

Updates to Purchasing Policy

Purchasing Policies

- a. The City will follow state laws, adopted resolutions, ordinances and policies regarding procurement.
- b. The Director of Finance shall develop detailed procedures for purchasing, credit card usage, petty cash, expenditure authorization and/or contract management activities.
- c. Federal Funds or Grants: When procurement involves the expenditure of federal, state or county government, or private, funds or grants, the purchase shall be conducted in accordance with any applicable federal/grant laws or regulations and must be approved by the Director of Finance and the City Manager or their designee. When purchasing items to be funded by others or reimbursed by a grant, the purchaser will perform the due diligence required to ensure that the purchase meets the criteria of the specific grant prior to initiating the purchase and requesting a release of City funds for the purchase.
- d. Emergency Procurement: The City Manager or designee may make or authorize others to make emergency procurements of materials, supplies or equipment or services when a threat to public health, welfare or safety exists. State laws relating to emergency declaration and emergency purchases will be followed.

Responsibilities of Accounts Payable

- a. Accounts Payable shall make sure that all supporting documentation is attached to any payment request and that the original documentation is retained. Before the Auditing Officer's review, Accounts Payable shall make sure that all appropriate accompanying material is included for each bill, verify the math relating to the bill is correct, check for double payment and make sure that a responsible department head has stamped and signed the request for payment.
- b. Invoices will be reviewed by Accounts Payable to help prevent any wrongful or double payment. All claims and supporting documentation must be organized by Accounts Payable to allow for easy identification and retrieval.
- c. In order to review all claims against the City, Accounts Payable shall compile a list of the bills for the month that will be presented to the Audit Officer and the City Council for their approval.

- d. To be included on the list for payment, the claim, with all appropriate documentation, shall be presented as early as possible to Accounts Payable but no later than the last business day of the prior month before the regularly scheduled City Council meeting on the second Monday of the month.

Management's Review & Certification

- a. All claims against the City will be reviewed, pre-audited and certified by the Finance Director or the City Manager prior to their payment. The Finance Manager and the City Manager shall act as the City's Auditing Officer and shall be appropriately bonded as provided in RCW 42.24.180.
- b. The Audit Officer shall review and certify the need for these claims prior to presenting these claims to the City Council. No claim shall be paid without such authentication and certification by the Audit Officer.
- c. Prior to the payment of any claim, the Audit Officer shall clearly indicate the specific claims and payroll checks certified for payment on an approval list.
- d. The certification must be signed and dated by the Audit Officer and must include the following language:

"The undersigned does hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the City of Medina, and that I am authorized to authenticate and certify to said claim."

Payment of Claims

After the review and certification of a claim by the Audit Officer, a claim may be paid. Even though the claim was paid, the City Council has the responsibility to review and approve each claim and ensure that the system of auditing and certifying claims is operating in a manner that provides the greatest possible protection to the City.

City Council Review & Approval

The City Council shall review and approve the claims paid at its next regularly scheduled public meeting. To indicate the Council's approval for payment of claims and payroll, the following shall be entered into the minutes of the meeting:

"Claims audited and certified by the City's Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing which has been made available to the Council.

As of this date, (DATE), the Council does approve for payment those claims included in the above-mentioned list and further described as follows:

Claim Checks # _____ through # _____ in the total amount of \$ _____.
Payroll Checks # _____ through # _____ in the total amount of \$ _____.
Voided Check numbers and record of deposit documents shall also be noted on this report.”

Claim Disapproval

If the Council disapproves a claim or claims, the City Manager and Finance Director must recognize these claims as receivables of the city and pursue collection diligently until the amounts are either collected or the Council is satisfied and approves the claims.

Check Guarantors

Operational claims checks require two signatures and can be signed and paid after certification by the Auditing Officer of the city. A list of checks from this account, clearly showing the claims for that month, will be made part of the monthly Council approval list even though these checks could have already been distributed. Periodically it will also be necessary for the city to either authorize a deposit or withdrawal to take place relative to this account.

The following people shall have authority to be the signatories on this account:

Primary Signature: Stephen Burns – City Manager
Primary Signature: Ryan Wagner – Finance Director

Secondary Signature: Aimee Kellerman – City Clerk
Secondary Signature: Jeffery Sass – Chief of Police

EFT (Electronic Fund Transfer) CONTROL PROCEDURES

To promote the safety of City funds in the electronic funds transfer environment, the following procedures will be adhered to:

1. The procedure to initiate, approve, and record an EFT payment is subject to the same financial policies, procedures, and controls that govern disbursements made by any other means.

- Review of transfer by Finance Director or her/his designee who will not be entering or initiating the transfer.
- Two approval signatures from authorized check signers.
- Reconciliation of bank activity to the General Ledger will be performed in a timely manner with all exceptions resolved.

2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices.

3. All EFT payments should be initiated by secure computer-based systems:

- US Bank SinglePoint (designated administrator, dual control & time-limited token generated PIN)
- Known payroll benefit providers' portals, such as IRS, AWC, DRS.
- Reoccurring payments through vendor portals, for utilities and Voyager (Through US Bank)

4. The City Finance Director shall serve as primary administrator to manage and control access to the systems used to process EFT transactions. The administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards. In addition, the administrator shall ensure approval and maintenance of user system IDs, user permissions, including authorized representatives and their associated transfer limits. The City Manager has authority serve as back up administrator.

5. Because EFT transfers between City bank accounts have reduced risk, the Finance Office may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although the risks are minimal for transfers between City accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.

6. EFT payments are limited to transfers between City bank accounts, employee expense reimbursement, payroll and payroll benefits, and a limited list of approved vendors.

7. Employees must submit hard copy of completed Direct Deposit Agreement Form to the Finance Director. No electronic signatures will be accepted. Any change to banking information will require a newly completed form. Employee signatures will be verified against signature on file. If an employee submits a change request without enough time for authorization prior to payroll, payment will be made by check until such time as the information can be verified.