

## Box Elder County Financial Policy

### I. Application

- A. This Policy and Procedures Statement shall be in effect until amended or discarded by a majority vote of the Box Elder County Commission in an open and public meeting.
- B. All County Employees, Elected Officials and other participants in the County's financial processes shall adhere to the policies and procedures herein.
- C. Exceptions to the policy may only be approved by the County Commission in an open and public meeting.

### II. Responsibilities

- A. It shall be the responsibility of the County Commission to provide general oversight of the implementation of this policy and to approve specific actions and documents as required by Utah State Law.
- B. It shall be the responsibility of the County Auditor to implement the policies and procedures contained herein, to insure adherence to State Law in all of the County's financial operations, and to provide help and guidance to Department Heads and others as they participate in the financial system.
- C. It shall be the responsibility of each Department Head and Elected Official to insure that the employees whom they supervise follow these policies and procedures, and to assume financial management responsibility of all County operations under their supervision.

### III. The Operating Budget

#### A. Policy

- i. The yearly Operating Budget is the primary financial management tool of the County.
- ii. The County Auditor shall provide monthly reports on all expenditures compared with the approved budget to departments and to the County Commission.
- iii. The County Auditor will give guidance and counsel to departments as needed.
- iv. Each Department Head and Elected Official is personally responsible for monitoring and administering all expenditures related to their individual budgets. Utah Code [17-36-21](#) states:

“No officer or employee of a county shall make any expenditure or encumbrance in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in excess of the total departmental appropriation is the ***personal obligation*** of the officer or employee and is unenforceable against the county.”  
(emphasis added)

- v. With consent of the County Auditor, any department may transfer any unexpended appropriation balance of one budget line to another, or exceed the appropriation of any one or more lines, as long as the total of all expenditures does not exceed the total department's budget. (see Utah Code 17-36-22)
- vi. Notwithstanding the guidelines in section III. A. v. above, no transfers from personnel lines (110-130), or from the Capital Projects line (741-00) can be made to other lines in the budget.

- vii. The yearly Operating Budget shall be prepared and managed in accordance with Utah State Law and good management practices.
- viii. The Box Elder County Operating Budget shall be prepared and administered in such a manner as to be easily understood and accessible to the citizens of Box Elder County.
- ix. The Preparation of the yearly Capital Improvement Program shall be considered an integral part of the preparation of the annual operating budget and a precursor to capital spending. Capital projects include major dollar purchases and long term assets such as vehicles, machinery, and improvements to or construction of buildings and facilities.
- x. Capital projects shall be individually identified in the budget preparation process and their costs included on line 741-00 in each department. Once the budget is approved, only those projects individually identified shall be permitted.
- xi. It shall be the policy of the County to prepare a balanced budget each year and to maintain sufficient fund balances for cash flow and emergency purposes.

B. Procedures

i. Schedule

1. During the first full week of August each year, the County Auditor shall distribute to each Elected Official and Department Head forms and related information for use in the submission of requests for the annual Capital Improvement Program.
2. During the last week of August, completed CIP requests shall be returned to the County Auditor for compilation and analysis.
3. During the first week of September each year, the County Auditor shall distribute to each Elected Official and Department Head forms and related information for use in the submission of requests for the annual operating budget.
4. Fully completed budget requests shall be returned to the County Auditor during the last week of September for compilation and analysis.
5. During the last week of September the County Auditor shall have completed preliminary revenue estimates for the following budget year.
6. During the first two weeks of October meetings will be held among the members of the County Commission, other Elected Officials and Department Heads, and the County Auditor for the purpose of discussing budget requests and attempting to reconcile budget requests with estimated revenues.
7. No later than October 31<sup>st</sup> and in a regular public County Commission meeting, the County Auditor shall present to the County Commission a balanced budget based upon the input generated from the budget meetings.
8. The County Commission shall accept and review the Auditor's proposed budget and shall amend it as they see fit. The Commission shall set a public hearing on the budget at the regular Commission meeting during the first week of December, and shall present their proposed revisions to the recommended budget at a regularly scheduled meeting prior to that hearing.
9. The County Commission shall make any revisions in the budget that they see fit after the public hearing and shall present and adopt the final budget during a regularly scheduled County Commission meeting before December 31 each year.
10. This schedule may vary in accordance with "Truth-in-Taxation" laws or any other State requirement.

ii. Budget Format

1. The County Auditor shall be responsible for the design of the operating budget document in accordance with State Law requiring specific budgetary information.

