



City of Meridian
Standard Operating Policy
Number 9.1

Accounts Payable Policy

Purpose:

To set forth the City's policy regarding Accounts Receivable

Policy:

1. To set forth the City's policy to maintain control over the disbursement of its funds by requiring proper approval and consistent application of procedures for all disbursements.
2. To set forth the City's policy that seeks to promote fiscal control, timely and accurate disbursement of funds for external purchases and employee reimbursements; and compliance with state and federal regulations.

Authority & Responsibility:

1. Finance department shall be the only department to disburse payment via check, cash/coin, wire transfer, or [automatic clearing house](#).
2. Finance department shall be responsible for monitoring Accounts Payable to ensure vendor accounts are current and all outstanding payments due are regularly reviewed to prevent violation of terms and conditions along with the prevention of late fees.
3. City Controller is responsible for developing proper internal controls and segregation of duties relating to all processes relating to Accounts Payable functions.
4. Finance department is responsible for maintaining a list of [Department Approved Signers](#).
5. Department Directors are responsible for the approval of all payments for their respective departments.



City of Meridian
Standard Operating Policy
Number 9.2

Accounts Receivable Policy

Purpose:

To set forth the City's policy regarding Accounts Receivable

Policy:

1. To set forth the City's policy to ensure that an adequate system of internal controls and responsibilities over the management and collection of accounts receivable invoice procedures is maintained.

Authority & Responsibility:

1. Department Directors shall be responsible to ensure that all Accounts Receivable invoices issued by their respective departments are for legitimate business purposes and within budgetary guidelines.
2. Department Directors are responsible for enforcing proper internal controls on the establishment of Accounts Receivable invoices to customers.
3. Departments are responsible for contacting the Finance department with write-off requests



City of Meridian
Standard Operating Policy
Number 9.3

Business Credit Account Policy

Purpose:

To set forth the City's policy regarding Business Credit Account

Policy:

1. To set forth the City's policy regarding the appropriate use of Business Credit Accounts associated with City vendors.

Authority & Responsibility:

1. Purchasing Manager is responsible for creating any Business Credit Account.
2. Department Directors are responsible to ensure that employee use of Business Credit Accounts is for authorized business purposes only.
3. City employee, City volunteer, or City commissioner found to have inappropriately used Business Credit Accounts will be required to reimburse the City for all costs associated with the improper use through payroll deductions or other payment means.
4. City employee, City volunteer, or City commissioner are responsible for the understanding and knowledge of the Business Credit Account policy.
5. City employee, City volunteer, or City commissioner are responsible for submitting an itemized receipt for all transactions.
6. Department Directors shall be responsible to ensure that all purchases on Business Credit Accounts are for legitimate business purposes and within budgetary guidelines.
7. Department Directors shall establish Business Credit Account procedures for their respective departments.



City of Meridian
Standard Operating Policy
Number 9.4

Capital Improvement Management Policy

Purpose:

To set forth the City's policy regarding Capital Improvement Management

Policy:

1. To set forth the City's policy regarding the development and planning for capital improvements.
2. To provide guidance on what is required by the City of its departments for the annual development of the Capital Improvement Plan (CIP).

Authority & Responsibility:

1. Finance department will be responsible for facilitating the annual development of the CIP and CFP.
2. Finance department will be responsible for delivering all necessary supporting documents and communications to City departments for the development of the annual CIP and CFP.
3. Departments will be responsible for developing and submitting 10 years of capital improvement requests to Finance for inclusion into the annual CIP/CFP.
4. Mayor will be responsible for approving the annual CIP and CFP as submitted by the Finance department.
5. Council will be responsible for receiving the annual CIP and CFP as submitted by the Mayor.



City of Meridian
Standard Operating Policy
Number 9.5

Credit Card Policy

Purpose:

To set forth the City's policy regarding Credit Card

Policy:

1. To set forth the City's policy regarding the appropriate use of City-issued credit cards.

Authority & Responsibility:

1. City Deputy Director/Controller (or designee) is responsible for issuing credit cards to employees.
2. Employees issued a City credit card must acknowledge that they received and reviewed the Credit Card Policy.
3. Department Directors are responsible for the approval of credit card assignments for their respective departments.
4. Employees are responsible for the use of City issued credit cards as related to:
 - a. The safety and security of City issued credit cards.
 - b. The privacy of information related to City issued credit cards.
 - c. The management of all credit card itemized receipts associated to their City issued credit card.
 - d. The understanding and knowledge of the credit card policy.
5. Employees are responsible to inform the City Deputy Director/Controller (or designee) of lost or stolen City issued credit cards immediately.
6. Employees found to have inappropriately used City issued credit cards will be required to reimburse the City for all costs associated with the improper use immediately.
7. Department Directors shall be responsible to ensure that all purchases with City credit cards are for legitimate business purposes and within budgetary guidelines.



City of Meridian
Standard Operating Policy
Number 9.6

Financial Reporting and Accounting Policy

Purpose:

To set forth the City's policy regarding Financial Reporting and Accounting

Policy:

1. To set forth the City's policy regarding the conformity to Local, State, and Federal regulations as it pertains to the management of the Financial Reporting and Accounting.
2. To set forth the guidance pertaining to the financial reporting and accounting that will be used to inform the Mayor, Council, departments, Citizens, and Community Partners of the financial condition of the various City funds.

