purchasing Policy was developed to comply with CFR Title 2, Subtitle A, Chapter II, Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). This Policy applies only to federally funded awards, both direct awards and pass-through awards managed by the State of Colorado. It does not apply to any other Garfield County administered projects.

In accordance with §200.324(c)(2), Uniform Guidance, Garfield County self-certifies that this Purchasing Policy meets the requirements of Subpart D of Uniform Guidance. Garfield County also adopts the following procedures as required by Uniform Guidance.

1. General Procurement Standards (§200.318)

a. Conflicts of Interest
   i. No employee, officer or agent of Garfield County may participate in the selection, award, or administration of contracts supported by federal funds if there exists a real or apparent conflict of interest. *A conflict of interest is defined as when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract*. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Standards of conduct and disciplinary procedures are more fully defined in the Garfield County Procurement Code.
   ii. If Garfield County creates or acquires a parent, affiliate, or subsidiary entity that provides products or services to Garfield County, an organizational specific conflict of interest management plan shall be developed. *An organizational conflict of interest is defined as when Garfield County is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization due to a relationship with a parent, affiliate, or subsidiary entity*.

b. County departments should avoid purchasing duplicative or unnecessary items, and that consideration should be given to consolidating or breaking out procurements to obtain the most cost-effective pricing. When appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

c. County departments are encouraged to consider using Federal excess and surplus property when reasonably available when it meets the total requirement and when it would reduce the true total costs.

d. County departments are encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

e. County departments are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to reduce costs.

f. County Departments must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See Garfield County Procurement Code Section 5.2 (11) and Glossary "Responsible Bidder or Offeror." Subawards and contracts funded with Federal funds shall not be issued to those contractors who are debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. A listing of those entities that are not allowed to do business with the Federal government can be found at https://www.sam.gov/.

g. The online procurement system, Rocky Mountain E-Purchasing ("Bidnet"), managed by the Garfield County Procurement Department and Garfield County's financial management software ("New World System"), will be used to maintain procurement documentation that details the rationale for method of procurement, contract type, contractor selection or rejection, and the basis for the contract price. All other required documentation shall be maintained by the Procurement Department.

h. Time and material contracts are prohibited unless approved in advance by the Director of the Department that received Federal funds. If approved, the Director shall provide further documentation to justify the exception pursuant to CFR §200.318 (j).

i. The Procurement Department is responsible for the settlement of all contractual and administrative issues arising out of procurements, including, but not limited to source evaluation, protests, disputes, and claims. Such issues will be addressed by the Garfield County Procurement Code as applied to be consistent with Uniform Guidance.

j. County Departments shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specification of their contracts.

2. Competition (§200.319)

a. Contractors that develop or draft specifications, requirements, scopes of work, or invitations for bid must be excluded from competing for such procurements.

b. Notwithstanding Colorado law and Garfield County local vendor preference, selection of contractors under Federal funded awards based solely on a geographic preference is prohibited, except as provided by Federal statutes.

c. All procurement transactions shall provide for full and open competition. It is forbidden in the development of bid invitations or request for proposals to:
   i. Place unreasonable requirements on firms to qualify to do business;
   ii. Require unnecessary experience or excessive bonding;
   iii. Allow noncompetitive pricing practices between affiliated entities;
   iv. Allow noncompetitive contracts to consultants that are on retainers;
   v. Not mitigate or manage organizational conflicts of interest;
   vi. Specify “brand name” products without allowing for the use of “equal to” products/services; and
   vii. Use other arbitrary practices.

d. All solicitations must:
   i. Incorporate a clear and accurate description of the requirements for the material, product or service to be procured;
   ii. Identify all offeror requirements; and
   iii. Document evaluation factors for selection of best overall value.

e. Prequalified bidders lists are not maintained by Garfield County.

3. Procurement Methods for Non-Emergency/Disaster Related Grants (§200.320) – See bullet 9 below for Disaster Related Grants

a. There are three levels of purchasing:

   i. *Small purchases*: Procurements up to $9,999.99. To the extent practicable, County departments should distribute these purchases equally to qualified firms. If the purchaser considers the price to be reasonable, i.e. what a prudent person would pay, no competitive solicitation is required.

   ii. *Simplified Purchases*: Procurements from $10,000 to $24,999. County departments shall solicit three or more offers, price or rate quotations from qualified offerors. County departments shall maintain sufficient documentation of the efforts to solicit said offerors. Purchase is awarded based upon best overall value.

   iii. *Standard Purchases*: Procurements from $25,000 and above.