2. The County Auditor shall also be responsible for the design of CIP and budget request forms and summaries.
- iii. Budget Revisions
  1. Budget revisions shall be in accordance with Utah State Code. See Utah Code section 17-36-22 to 17-36-26.

#### IV. Purchasing

##### A. General Policy

- i. It is the policy of Box Elder County that purchasing activities engaged in by the County shall be in accordance with State Law and good management practices.
- ii. Box Elder County shall offer a vendor preference to any Box Elder County business if they offer the required commodities at a price no more than 2% higher than those outside of the County. The total additional cost to the County by using the local vendor shall not exceed \$500 for any one transaction.

##### B. Responsibilities

- i. The County Auditor shall be the manager of the purchasing system. Purchasing procedures shall be designed by the County Auditor in accordance with State Law and as approved by the County Commission.
- ii. Individual Department Heads and Elected Officials shall manage purchasing transactions for their areas of responsibility.
- iii. The County Commission shall set the purchasing policy and give general direction to the purchasing process. Commission Members shall also sign documents and authorize transactions as required by County Policy or State law.

##### C. Approved Methods of Purchase

###### i. Requests for Payment.

1. A Request for Payment is required for all purchases and expenditures before payment is made to a vendor or reimbursement to a county officer or employee.
2. Each Request for Payment will be inspected by at least two (2) individuals in the Auditor's office for appropriateness and adherence to this adopted policy and applicable Utah Code.
3. No payments will be made unless all applicable signatures are obtained and it is determined that the expenditures are appropriate and within the department's budget.
4. Expenditures may be made only for items authorized by the Box Elder County Commission in the yearly operating budget or in revisions thereto.
5. The County Auditor may authorize direct payments without a Request for Payment for ongoing commitments such as utility bills, bond payments, payroll related expenses, etc.
6. If a "Purchase Order" number is required by a vendor prior to the purchase of items or services, the department will prepare the Purchase Order and designate the purchase order number. The purchase order number should follow the format of Fund-Department-Number, i.e. 10-4141-01. The next purchase order for the same department would be 10-4141-02 and so on.
7. The County Auditor shall design and provide the Request for Payment form upon which a department head or other authorized individual shall request that payment be made to a vendor. The Request for Payment may be modified or changed by the County Auditor as necessary.

8. Original invoices or receipts shall in all cases accompany a Request for Payment.
9. The Request for Payment form shall provide space for information concerning the requesting department, the budget account to be charged, the item or items to be purchased, and the cost of individual items. Items or services purchased shall be explained by sufficient descriptive verbiage to make clear their rationale and use to the staff of the County Auditor and the members of the County Commission. Part numbers or invoice numbers alone, for example, shall not be sufficient. A total for the Request for Payment shall also be included.
10. The department purchasing the item or service must provide vendor information requested by the Auditor's Office (typically a W-9 form and telephone number) for any new vendor so that necessary payment information is complete.
11. The department head or an authorized designee must sign each Request for Payment for his or her respective department.
12. A member of the Auditor's office staff will also initial the request after a review for appropriateness.
13. All Requests for Payment over \$ 15,000 must also have the signature of the County Auditor.

D. The Use of Quotes.

- i. Obtaining quotes for items or services is designed to help Box Elder County spend the least amount of money for the best quality item that will accomplish the desired job or service. This procedure also allows departments to expand their knowledge of available goods and services presently on the market.
- ii. Obtaining quotes for items or services over \$2,000 is encouraged.
  1. Quotes may be verbal but should be documented
  2. If quotes are obtained, the documentation for the quotes should be attached to the Request for Payment when delivered to the Auditor's Office.
- iii. Advertised bids are required for:
  1. Construction or repair of public buildings over \$45,000
  2. Road Projects over \$140,000
  3. Public Works projects over \$140,000
  4. Design-Build Projects over \$250,000
- iv. Bidding.
  1. Box Elder County bidding procedures shall be in accordance with Utah State Law.
  2. Departments are to check with the Auditor's office for all projects over \$45,000 as this is the threshold where Utah Code may begin to take affect on the bidding process.
  3. A bidding preference may be granted to a local (Box Elder County) vendor if the local vendor's bid is not more than 2% (\$500 maximum) of the low bid.
- v. County Credit Cards.
  1. County Credit Cards shall be allowed as necessary for the most efficient and cost-effective management of the County. Department Heads may propose the use of credit cards for any employee or office, but all credit card approvals shall be made by a majority vote of the County Commission in an open public meeting.