Authority & Responsibility:

1. Finance department, in cooperation of the IT department, will be responsible for financial system software updates and maintenance.
 - a. Applies only to the official financial record system that is managed by the Finance department.
 - i. All other software systems that may have financial information will be the responsibility of the managing department.
 1. Examples: TrueBill, Accela, ParksRec1
2. Finance department will be responsible for all official Financial Reporting to the Mayor, Council, departments, Citizens, and Community Partners.
3. Finance department will conform to all GAAP, GASB, AICPA, and GFOA regulations when developing official financial reports.
4. Finance department will conform to all GAAP, GASB, AICPA, and GFOA regulations when managing all financial entries into the City's financial system.
5. IT department will be responsible for managing all data security controls for all software programs managing financial data.



City of Meridian
Standard Operating Policy
Number 9.7

Fixed Asset Policy

Purpose:

To set forth the City's policy regarding Fixed Assets

Policy:

1. To set forth the City's policy regarding uniform guidelines for the accounting of property owned by the City of Meridian.

Authority & Responsibility:

1. City employees' have a personal responsibility to track and safeguard City owned property in their possession.
2. Departments are responsible for tracking and locating tangible & [intangible](#) property purchased by their department or donated to the City.
3. Departments are responsible for reporting all lost or stolen property to the department Director and City Controller immediately.
4. Finance department is responsible for writing and maintaining procedures, designing forms, updating the asset/ inventory system, training departmental personnel, scheduling inventories, and authorizing disposals.
5. City employees, including their spouses, dependents, or any other person acting on the employee's behalf, are prohibited from acquiring surplus property from the City unless acquired through an advertised competitive bid process.



City of Meridian
Standard Operating Policy
Number 9.8

Grant Management Policy

Purpose:

To set forth the City's policy regarding Grant Management

Policy:

1. To set forth the City's policy regarding Grant Management.
2. To provide guidance to City staff that seek out federal, state, and other grants that address the City's priorities and policy objectives while ensuring positive benefit to the City.
3. To provide guidance to City staff on the management of information required by grants.

Authority & Responsibility:

1. Finance department will be responsible for all official financial reporting of grant information to federal, state, and other granting agencies.
2. Mayor and Council President are the only authorized individuals of the City to sign grant agreements/contracts.
 - a. Department Directors are authorized to sign grant applications.
3. Finance department is responsible for developing all financial reporting procedures associated with grant management.
4. Departments are responsible for establishing processes associated with grant administration for their respective grants.
 - a. Departments are responsible for monitoring all sub-recipients for their respective grants.
 - b. Departments are responsible for updating the Finance department on all grant administration concerns.
 - c. Departments are responsible for all program/performance reporting associated to grants.
5. Grant Committee is responsible for reviewing, approving, and denying all grant applications over the value of \$25,000 annually and/or will be in place three years or more.
 - a. Finance department is responsible for establishing and maintaining committee members.
 - b. Departments are responsible for submitting all grant applications with supporting documentation to the Grant Committee administrator before final submission of the grant application to the granting agency.
 - c. Mayor has the authority to overrule a decision submitted by the Grant Committee on all grants reviewed by the Grant Committee.



City of Meridian
Standard Operating Policy
Number 9.9

Internal Control Policy

Purpose:

To set forth the City's policy regarding Internal Control

Policy:

1. To set forth the City's policy regarding internal controls to provide reasonable assurance and to safeguard the City's assets.
2. To establish the requirements of each department and their responsibilities with the safeguarding of the City's assets and the establishment of internal controls.

Authority & Responsibility:

0. Department Directors are responsible to document procedures that will include reasonable internal controls.
1. Department Directors are responsible for implementing reasonable internal controls for all procedures involving financial/monetary transactions.
2. Finance department shall be responsible for establishing and maintaining an internal control environment designed to protect the City from loss of public funds due to fraud, error, or actions inconsistent with the requirements of the laws.
3. Mayor is responsible for ensuring all Department Directors are held accountable for their respective departments.
 - a. Departments are responsible for updating the Finance department on all grant administration concerns.
 - b. Departments are responsible for all program/performance reporting associated to grants.
4. Grant Committee is responsible for reviewing, approving, and denying all grant applications over the value of \$25,000 annually and/or will be in place three years or more.
 - a. Finance department is responsible for establishing and maintaining committee members.
 - b. Departments are responsible for submitting all grant applications with supporting documentation to the Grant Committee administrator before final submission of the grant application to the granting agency.
 - c. Mayor has the authority to overrule a decision submitted by the Grant Committee on all grants reviewed by the Grant Committee.



City of Meridian
Standard Operating Policy
Number 9.10

Inventory Policy

Purpose:

To set forth the City's policy regarding Inventory

Policy:

1. To set forth the City's policy regarding the tracking, identification, and accountability of all City owned furnishings and movable inventory having a minimum cost of \$500 each and a life expectancy of over two years.
 - a. Departments shall have the right to track, identify, and hold accountable any inventory they deem necessary.

Authority & Responsibility:

1. City employees' have a personal responsibility to track and safeguard City owned property in their possession.
 - a. IT Department will be responsible for the tracking of all computer related inventory.
2. Departments are responsible for tracking inventory purchased by their department or donated to the City.
 - a. Department Directors (or designee) shall be administratively responsible for the inventory assigned to their department.
3. Finance department is responsible for writing and maintaining procedures, designing forms, updating the inventory system, training departmental personnel, scheduling inventories, and authorizing disposals.
4. City Controller will establish periodic inventory counts.
5. Stolen or lost inventory must be immediately reported to the department Director and City Controller.
6. City Controller (or designee) will be responsible for maintaining, distribution, and ordering of asset tags.