      1. *Sealed Bids*: County departments shall not use sealed bidding procedures unless approved in advance by the Procurement & Contracts Director. If approved, further policy documentation will be provided.
      2. *Competitive Proposals*: County departments may use competitive proposals to acquire goods and services above the $25,000 threshold. Garfield County will publicize the opportunity through the Rocky Mountain E-Purchasing website or other method. County departments will seek two or more qualified contractors. Each request for proposal (RFP) must have a written method for conducting technical evaluations and selecting the winning contractor. County departments may consider value and quality in addition to price in contractor selection.
      3. *Sole Source proposals*: Sole source proposals may only be used when one or more of the following circumstances below apply. Documentation of the circumstances is required.
         a. The item is available from only a single source;
         b. A public exigency or emergency for the requirement will not permit a delay resulting from a competitive competition;
         c. The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written Garfield County request; or
         d. After solicitation of a number of sources, competition is determined inadequate.

b. The exception to the above three levels of purchasing is when federal funds are used pursuant to an emergency or major disaster as defined in 42 U.S.C. § 5122 or pre-disaster hazard mitigation as defined in 42 U.S.C. § 5133. The following requirements will be adhered to, consistent with any future amendments to Uniform Guidance:

   i. Allow for full and open competition;
   ii. A price and cost analysis will be conducted for procurements in excess of $25,000 (Federal Form A);
   iii. Take all affirmative steps to solicit small, minority, and women's businesses;
   iv. Time and materials contracts will include a ceiling price;
   v. Ensure that the required contract clauses are included;
   vi. Verify that contractors have not been suspended or debarred; and
   vii. Document and maintain records for all steps of the emergency procurement.

4. Contracting with small and minority businesses, women's business enterprises and labor surplus area firms (§200.321)

a. When possible, County departments should seek out qualified small and minority businesses, women's business enterprises, and labor surplus area firms.
   Qualified lists of small and minority businesses and women's business enterprises can be solicited or found at:
   http://www.mbocolorado.com/certifications/submit and https://www.sam.gov/
b. When economically feasible, County departments should divide requirement into smaller tasks or quantities to permit maximum small and minority businesses and women's business enterprise participation.
c. When appropriate, establish delivery schedules that encourage small and minority businesses and women's business enterprise participation.
d. When appropriate, use the services and assistance of agencies that advocate for small and minority businesses.
e. Require prime contractor, if subcontracts are to be let, to take the above-listed affirmative steps (a through d).
f. When soliciting a purchase funded by a federal grant, the minority and women business enterprise option must be selected in Bidnet.

5. Contract Cost and Price (§200.323)

a. In all Standard Purchases, as defined in §3.a.iii, the County department must perform an independent cost or price analysis before receiving bids or proposals. See attached **Federal Form A**, Cost and Price Analysis Form.
b. In all Standard Purchases, as defined in§3.a.iii, the County department must negotiate profit as a separate element of the price. In determining reasonable profit, consideration must be given to the:
   i. work complexity,
   ii. contractor risk,
   iii. contractor investment,
   iv. subcontracting efforts,
   v. past performance, and
   vi. industry profit rates for the surrounding area for similar work.
c. In all cases, costs or prices in any resulting procurement must be allowable under Subpart E of the Uniform Guidance.
d. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

6. Federal Awarding Agency or Pass-through Entity Review (§200.324)

a. Garfield County shall provide this Policy and referenced documentation to a federal agency or pass-through entity, if requested, as evidence of Garfield County's compliance.
b. As self-certified in the preamble to this Policy, this Policy meets the requirements of §200.324 and Garfield County is therefore exempt from the pre-procurement review in paragraph (b) of said section.

7. Bonding Requirements (§200.325)

a. In cases of construction or facility improvement contracts, the County department shall determine whether the Federal agency or pass-through entity will accept Garfield County's bonding requirements. If not, the minimum requirement is:
   i. A bid guarantee from each bidder equivalent to five percent of the bid price.
   ii. A performance bond on part of the contractor for 100 percent of the contract price.

iii. A payment bond for 100 percent of the contract price.

8. Contract Provisions (§200.326)

a. The attached provisions found in Appendix II to Part 200-Contract Provisions for Non-Federal Entity Contracts Under Federal Awards will be referenced in any applicable contracts.