2. County Credit Cards shall only be used for County Business. Use of a card for private use, even if reimbursed, shall be cause for immediate removal of credit card privileges from the employee and/or office.
  3. No credit card shall have a spending limit greater than \$4,000, with the exception of the Emergency Services Director, who shall have a limit no greater than \$10,000. Credit cards used only for vehicle fuel, office supplies or other small normal purchases shall have a spending limit that does not exceed \$1,000.
  4. Users of a credit card shall be responsible to see that all invoices, explanations and receipts are given to the Auditor's Office at least monthly and in a timely fashion so that the credit card bills may be paid on time.
  5. Departments shall be responsible to audit the credit card invoices and eliminate any discrepancy with the credit card company before the invoices are given to the Auditor's Office.
  6. Departments are responsible to see that the County Auditor has a complete and up-to-date list of all credit card numbers, users, limits and expiration dates at all times.
  7. Disregard of the rules of usage for credit cards by any department or employee shall be grounds for loss of credit card privileges, as determined by the County Auditor. Loss of credit card privileges may be appealed to the County Commission for any reason other than the use of a County Credit Card for personal reasons.
- vi. Personal Reimbursement
1. An employee or other County worker may be reimbursed for expenses related to his or her responsibilities with Box Elder County when the department head approves such expenditures in advance.
  2. All employee requests for reimbursement will be prepared on a Request for Payment form and be accompanied by original receipts for the expenditures together with a detailed and itemized explanation for each expenditure.
- vii. Gas Cards
1. Gas (credit) Cards shall be issued to employees having a need, as authorized specifically by the County Commission.
  2. One individual authorized by the County Commission shall analyze monthly gas card invoices and prepare a Request for Payment detailing the charges to individual departments.
  3. Such Gas Cards shall only be used for County business. No personal charges shall be made on County Gas Cards.
  4. Misuse of Gas Cards shall be grounds for the County Commission to discontinue their use for any individual or other disciplinary action.
- viii. Travel and Reimbursement.
1. Elected Official and Employee travel shall be governed by a policy approved by the County Commission.
  2. The implementation of that policy shall be subject to the following caveats:
    - a. Registration Fees, airfare and any other travel expenses for any conference or class shall be paid in advance whenever possible, with a check made out to the vendor.
    - b. No payments shall be made using county checks or credit cards on behalf of non-county employees (such as spouses), whether reimbursed to the

county or not. All non-county expenses shall be paid for with personal funds at the time of purchase.

- c. When an advanced payment with a check is impossible, a county credit card may be used.
- d. Travel and meal expenses shall be reimbursed upon receipt of a Request for Payment with the proper invoices and receipts attached. The County Commission may set limits on individual reimbursements, such as a limit per meal, a limit per day, etc.
- e. Reimbursement for mileage shall be based upon the current IRS rate and is calculated as the distance from the employee's normal place of work to the travel destination and back.

ix. Petty Cash Funds.

1. The use of petty cash funds for purchases shall be discouraged. However, the County Commission may approve petty cash funds and the maximum amounts thereof as deemed appropriate.
2. The County Auditor or staff shall audit each approved petty cash fund monthly.
3. Requests for petty cash reimbursement shall be made on the Payment Request Form with all accompanying receipts and signatures as required.
4. Petty cash funds shall only be used for County business-related expenses. There shall be no use of petty cash funds for private expenditures, whether reimbursed or not.

x. Unauthorized Methods.

1. The following shall be considered to be unauthorized methods or practices of purchasing for Box Elder County, and if used shall not be considered a valid commitment of the County.
  - a. No purchase or monetary commitment shall be made in excess of the authorized operating budget for any department or division of the County.
    - i. This policy may be temporarily set aside by majority vote of the County Commission in time of declared emergency.
    - ii. This policy may be temporarily set aside by a majority vote of the County Commission in expectation of yearly revenue in excess of budget estimates prior to a formal revision of the budget.
  - b. No purchase, hire or monetary commitment shall be made in contravention to the nepotism laws of the State of Utah.
  - c. County employees or other individuals, including volunteers, not specifically authorized to do so by the County Commission, shall make no purchase or monetary commitment in behalf of the County.