City of Meridian
Standard Operating Policy
Number 9.11

Legal Tender Handling Policy

Purpose:

To set forth the City's policy regarding Legal Tender Handling

Policy:

1. To set forth the City's policy regarding the collection, receipting, disbursement, and control of legal tender received by the City to provide reasonable internal control for the safeguarding of the City's assets.
2. This policy shall govern all transactions involving the collection, receipting, disbursement, or acceptance of legal tender, which is defined as United States currency, coins, checks, money orders, cashier's checks, credit and debit cards, or any other payment media declared by the United States Federal Government to be legal tender.

Authority & Responsibility:

1. Employees who handle legal tender must acknowledge that they received and reviewed the Legal Tender Handling Policy.
2. City Controller has the authority to audit all legal tender at any time.
3. City Controller has the authority to restrict access to department petty cash boxes at any time.
 - a. City Controller must inform the department director of any restrictive actions.
4. Department Directors must establish sound internal controls for the management and processing of legal tender.
5. Department Directors must reconcile all petty cash boxes on the last day of any employee termination that accessed the departments petty cash box.
 - a. City Controller (or Finance designee) must assist the department with the audit of the petty cash box.
6. City Controller is responsible for establishing sound internal controls for the audit, management, and funding of department petty cash boxes.
 - a. City Controller must audit department petty cash boxes at least once during a fiscal year in addition to the annual year-end audit.
7. Finance department is responsible for writing and maintaining procedures, designing forms, training departmental personnel, and authorizing reconciliations/audits.



City of Meridian
Standard Operating Policy
Number 9.12

Purchasing Policy

Purpose:

To set forth the City's policy regarding Legal Tender Handling

Policy:

1. To set forth the City's policy regarding a centralized procurement system for the City, the purpose of which is to establish the rules and processes for procurements within the City, based on State code.
 - a. Commodities and services purchased in the public sector represent a direct cost to the citizens and taxpayer.
 - b. Every purchase that City employees make is subject to public scrutiny. Ethics, Impartiality, Accountability, Professionalism, Service and Transparency are the values and guiding principles of public purchasing.
 - c. The rules, processes and regulations contained in this policy were developed to encourage competitive solicitations, promote transparency, guard against collusion and comply with State Statutes.
 - d. This Procurement Policy outlines the requirements for purchasing all goods and services.
 - e. The policy addresses a variety of topics which include; Categories, Methods, Authority, Ethics, Appeals, and Payments.

Authority & Responsibility:

1. City Procurement Manager is responsible for establishing all procurement policies
2. City department directors are responsible for establishing all procurement procedures for their departments
3. Procurement Manager is responsible for approving the City Purchasing Policy
4. City Procurement Manager is responsible for updating the purchasing policy annually



City of Meridian
Standard Operating Policy
Number 9.13

Revenue Management Policy

Purpose:

To set forth the City's policy regarding Revenue Management

Policy:

1. To set forth the City's policy regarding the management of revenue sources.
2. To provide guidance for the City to strive for optimum characteristics in its diversified revenue sources.

Authority & Responsibility:

1. City Council will be responsible for approving all revenue sources submitted by the Chief Financial Officer/City Treasurer.
2. Chief Financial Officer/City Treasurer will be responsible for reviewing and approving all revenue sources prior to submitting to City Council.
3. Chief Financial Officer/City Treasurer will be responsible for establishing long-term revenue forecasting for all revenue sources.
4. Department Directors are responsible for notifying the Chief Financial Officer/City Treasurer of all revenue changes for their respective departments.



City of Meridian
Standard Operating Policy
Number 9.14

User Fees and Charges Development Policy

Purpose:

To set forth the City's policy regarding User Fees and Charges Development

Policy:

1. To set forth the City's policy regarding the development and management of User Fees and Charges.
2. To provide guidance for the overall approach for the City to impose User Fees and Charges to citizens, development community, commercial businesses, and other community partners.
3. To determine the full cost of providing specific services so that the City Council can make informed decisions as to the appropriate levels of fees for services that may be imposed and to avoid providing unwanted subsidies.

Authority & Responsibility:

1. City Council is responsible for approving all User Fees and Charges.
2. No City employee may assess fees and charges that have not been previously approved by City Council.
3. Every service supported by User Fees and/or Charges will be analyzed on a regular basis by the Finance department to determine the net cost of providing the service.
4. Legal department will be responsible for the verifying the legality of all fees.
5. User Fees and charges will be established for the sole purpose to offset the expenses supporting the calculation of the fee or charge.
 - a. No fees or charges will be collected for other purposes or comingled with other fees or charges to offset other expenses.
6. Departments responsible for User Fees and Charges must inform the Finance department of any changes prior to submission to City Council.
7. Finance department will be responsible for developing and maintaining all Cost Recovery Methods.
8. Finance department will be responsible for identifying all City activities/programs annually and to assign them to a Cost Recovery Method.



City of Meridian
Standard Operating Procedure
Number 9.1

Accounts Payable

Purpose:

To set forth the City's procedures regarding the Accounts Payable Procedure

Procedures and Related Information:

