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RESOLUTION 2011/10-45
A RESOLUTION ADOPTING AN INTERNAL FINANCIAL CONTROL POLICY &
CREDIT CARD POLICY

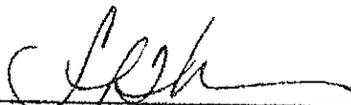
RESOLVED, by the Board of Commissioners that the attached Internal Financial Control Policy & Credit Card Policy is hereby approved.

PASSED AND ADOPTED by the Board of Commissioners of Lakeland, Tennessee on this 06th day of October, 2011, public welfare requiring it.



Vice-Mayor

ATTEST:



Sontidra L. Thomas, CMC
City Recorder

COPY

**CITY OF LAKELAND, TENNESSEE
INTERNAL FINANCIAL CONTROLS POLICY**

INTRODUCTION

The City of Lakeland has adopted and implemented this Internal Financial Controls Policy to safeguard public funds and to provide clear instructions to City officers and employees as to how such funds should be processed and recorded. All city officers and employees handling city funds shall be subject to the requirements of this policy. This Policy may be amended from time to time by the Board of Commissioners.

RECEIPTS & DEPOSITS OF FUNDS

The City Manager shall designate in writing the positions or persons who shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. This employee should also prepare a list of checks or payments and calculate the total amount of all money/checks received. In addition, any checks received without payment stubs, shall be receipted in duplicate. The list of payments received shall be signed by this employee and remitted along with the money/checks, stubs and receipts to a separate person designated by the City Manager for processing.

All cash payments should be received by a person or persons designated in writing by the City Manager who shall be responsible for preparing a written receipt and duplicate for all such funds. All cash and duplicate receipts should be transmitted to the designated person not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Any time custody of money changes from one employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks or other payments must be posted to the City's cash receipts journal. The person or persons designated by the City Manager shall be responsible for making deposits and all collections must be deposited no later than three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports.

CHECK WRITING & DISBURSEMENTS

All persons with authority to write and sign checks on the behalf of the City of Lakeland shall be approved by the City Manger. The person who is responsible for reconciling the bank statements shall not be authorized to sign checks.

Two (2) authorized signatures are required for all checks. Before signing checks, each signatory should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All debit/credit card statements should be reviewed by multiple persons as designated by the City Manager, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges.

**CITY OF LAKELAND, TENNESSEE
INTERNAL FINANCIAL CONTROLS POLICY**

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All persons using City or city debit/credit cards shall be specifically authorized to do so in writing by the City Manager and shall comply with the City of Lakeland's credit card use policy. Personnel authorized to use a credit card other than a gas credit card shall be authorized in writing by the City Manager, with the authorized use specifically designated.

PETTY CASH

Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher/request, showing the items purchased, and signed by the person receiving the cash, is required in each transaction at the time the petty cash is withdrawn. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the originally authorized amount.

The City Manager or designee shall be responsible for monitoring the petty cash account and shall "audit" the petty cash account for any discrepancies at least once a week. This employee shall not make any withdrawals from petty cash.

The petty cash account may be used only for withdrawals of less than \$40.00 and the total account balance shall not exceed \$200.00.

CITY OF LAKELAND, TENNESSEE
CREDIT CARD POLICY

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INTRODUCTION - GENERAL

The City of Lakeland has adopted and implemented a Credit Card Policy to safeguard public funds and to provide clear instructions to City officers and employees that have been formally authorized to use City credit/debit cards.

All city officers and employees using city/town credit/debit cards must be specifically authorized in writing by the City Manager and shall be subject to the requirements of this policy. For the purposes of this policy, all authorized officers and employees shall be referred to as "cardholders."

As a cardholder, you assume the responsibility for the protection and proper use of the card. Purchases with city credit cards must not conflict with the City of Lakeland's Purchasing Policy.

The card should only be used by the authorized individual whose name appears on the card and use of the card shall not be delegated to other persons. Cardholders are responsible for all charges on the cards authorized to them. Cards and card number must be safeguarded against unauthorized use.

All credit card transactions will be visible via secure internet reporting tools and all cardholders' purchasing activity will be monitored by the finance department and reviewed by the City auditors.

Credit cards are not intended to be used for normal, recurring expenses associated with normal department operations. Business accounts should be set up for recurring activities. Receipts for all purchases by credit card shall be forwarded to the person designated by the City Manager. The designated person is the City Recorder, Sontidra Thomas.

It is the goal of the City of Lakeland to have all transactions sales tax exempt, when applicable. It is the cardholder's responsibility to notify the supplier, at the time of the transaction, if it will be exempt from sales tax.

The following situations are examples of misuse of the card:

- Purchases for personal benefit of the cardholder or another employee
- Assignment or transfer of an individual card to another person
- Use of the card by an unauthorized employee
- Use of a card by a suspended or terminated employee
- Purchases that are not for legitimate City and public purposes
- Purchases in violation of the City Purchasing Policy
- Splitting a purchase to avoid a single-purchase limitation
- Use of the card for commodities, goods, or services at vendors with City accounts
- Lack of proper and timely submission of all purchase receipts

Any violations of this policy may subject to the employee to discipline, including termination.

CITY OF LAKE LAND, TENNESSEE
CREDIT CARD POLICY

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CREDIT CARD AUDITS & DOCUMENTATION OF PURCHASES

The City of Lakeland's City Manager, auditor and/or State auditors will make periodic audits to verify that commodities, goods, and services purchased have been received and that policies and procedures are being followed. Adequate documentation must be maintained to record all transactions at the source. If a receipt is lost, a missing receipt affidavit must be filled out by the cardholder.

DISPUTING A TRANSACTION

If you as a cardholder believe a transaction is disputable, first contact the merchant to attempt resolution before beginning the official dispute process. Also, immediately notify your department head and the Finance Director of the disputed charge. In most cases, the merchant will credit (chargeback) your account and handle your needs in a professional manner.

If the dispute is not resolved, the standard regulations outlined by the credit card company will be instituted immediately. You agree to cooperate fully in dealing with the credit card company for all disputed purchases.

CARDHOLDER RESPONSIBILITY & PURCHASING GUIDELINES

It is important to remember that when using the card, you are expending taxpayer funds and that all credit card purchases must comply with City policies, including this policy, the Purchasing Policy and the Internal Financial Controls Policy. Your expenditures are held to the highest degree of trust and accountability.

Cardholder privileges and procedures are contingent upon the following:

1. You must obtain and preserve ALL receipts. Turn in all receipts regularly on the same or next business day so it may be compared with your credit card statement. Failure to produce adequate legible receipts will be subject to strict scrutiny by the finance department and City auditors.

Proper forms of transaction documentation include an invoice with detail of items purchased, cash register receipt with detail of items purchased, sales slip with detail of items purchased, or handwritten receipt signed by an employee of the supplier/merchant that includes detail of items purchased. In the event a receipt is lost, you must submit a "missing receipt affidavit" in lieu of the receipt.

- If a cardholder fails to turn in a receipt, he/she must sign the document set forth in the Financial Policy. Multiple failures to provide receipts may result in cancellation of the card and other disciplinary action.
- Cash back, cash refunds or rebates may not be received by the cardholder.
- Splitting of transaction is not allowable (making one purchase into two or more for the purpose of staying within your limits).