9. Disaster Relief Grants

To ensure the proper and efficient process of specific governmental functions relating to the procurement transactions, contracts, purchasing cards limits and approval authority for allocation of funds when required during an emergency/disaster situation.

An emergency/disaster may create the immediate and serious need for supplies, equipment, materials, and services that cannot be met through normal procurement methods; and the lack of which would threaten the function of County government, or the health, safety or welfare of County residents. A need for an emergency procurement shall waive all existing procurement requirements and shall be limited only to the quantity of those supplies, equipment, materials, or services necessary to meet the emergency/disaster. All emergency procurement shall be made with as much transparency and competitive bid process as is practical under the circumstances.

An emergency/disaster may create the immediate need for contracted services or other resources that cannot meet all the requirements of the County's Purchasing Policy. Under emergency/disaster circumstances, the inability to have a contract or agreement would threaten the operation of County government, or the health, safety and welfare of County residents. The normal County Purchasing Policy requires that contracts and agreements receive legal and fiscal review and approval prior to execution. This would still apply to the extent possible but could be waived if critical to ensure the success of the management of the emergency/disaster incident.

Based on the special circumstances associated with emergency/disaster grants, spending limits and approval authority shall follow the purchase threshold levels as adopted by federal regulations.

Appendix II to 2 CFR Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than $150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Federal Form A
Garfield County Cost and Price Analysis Form

Instructions: Use this form to perform a cost and price analysis for each federal or federal pass-through procurements that are in excess of $25,000 for each offeror, including sole source procurements.

1. Offeror Information:

Offeror Name: ____

Goods or services to be acquired: ________________________________

Total Offeror Cost: $____________

Garfield County Proposal Number Reference: _____________________________

2. Cost Analysis:

a. **Are the costs reasonable?**

Reasonable is generally defined as what a prudent business would pay in a competitive marketplace. A cost can be allowable and allocable, and still not be what a prudent businessperson would pay (e.g., first class airfare).

___ Yes ___ No

If no, list the reason below:

____
____
____
____
____
____

b. **Are the costs necessary?**

Direct cost elements should be necessary to perform the work. A cost may be allowable under the cost principles and even allocable to the type of work to be performed, *but* still not be necessary for the specific contract.

___ Yes ___ No

If no, list the reason below:

____
____
____
____
____
____

c. Are pre-negotiated rates used?
Does the offeror use audited or pre-negotiated indirect cost (e.g., overhead) rates, labor and fringe benefit rates, or other factors.

___ Yes ___ No
Notes:
____
____
____
____
____

d. Can the offeror contain costs from escalating?
Does the offeror have a track record of containing costs?

___ Yes ___ No
Notes:
____
____
____
____
____
____

e. Are cost changes likely?
Is there any indication that the costs are likely to increase or decrease over the life of the contract?

___ Yes ___ No
Notes:
____
____
____
____
____
____

3. Cost Comparison:

If possible, after completing the cost analysis, compare:

i. The offeror's costs with actual costs previously incurred by the same offeror for the same or similar work. If it is a repetitive type of work or service, how much has it cost in the past. Apply any appropriate inflation factors for past work.
ii. Actual costs of previous the same or similar work performed by other contractors.
iii. Previous cost estimates from the offeror or other offerors for the same or similar items.
iv. The methods proposed by the offeror with the requirements of the solicitation (i.e., do the costs reflect the technical approach proposed and the work required?).

4. Overall Contractor Analysis:

__ Yes or__ No: Are the costs provided in the offeror's proposal acceptable?

5. Signature and Date:

I certify that the foregoing information is true and correct to the vest of my knowledge and belief. I further certify that I have determined that the costs or prices proposed are necessary, fair and reasonable.

Analyzer Name: ____

Analyzer Signature: ____

Date of Analysis: ___/_____/_____

DEFINITIONS

1099 Form – a record of income that an individual or company received from the County in a given year that is reported to the IRS.

Accountable Plan - is a reimbursement or other expense allowance arrangement that satisfies three basic requirements: a business connection; substantiation; and return of excess amounts.

Accounts Receivable – an amount due for goods and/or services provided but not yet paid.

Accrued Leave – the accumulation of vacation and sick time.

ACH – Automated Clearing House

Aging Report – a report that lists unpaid customer invoices by date ranges used to determine which invoices are overdue for payment.

Allocable Cost – a cost is allocable if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received.

Allowable Cost – cost is allowable to a project if the costs are reasonable; allocable to the specific project; treated consistently in like circumstances; and conform to any limitations of the cost principles or the sponsored agreement.