1. All amounts owed by the City to its vendors will be paid net 30 based on the receipt of all goods or services, receipt of invoice from vendor, and receipt of tax release (if necessary).
 - a. Any agreements or contracts established before October 2019 are not subject to the net 30 requirement.
2. All invoices should be processed by the departments to Finance for payment within 15 days of receipt.
3. Prior to disbursement of funds the Finance department requires all payment requests to be approved by Mayor, Department Director, or authorized designee.
4. **Vendors**
 - a. All [vendors](#) must have an approved and signed W-9 on record prior to any payment.
 - i. Any vendor without an approved and signed W-9 on record will not receive payment until proper W-9 is received.
 - b. Payments for goods and services are made payable only to the provider of those goods or services (or to a contractually named agent).
5. **Approvals**
 - a. The Mayor, Department Director, or authorized designee approval assures the following conditions have been met:
 - i. The payment request (invoice, check request, receipt, etc.) must be for goods or services that are a valid business purpose.
 - ii. Goods or services must have been procured in accordance with the City [Purchasing Policy](#).
 - iii. Goods or services have been received to the satisfaction of the requester.
 - iv. The amount to pay reflects the negotiated amount per the purchase order, contract/agreement or verbal agreement.
6. **Disbursements**
 - a. All disbursements must meet State and Federal requirements regarding [Accounts Payable](#).
 - b. Finance department will normally issue Accounts Payable disbursements once per week.
 - i. Some exceptions will apply.
 1. City acknowledges that not all Accounts Payable disbursements will meet [State Code 50-1017](#) due to timing of payment, and/or use of credit card systems.
 - c. Finance department will normally issue Payroll disbursement once per month.
 - i. Some exception will apply.

1. City acknowledges that not all Payroll disbursements will meet [State Code 50-1017](#) due to timing of payment.
- d.All disbursements using a credit card must follow the City's [Credit Card Policy](#) and [Purchasing Policy](#).



City of Meridian
Standard Operating Procedure
Number 9.2

Accounts Receivable

Purpose:

To set forth the City's procedures regarding the Accounts Receivable Procedure

Procedures and Related Information:

1. All amounts owed to the City should be invoiced and collected in a timely manner.
2. Procedures for billing and collecting should be consistently and fairly applied across all City departments and to all City customers.
3. Responsibilities for invoicing/billing must be separated from responsibilities for cash collection/receipting.
 - a. Department Directors are responsible for verifying that no one employee can create customer invoices and also receive payments from customers to adhere to sound internal controls.
4. **Accounts Receivable Invoices**
 - a. All Accounts Receivable invoicing (except invoices authorized by the City Controller) must be processed through the City Controller (or assigned designee) for proper accounting within the City's [financial accounting system](#).
 - i. Departments must submit requested information to the Finance department before an Accounts Receivable invoice is generated:
 1. Customer Name
 2. Customer Address
 3. Description of Goods or Services Provided
 4. Date(s) of Goods or Service
 5. Dollar Amount of Goods or Service
 6. Approved Fee Schedule
 7. Signed Contract/Agreement
5. **Reconciliation**
 - a. Finance department will be responsible for the reconciliation of all financial Accounts Receivable transactions managed in the City's financial accounting system.
6. **Collection of Delinquent Accounts Receivable Invoices**
 - a. Finance department will be responsible for facilitating all collection efforts for any unpaid Accounts Receivable invoices recorded in the City's financial accounting system.
 - i. City will attempt to collect receivables that are less than 90 days outstanding.
 - b. Finance department may engage in the use of a collection agency for any unpaid Accounts Receivable invoices greater than 90 days outstanding.
 - i. 90 days outstanding is determined by the original invoice date.
7. **Write-Offs for Bad Debt**
 - a. Only the City Controller can authorize the reduction of an amount outstanding on an unpaid Accounts Receivable invoice.

- i. Departments must contact the Finance department for the reduction of an outstanding Accounts Receivable invoice.



City of Meridian
Standard Operating Procedure
Number 9.3

Business Credit Account

Purpose:

To set forth the City's procedures regarding the Business Credit Account Procedure

Procedures and Related Information:

1. Purchasing Manager is responsible for creating any Business Credit Account.
2. Department Directors are responsible to ensure that employee use of Business Credit Accounts is for authorized business purposes only.
3. City employee, City volunteer, or City commissioner found to have inappropriately used Business Credit Accounts will be required to reimburse the City for all costs associated with the improper use through payroll deductions or other payment means.
4. City employee, City volunteer, or City commissioner are responsible for the understanding and knowledge of the Business Credit Account policy.
5. City employee, City volunteer, or City commissioner are responsible for submitting an itemized receipt for all transactions.
6. Department Directors shall be responsible to ensure that all purchases on Business Credit Accounts are for legitimate business purposes and within budgetary guidelines.
7. Department Directors shall establish Business Credit Account procedures for their respective departments.



City of Meridian
Standard Operating Procedure
Number 9.4

Capital Improvement Management

Purpose:

To set forth the City's procedures regarding the Capital Improvement Management Procedure

Procedures and Related Information:

1. Annually under the direction and guidance of the Finance department, each City department will prepare and update a 10 year CIP.
2. Finance department is responsible to collect all department CIP's to develop the official annual City Comprehensive Financial Plan (CFP) for submission to the Mayor.
3. Mayor will only accept the annual 10 Year CIP/CFP from the Finance department for consideration and approval.
4. Mayor will be responsible for finalizing the 10 Year CIP/CFP in collaboration with each City department.



City of Meridian
Standard Operating Procedure
Number 9.5

Credit Card Procedure

Purpose:

To set forth the City's procedures regarding the Credit Card Procedure

Procedures and Related Information:

1. Eligibility

- a. City issued credit cards will only be issued to City employees.
- b. City issued credit cards are limited to the use of City employees, City volunteers, or City Commissioners but not other individuals whom are not affiliated with the City

2. Use and Financial Responsibilities

- a. As with all City-owned property, City accounts, and resources, credit cards issued by the City to employees or departments are to be used specifically for authorized business purposes only.
- b. Unauthorized use of City credit cards may be treated as personal theft and/or embezzlement, which may result in collection efforts (to recuperate related costs) as well as appropriate disciplinary action, and/or criminal prosecution.
- c. Personal use of City credit cards is strictly prohibited.
- d. City credit cards shall never be used for cash advances.
- e. Purchases or transactions made with the intent to circumvent the City [Purchasing Policy](#), transactional limits, or State law are prohibited and subject to Credit Card Violations and Consequences.

3. Receipts and Expense Reports

- a. All credit card receipts must be uploaded and approved no later than the 2nd work day of each month
 - a. All credit card receipts will be itemized with detailed information (i.e. who, what, when, where, why).
 - b. Receipt of goods should be supported by packing list, if no packing list, notate on receipt when item(s) were received.

4. Credit Spending Limits

- a. Finance department will be responsible for establishing spending limits/credit balances for the City

5. Creation and Termination of Credit Card Accounts

- a. Chief Financial Officer or Deputy Director/Controller is authorized to approve the creation of credit card accounts.
 - a. Employees in violation of creating a credit card account are subject to appropriate disciplinary action, up to and including termination.

6. Violations and Consequences

- a. Violation of this policy may result in loss of credit card privileges, personal prosecution, and/or disciplinary action up to and including termination.

- b. The Chief Financial Officer or Deputy Director/Controller has the right to cancel, suspend, or revoke credit card privileges if deemed necessary.

7. Disputed Items

- a. Employees will be responsible for clearing up any disputed charges, returns, or adjustments on their City issued credit cards in a timely manner.

8. Personal Credit Cards

- a. Employees will be responsible for submitting itemized receipts for all transactions conducted on behalf of the City charged on personal credit cards.
 - a. Employees will not be reimbursed any sales tax charges.



City of Meridian
Standard Operating Procedure
Number 9.6

Financial Reporting and Accounting

Purpose:

To set forth the City's procedures regarding the Financial Reporting and Accounting Procedure

Procedures and Related Information:

- a. Finance department with the approval of the Chief Financial Officer/City Treasurer will be responsible for conforming to all Local, State, and Federal reporting requirements as noted in the following State of Idaho Statutes:
 - i. State Code Section : [50-708 "Examination of Accounts of Fiscal Officers"](#)
 - ii. State Code Section : [50-1011 "Publication of Financial Statements"](#)
 - iii. State Code Section : [57-135 "Treasurer's Monthly Report"](#)
 - iv. State Code Section : [67-450E "Local Governing Entities Central Registry"](#)
- b. Finance department will be responsible for submitting all necessary reports to Local, State, and Federal agencies monthly, quarterly, bi-annually, and annually.
 - i. All other financial reports issued outside of the Finance department will not be considered official financial reports of the City.
- c. Finance department will be responsible for updating and maintaining all official financial reports available online.
- d. Finance department will be responsible for informing the Mayor, Council, and departments of any revenue or expenditure concerns in a timely and professional manner.

2. Accounting

- a. Finance department with the approval of the Chief Financial Officer/City Treasurer will be responsible for developing, implementing, managing, and reporting all policies and procedures relating to all entries into the City's financial system.
- b. Finance department will be responsible for establishing policies and procedures that conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA) for all practices relating to City Financial Management.
 - i. Finance department will be responsible for assisting in the training of all City employees on the policies and procedures for the City's financial system.



City of Meridian
Standard Operating Procedure
Number 9.7

Fixed Asset

Purpose:

To set forth the City's procedures regarding the Fixed Asset Procedure

Procedures and Related Information:

1. General Policy

- a. City property is only to be used for City business needs as referenced in City Policy 6.2.
- b. City property is not for personal or public use unless permitted as referenced in City Policy 6.2.
- c. Violation of this policy shall result in disciplinary action up to and including termination.

2. Fixed Asset Additions

- a. City acquisitions of [property](#) will be used by the City to conduct daily business activities.
 - i. Finance Department will determine if the acquisition of property will be classified as a fixed asset as set within the Fixed Asset Capitalization Status policy below.

b. Fixed Asset Capitalization Status

- i. [Capital Outlay](#) acquisitions of \$10,000 or more and with a useful life of at least 3 years, will be capitalized, inventoried, depreciated over their useful life and recorded on the fixed asset listing for the City.
- ii. Software purchased or internally developed for internal use will be capitalized and tracked in the fixed asset system if it totals \$35,000 or more.
- iii. Any acquisitions of land, either by direct purchase, property exchange, or donation, shall be recorded into the City's fixed asset listing, regardless of cost.
- iv. Intangible assets such as Water Rights and Easements with a value of \$35,000 or more will be capitalized as a fixed asset and recorded as land.
- v. Infrastructure that the City acquires either by direct acquisition, donation, or gift with a value of \$75,000 or more will be capitalized as a fixed asset.
- vi. [Capital Leases](#) that transfers substantially all the benefits and risks inherent in the ownership of property to the City will be capitalized as a fixed asset if the total cost meets the capitalization threshold.

c. Fixed Asset Capitalization Amount

- i. Property purchases recorded costs can include not only the property price but also all other related costs to make the property workable for the City, such as outfitting vehicles, license and software for computers, RFP & related costs to adhere to policies to purchase the property.
- ii. Capital Improvements shall reflect the total cost of improving an asset such as landscaping; including shrubs, trees, lawn, curbing, sidewalks, lighting, etc.
 1. The initial expenditure for land improvements, as defined above, shall be capitalized.