Appropriation – established by legislative action or executive order for amounts that may be disbursed from a fund, program, and/or expenditure account for a particular purpose during a specific period of time.

Arbitrage – is purchasing a security in one market and simultaneously investing it in another market, such as a savings or money market account, and profiting from the temporary difference in prices.

Arbitrage Rebate - arbitrage rebate is essentially 100% of investment earnings in excess of the debt issuance's yield. Thus, the positive or negative amount that must be paid (rebated) to the federal government every five years after date of issuance through the final maturity date.

Arbitrage Specialist – is required to be hired for arbitrage compliance every five years to determine if money is owed to the Federal Government or if a rebate will be issued to the entity being reviewed. Upon finalization of debt retirement, an additional review is required for the final arbitrage calculation.

Assigned Designee - Department Head/Elected Official may assign their purchasing card duties to a designated supervisor within their department/office. This position is often referred to as the "requestor".

Assigned Office / Normal Work Location – an employee's primary work location assigned to them by their supervisor where the majority of their assigned or required duties are performed.

Authorized Approver/Signor - refers to anyone responsible for reviewing and approving expenditures which could include Elected Officials, Department Heads or their assigned designee.

Award – notice from the grantor that the County has been approved for grant funding from the grantor.

B-Notice – a backup withholding notice from the IRS stating that the non-employee's taxpayer identification number (TIN) is either missing or incorrect.

Bad Debt – an accounts receivable that is unlikely to be paid, which is treated as a loss and expensed on the income statement.

Balanced Budget – no budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances (C.R.S. 29-1-103).

BOCC – Board of County Commissioners

Bond Counsel – an attorney or team of attorney's that specialize in local government debt financing.

Budget Carryover - funds budgeted but unexpended during the budget year which are brought forward as additions to the subsequent year's budget.

Budget Transfer – moves an amount from one line to another with no effect on total revenues or expenditures of a fund.

CAFR – Comprehensive Annual Finance Report

Capital Assets – assets used in operations and have an initial useful life in excess of one year. Assets include, but are not limited to:

- Land, land improvements, easements
- Buildings, building improvements
- Equipment, vehicles, machinery, works of art and historical treasures
- Various intangible assets (software)
- Infrastructure (roads, bridges, trails, tunnels, drainage systems, lighting systems)
- Significant improvements of any of the above items
- Have initial useful lives in excess of one year
- Cost $5,000 or more per item
- Are for use in operations and are not held for resale.

CAPP – the County's workers compensation insurance provider: Colorado Counties Casualty and Property Pool.

Cardholders - Garfield County employees who are issued a purchasing card associated with a specific department and make purchases on behalf of their department.

Cash – U.S. banknotes and coins.

Cash Receipts - cash, checks, money orders, credit/debit card payments, Electronic Fund Transfers (EFTs) or other acceptable payment types.

Catalog of Federal Domestic Assistance (CFDA) Number - a five-digit number assigned in the awarding document to most grants and cooperative agreements funded by the federal government.

CCOERA – Colorado County Officials and Employees Retirement Association

Certificates of Participation – a financial instrument, a form of financing, used by governmental entities which allows an individual to buy a share of the lease revenue of an agreement made by these entities.

Chart of Accounts – a listing of the names and accounts that the County has identified and made available for recording transactions in its general ledger.

Collection Agency – an entity used by the organization to recover funds that are past due or accounts in default.

Conduit Debt – certain limited-obligation revenue bonds; certificates of participation; or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity.

Contract – any written legal document or documents signed by both parties in which terms and conditions are clearly stated.

Contractor – a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods may be for an organization's own use or for the use of the beneficiaries of the federal program.

County - means Garfield County, Colorado.

Debt Rating - a measure of the County's financial health and management practices. Favorable ratings usually result in lower debt costs and higher demand for debt issuances.

De Minimis – a prize or award that is not cash or cash equivalent, of nominal value, provided infrequently and excludable from an employee's wages.

Depreciation – an accounting method used to allocate the cost of an asset over its useful life.

Direct Cost – costs that can be specifically and readily identified with a particular project or activity.

Drawdown – the process of requesting and receiving payment against a grantor's line of credit for expenditures and/or services performed in support of one or more grant activities.

DUNS Number – a unique nine-digit identification number required to apply for U.S. federal government contracts or grants.

Early Release – the release of a payment (check, ACH or Wire) prior to BOCC approval.