2. Repairs or replacements, such as the replacement of trees, shrubs, reseeding of lawns, resurfacing of pavement, etc. will not be capitalized unless such expenses meet the City's capitalization thresholds.
- iii. Repairs involving the overhauling of certain assets are frequently referred to as renewals.
1. Minor renewals, maintenance, alterations or part replacements, even if over the minimum threshold, should be regarded as ordinary repairs and will not be capitalized if they do not extend the life or significantly enhance the net value of the asset.
 2. Major renewals or major replacements that significantly extend the life or significantly enhances the net value of an asset shall be capitalized (following the capitalization policy).



City of Meridian
Standard Operating Procedure
Number 9.8

Grant Management

Purpose:

To set forth the City's procedures regarding the Grant Management Procedure

Procedures and Related Information:

1. *Grant Submission/Review*

- a. All grant proposals and applications submitted by or on behalf of the City greater than \$25,000 annually and/or will be in place three years or more, whether submitted to the granting entity electronically or as hardcopy, requires approval by the Grant Committee prior to submission.
 - i. City grant administrators will take all steps necessary to ensure that proper supporting documentation is obtained to support the Grant Committee's review process.

2. *Grant Compliance*

- a. City shall at all times be compliant with a grant's terms and conditions.
- b. Departments are responsible for administering their respective grants.
 - i. Departments are responsible for assigning a department grant administrator for each of their respective grants.
 - ii. Departments are responsible for developing internal controls for the administration, reporting, tracking, and supporting of all grants for which they are responsible.
 - iii. Departments are responsible for taking all steps necessary to ensure that proper supporting documentation is obtained to support the allowable activities completed under each grant program.
 1. All grant documentation will be obtained and retained according to the specific grant program guidelines and requirements.
- c. Finance department will be responsible for establishing all grant management financial reporting controls for the City.

3. *Grant Termination*

- a. At any time during a grant's life, if the City violates a grant's terms and conditions, the Chief Financial Officer/City Treasurer may recommend to the Mayor for a discontinuance of the grant due to risk of audit, financial, and/or administrative concerns.
 - i. Only the Mayor and City Council President in joint agreement have the authority to authorize the discontinuance of a grant.

4. *Grant Funding*

- a. City will refrain from using grants to meet ongoing service delivery needs.
- b. City will not use Federal Funds to supplant agency funds.

- c. If funding has not been identified for continuing an ongoing program after grant funds have been exhausted, an automatic sunset provision will be included in the City Council authorization for the program.

5. Grant Spending

- a. Grant funds must be expended in accordance with federal law and regulation.
- b. Grant funds are subject to [Title 2 CFR](#) (Code of Federal Regulations) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance).

6. Grant Sub-Recipient

- a. All grant sub-recipients must undergo a risk assessment following City requirements.



City of Meridian
Standard Operating Procedure
Number 9.9

Internal Controls

Purpose:

To set forth the City's procedures regarding the Internal Controls Procedure

Procedures and Related Information:

1. Departments are responsible to document department procedures that will include reasonable internal controls.
 - a. Departments are responsible for implementing reasonable departmental internal controls for all departmental procedures involving financial/monetary transactions.
 - b. Management within each department will maintain all written departmental procedures.
 - i. Management within each department is responsible for reviewing all internal controls at least every two years.
2. Department Directors are responsible for ensuring that departmental internal controls are followed throughout his or her department(s).
 - a. Department Directors are responsible for ensuring that all Finance department directives or internal controls are implemented.
 - b. Department Directors are responsible for ensuring that all independent auditor internal control recommendations are addressed.
 - i. Finance department will be responsible for verifying all internal control recommendations provided by the independent auditor are implemented.
3. Finance department will be responsible for establishing and maintaining all procedures and internal controls associated with the management of cash including the collecting, receipting, disbursement, and control of [legal tender](#) received by the City for the City.



City of Meridian
Standard Operating Procedure
Number 9.10

Inventory

Purpose:

To set forth the City's procedures regarding the Inventory Procedure

Procedures and Related Information:

1. All furnishings and movable inventory having a minimum cost of \$500 each and a life expectancy of over two years shall be identified by an asset tag affixed to each item.
2. Inventory control records shall be maintained for each item of inventory identified by an asset tag.
3. Periodic physical inventories, at least once annually, shall be taken of all inventory placed under an asset tag or control number.
4. No inventory should be permitted to leave the premises without an approval by the employee's supervisor or department Director.



City of Meridian
Standard Operating Procedure
Number 9.11

Legal Tender Handling

Purpose:

To set forth the City's procedures regarding the Legal Tender Handling Procedure

Procedures and Related Information:

1. General Policy

- a. All [legal tender](#) received by all City departments and employees must be processed, deposited, and accounted for daily.
- b. City will not accept any form of foreign currency or monetary instruments.
- c. All legal tender must be turned in for deposit within one (1) business day of receipt to the Finance Department.
- d. Any customer disputes over legal tender handling must include the department director and or the City Controller from the Finance department.
- e. Any legal tender problems that arise during the day should be referred to the City Controller if it or the matter cannot be handled in the individual departments.
- f. All checks issued to the City must be signed by the customer on the front of the check and endorsed by the City on the back.
- g. A receipt will be issued for all customers individually.
 - i. All receipts should be numbered.
 - ii. All receipts should include date, customer name, amount received, description of the transaction, customer account number (if applicable).
 - iii. A copy of the receipt will be offered to the Customer.
 - iv. A copy of the receipt will be provided to the Finance department.

2. Daily Cash Reporting

- a. Departments receiving legal tender shall prepare a daily cash report.
 - i. All daily cash reports must be submitted to the Finance department daily with proper documentation and support.
- b. All manual receipts issued or voided shall be attached to the daily cash report and forwarded to the Finance department.

3. Department Petty Cash

- a. All operating petty cash boxes shall be securely and safely stored any time they are not in use.
- b. Departments shall be responsible for balancing their department operating petty cash box at least monthly.
- c. Departments receiving legal tender shall maintain strict internal controls over access to the legal tender.
- d. Department petty cash boxes will be limited to an amount determined by the City Controller and must be issued / approved by the City Controller.
- e. A valid detailed receipt must accompany all petty cash transactions.
 - i. All receipts should detail the what, where, when, and why for the transaction.

- ii. All receipts should note the proper general ledger account coding.
- iii. All receipts should have proper employee approvals.

4. Daily Bank Deposit

- a. Finance department (or Finance designee) shall be responsible for preparing the daily legal tender bank deposits.
- b. Finance department shall be responsible for transporting the daily legal tender bank deposits to the bank.

5. Police Department Drug Money Petty Cash

- a. Chief of Police will be responsible for establishing sound internal controls for the management of department drug money petty cash box.
 - i. The drug money petty cash box must be securely stored in a safe at all times.

6. Overages and Shortages

- a. Any revenue overages or shortages in the department must be reported to the department director immediately, and reported to the Finance department with the daily receipts.

7. Banking Policy

- a. See [Banking Policy](#)

8. Disbursements

- a. Finance department shall be the only department to disburse payment via check, cash/coin, wire transfer, or automatic clearing house.
 - i. All disbursements using a credit card must follow the City's [Credit Card Policy](#) and [Purchasing Policy](#).



City of Meridian
Standard Operating Procedure
Number 9.12

Purchasing

Purpose:

To set forth the City's procedures regarding the Purchasing Procedure

Procedures and Related Information:

1. *Purchasing Categories, Methods and Authority*

- a. The City has assigned the following categories, methods and purchasing authority for purchases.
 - i. All employees are to identify which category is right for their respective request or purchase and follow that policy.
 - ii. General liability, automotive, and workman's compensation insurance are required for all contracts, written or verbal, which require services to be performed on City property.
 1. In addition, most professional services agreements will require professional errors and omissions insurance.
 2. It is each employee's responsibility to verify that such insurance is in place prior to the start of work. Only the City's Risk Manager may waive any insurance requirement.

b. PURCHASING CATEGORIES

- i. *CATEGORY ONE: Goods, Supplies & Equipment (I.C. §67-2806)*
 1. Purchases up to \$15,000 require one quote.
 2. Purchases \$15,001 to \$50,000 require three written quotes.
 3. Purchases \$50,001 to \$100,000 require an informal bid process.
 4. Purchases \$100,001 and above require a formal bid process.
- ii. *CATEGORY TWO: Contracted Services (I.C. §67-2806)*
 1. Purchases up to \$15,000 require one quote.
 2. Purchases \$15,001 to \$50,000 require three written quotes.
 3. Purchases \$50,001 to \$100,000 require an informal bid or RFP process.
 4. Purchases \$100,001 and above require a formal bid or RFP process.
- iii. *CATEGORY THREE: Professional Services*
 1. Sub-category (a) I.C. §67-2320: Engineering, Architect, Construction Management, Land Surveyors
 - a. Purchases up to \$25,000 require
 - i. A review of consultant's qualifications, and determination of Qualification, or
 - ii. Selection from a current approved roster.
 - b. Purchases \$25,001 and above require
 - i. A formal RFQ process, or
 - ii. Selection from a current approved roster created from a formal RFQ.

2. Sub-Category (b) I.C. §67-2803(4): Attorney, Accountant, Planner etc.
 - a. Purchases in this category are exempt from any solicitation requirement. All other policy and procedure requirements still apply.

iv. *CATEGORY FOUR: Public Works Construction*

1. Purchases in this category have special requirements that must be met regardless of which department conducts the purchase.
 - a. All public works contractors performing work on projects above \$50,000(I.C. §54-1903)(i) must have a current Idaho Public Works Contractors License in the applicable trade(s).
 - b. It is the responsibility of the employee making the purchase to verify that the contractor meets this requirement.
 - c. Payment and performance bonds are required for all public works construction projects above \$50,000. These bonds shall be 100% of the contract price individually.
 - d. Purchases up to \$25,000 require one quote.
 - e. Purchases \$25,001 to \$50,000 require three written quotes.
 - f. Purchases \$50,001 to \$200,000 require an informal bid process. (I.C. §67-2805)(2a)
 - g. Purchases of \$200,001 and above require a formal bid process.
 - h. TAX COMMISSION REQUIREMENTS FOR PUBLIC WORKS CONSTRUCTION
 - i. Within thirty (30) calendar days after City awards a contract to a public works contractor, the Purchasing Department shall notify the state tax commission that the contract has been awarded and shall provide to the state tax commission the name and address of the prime contractor. See I.C. §54-1904A.
 - ii. If material or equipment is purchased or supplied by the City, who is exempt from sales and use taxes, for subsequent use or installation by a public works contractor, then the use by the contractor is subject to use tax.
 1. For example, if a contractor has a public works contract to build a structure using materials owned and supplied by the City, the contractor is the consumer of the materials and is subject to a use tax on their value.
 2. This tax falls directly upon the contractor and not the owner of the property. See Idaho Administrative Rules 35.01.02.12

v. *CATEGORY FIVE: Repair of Heavy Equipment*

1. Purchases in this category are exempt from solicitation requirement. See I.C. §67-2803(14)

c. PURCHASING METHODS

i. *QUOTE*

1. Quotes may be obtained either verbally or written and must contain the following:
 - a. Description of the goods or services requested
 - b. All costs including delivery to the end users location