EFT – Electronic Fund Transfer

Employee Compensation - the total amount an employee can expect to receive when working for an organization including payroll payments for hours worked, overtime and other special pay types.

Employees – this term refers to all County Employees including Elected Officials and Department Heads.

Financial Advisor - a professional financial consultant that works directly for the issuer and in the issuer's best interests.

Fiscal Agent – organization that acts on behalf of another party performing various financial duties.

Fraud – deliberate deception to secure unfair or unlawful gain including monetary gain or other benefits. An illegal act committed intentionally.

Fraud Reporting – reporting observed or suspected fraud, waste, abuse or irregular activities. The activities include improper transactions, such as suspected thefts, losses, embezzlements, misappropriations, or inappropriate action involving funds, equipment, supplies or other assets. Also included would be the falsification of records in furtherance of a fraudulent scheme.

Fund Balance – the difference between assets and liabilities.

> **Non-spendable fund balance** – Amounts cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.
>
> **Restricted fund balance** – Amounts are restricted by external parties (i.e. creditors, grantors, contributors) or laws or regulations of other governments, or restricted by law through constitutional provisions or enabling legislation, such as an ordinance.
>
> **Committed fund balance** – Amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority. The formal action must occur prior to the end of the reporting period. The amount, which will be subject to the constraint, may be determined in the subsequent period.

Assigned fund balance – Amounts constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent can be expressed by 1) the government body itself or 2) a body or official to whom the governing body has delegated the authority.

Unassigned fund balance – The total fund balance in the general fund in excess of non-spendable, restricted, committed, and assigned fund balance.

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

General Ledger – a complete record of all the County's financial transactions.

General Ledger Monthly Close – prevention of recording accounting entries in a prior period.

General Obligation Bonds – bonds secured by a promise to levy taxes in an amount necessary to pay debt service (principal and interest) coming due each fiscal year.

Government-wide Financial Statements – financial statements which incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities.

Grant – a legal instrument that documents the financial assistance in the form of money or property to an eligible recipient.

Grant Period – the span of time established in the grant agreement during which activities and expenditures are to occur.

Grantor – the external entity awarding a grant or cooperative agreement.

Great Colorado Payback – State of Colorado division responsible for reuniting Coloradans with their lost or forgotten assets.

Hard Close of Funds – The point at which all general ledger transactions are completed and posted to the funds (including auditor entries) preventing any New World System (NWS) users from posting to the prior fiscal year. This process is performed after the Comprehensive Annual Financial Report (CAFR) is presented to the Board of County Commissioners (BOCC).

Historical Cost - all costs required to place an asset in service.

HR – Human Resources Department

Impairment – an accounting principle that describes a sudden and permanent reduction in the value of an existing asset.

Incidental Expenses – minor expenditures associated with business travel that are an immaterial part of the travel costs that an employee might incur.

Indirect Costs - represents the expenses of doing business that are not readily identified with a particular grant, contract, project function, or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

In-Kind Contribution – the value of non-cash contributions provided by grantors or required of grant recipients.

Internal Controls – the procedures used to make sure that assets of the organization are protected and that its financial and accounting records are accurate and reliable. Accounting controls should be in place over all identified organizational areas and functions.

Invoice – a document that lists the goods purchased or services performed, and says how much money is owed.

Journal Entry – the logging of a transaction into accounting journal items consisting of debits and credits. The total of the debits must equal the total of the credits or the journal entry is said to be un-balanced.

Ledger Accounts – a complete record of the transactions recorded in an individual account.

LWOP – Leave Without Pay

Manual Payment – a check or wire payment issued outside of the regular scheduled accounts payable check run

Match Requirement – required cash contributions or value of in-kind contributions required of the grant recipient as a condition of receiving the grant.

Merchant Category Code (MCC) - These codes specify the type of business the vendor engages in (i.e. airlines, medical services, retail stores, restaurants, etc.).

Nominal – small in value, relative to the value of total compensation.

Officer – any department head or elected official of the County.

Operational Plan – a mechanism for scheduling the use of time and resources over the life of the grant.

Operating Expenditures – all non-capital or non-wage expenditures.

Overlapping Debt - financial obligations of one political jurisdiction that also falls partly on a nearby jurisdiction.

PAR – Personnel Action Request

Past Due – an amount for which payment has not been received by the payment due date.

Pay-as-you-go – the use of current financial resources to fund capital projects, including current revenues, fund balances, grants, and donations.

Pay-as-you-use – the issuance of various debt instruments to fund capital projects.

Payment Card Industry (PCI) Compliance – set of requirements intended to ensure that all organizations that process, store or transmit payment card information maintain a secure environment to protect the payment card information provided by cardholders.

Program Income – money that is earned or received by a recipient or subrecipient from the activities supported by grant award funds.

Project Life – the estimated useful life of a depreciable fixed asset for which the asset will be economically feasible for use in operations.

Proprietary Funds – funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.

Purchasing Card Administrator - A staff member in the Finance Department who administers the Purchasing Card Program.

Purchasing Card Reconciler - A staff member in each department/office who is responsible for accounting for all purchasing card transactions and working with the Finance department to properly report.

Reasonable Cost – a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Reasonableness - this term refers to the amount that would ordinarily be paid for like services by like organization in like circumstances. The *Reasonableness Test* includes:

> **Amount test** – focuses on the reasonableness of the total amount paid.
>
> **Purpose test** – examines the services for which compensation was paid.

Recipient – The agency/department to which a grant or cooperative agreement is awarded, and which is accountable for the use of the funds provided.

Reconciliations – comparisons of general ledger balances to subsidiary information to prove accuracy and completeness of transaction data.

Revenue Bonds – a pledge of the revenues generated by the debt-financed asset or by the operating system of which that asset is a part.

Refund – a reimbursement to a customer having a credit balance.

Refunding - the issuer refinances an outstanding bond issue by issuing new bonds.

Rental Vehicle - a vehicle used to conduct County business when a County vehicle or personal vehicle are unavailable, inadequate or unreliable. A rental vehicle may include a SUV, sedan, van or truck. Rental vehicles do not include scooters or bicycles.

Schedule of Expenditures of Federal Awards (SEFA) – a supplemental schedule to the financial statements that an organization is required to produce when it is subject to the single audit requirement.

Secure Storage – locked remittance locations with limited authorized access to keys/combinations/other security devices.

Single Audit – a rigorous, organization-wide audit or examination of an organization that expends more than $750,000 or more of federal assistance received for its operations.

Soft Close of Funds – the process of closing out Revenues and Expenses to Fund Balance (Equity) for a fiscal year.

Soft Close of Purchase Orders - the process to complete or carry forward current year Purchase Orders into the new fiscal year, according to the selected soft close method as well as create corresponding encumbrances, budget adjustments and/or expense entries in the General Ledger.

Spending Agency – County Department or Elected Office

Stale Dated Check – a check presented at the paying bank after a certain period (90 days) of its payment date.

STD – Short Term Disability

Subrecipient – a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program.

Subsidiary Ledger – separate accounting modules that transfer entries to the general ledger including payroll, accounts payable, accounts receivable, and cash receipts.

Supplanting – the use of federal funds which results in the decrease of local funds spent on a particular activity, which, in the absence of the federal funds, would have been available to conduct the activity. Federal grant funds may supplement (add to) but may not supplant (replace) existing County funds appropriated for the same purpose.

Supplemental Appropriation – increases or decreases the total revenues or expenditures of a fund.

Supply Inventory – supplies held for use in operations rather than for sale.

System for Award Management (SAM) – an official website of the U.S. government used to apply for federal contracts or grants.

TABOR – Taxpayer Bill of Rights

Taxpayer Identification Number (TIN) – an employer identification number (EIN), or a social security number (SSN), depending on the entity type that is registered with the IRS.

Underwriter - a conduit between the issuer and investor. They are ultimately working for the investor.

Unit – an appropriated revenue or expense line item within a Department or Elected Office.

Useful Life – the estimated life of an asset for financial reporting purposes.

Voucher – a written document that serves to confirm goods have been bought or services have been rendered, authorizes payment, and indicates the ledger account(s) in which the transaction is to be recorded.

W-9 Form – an Internal Revenue Service (IRS) form used to obtain a vendor's taxpayer identification number (TIN) and legal name.

Work Comp – Workers' Compensation (injury)

Write-Off - a transaction that removes an amount which management has determined to be uncollectible. Writing off the debt for accounting purposes does not discharge the debt. The debt is still owed to the County, but is no longer reported on the Agency's books as a receivable.

Yield Restriction - A general requirement under the Internal Revenue Code is that proceeds of tax-exempt bonds may not be used to make investments at a higher yield than the yield on the bonds. Various investment yield limitation conditions exist for different categories (e.g. construction, refunding, escrow, debt service, and reserve funds) of gross proceeds from a debt issuance.