- c. Any vendor terms and conditions

ii. INVITATION FOR BID (Bid)

1. All Invitation for Bids shall be issued by the Procurement Division and in one of two forms, Informal and Formal. In the event of a tie bid, the City may award to the bidder it chooses.
2. Requirements:
 - a. Informal bid requirements
 - i. Be open for a minimum of three (3) days
 - ii. Must be sent to a minimum of three (3) vendors.
 - iii. Be awarded to the bidder submitting the lowest responsive bid. (goods and services) or
 - iv. Be awarded to the qualified bidder submitting the lowest responsive bid. (construction)
 - b. Formal bid requirements
 - i. Advertised in the local paper two times with the last at least seven (7) days prior to the opening.
 - ii. Be open for a minimum of fourteen (14) days
 - iii. Bids must be submitted sealed.
 - iv. A public bid opening shall take place
 - v. Be awarded to the bidder submitting the lowest responsive bid. (goods and services)
 - vi. Be awarded to the qualified bidder submitting the lowest responsive bid. (construction)

iii. REQUEST FOR PROPOSAL (RFP)

1. Request for Proposal's may be used for general services i.e. janitorial and landscape services or complex purchases i.e. software, specialized equipment, leases etc. Requests for Proposals shall be issued and managed by the Purchasing Division. Minimum Request for Proposal requirements are as follows:
 - a. Describe what the product or service or solution is to accomplish.
 - b. Provide evaluation criteria of how the solicitation will be awarded.
 - c. City Project Manager shall select the evaluation team.
 - d. Shall be awarded to the highest ranked proposer as ranked by the evaluation team.
 - e. Final terms and conditions of the contract, including cost, may be negotiated.

iv. REQUEST FOR QUALIFICATIONS (RFQ)

1. Request for Qualifications must be used for the selection of Engineers, Architects, Construction Managers and Land Surveyors (I.C. §67-2320).
2. RFQ's shall be issued and managed by the Purchasing Division.
3. RFQ's, although not required, may also be used for other types of professionals services, i.e. accountant, attorney, auditor etc. Please contact Purchasing for applicability.
 - a. Request for Qualification requirements
 - i. Describe the services required.
 - ii. Provide evaluation criteria of how the solicitation will be awarded.
 - iii. City Project Manager shall select the evaluation team.

- iv. Cost may NOT be a factor in the evaluation process.
- v. Shall be awarded to the highest qualified firm/individual as ranked by the evaluation team.
- vi. Final terms and conditions, scope of work and cost may be negotiated.

v. **PRE-QUALIFICATION**

- 1. The City may require Public Works Contractors to be pre-qualified for a particular project (I.C. §67-2805)(3)(b).
 - a. Pre-Qualification Requirements
 - i. Advertise the Pre-Qualification in the local paper two times with the last publication at least seven (7) days prior to the qualification due date.
 - ii. Describe the construction services to be performed.
 - iii. Provide evaluation criteria of how contractors will be evaluated.
 - iv. City Project Manager shall select the evaluation team.
 - v. Only Contractors selected through the Pre-Qualification process will be allowed to bid on the construction project. All other bids received will be deemed non-responsive.

vi. **LEASES**

- 1. All leases must be processed through the Procurement Division regardless of dollar amount.
- 2. Capital leases must be appropriated and expensed for the full amount the first year of the lease.

vii. **COOPERATIVE PURCHASING**

- 1. With the approval of the Procurement Manager, purchases may be completed using cooperative purchasing agreements with any State Agency or Political Subdivision or government entities or associations thereof. Purchases may also be completed utilizing any purchasing cooperative that offers goods and/or services as a result of competitive solicitation in accordance with I.C. §67-2807, and that have been approved by the Procurement Manager.
- 2. **PUBLIC WORKS CONSTRUCTION PROCUREMENTS ARE EXCLUDED FROM COOPERATIVE PURCHASING.**
- 3. The Department may use the established state, federal, city, or county contracts to make purchases. The Division of Purchasing contract information is located at:
 - a. <http://purchasing.idaho.gov/statewide-contracts>
- 4. In accordance with I.C. §67-2803(1) and §67-2807(1), the City may also piggyback on other city or county bids if the pricing is consistent with the original bid and the bid process followed I.C. Title 67.
- 5. All contract documentation should accompany the purchase request.

viii. **EMERGENCY PURCHASE**

- 1. Emergency purchases may be completed without the requirement of a solicitation (I.C. §67-2808)(1). All other policy and process requirements still apply.
 - a. Emergency Purchase Requirements

- i. The emergency purchase is necessary to safeguard life, health or property.
- ii. The City Council must declare that an emergency exists within 60 days of the emergency event.

ix. SOLE SOURCE PURCHASES

- 1. Sole Source purchases are exempt from solicitation requirements and are broken into two categories
 - a. Sole Source Purchases up to \$50,000.
 - i. Procurement Manager approval is required.
 - ii. Only one source is reasonably available.
 - iii. Sole Source purchases must meet one of the requirements listed in Category b below:
 - b. Sole Source Purchases above \$50,000 (I.C. §67-2808)(2).
 - i. Only one source is reasonably available.
 - ii. Procurement Manager & City Council approval is required prior to purchase.
 - iii. Sole Source must be advertised in the local paper fourteen (14) calendar days PRIOR to making purchase.
 - iv. Category b sole source purchases must meet one of the following requirements:
 - 1. Compatibility of equipment, components, accessories, computer software, replacement parts or service is the paramount consideration;
 - 2. Where a sole supplier's item is needed for trial use or testing;
 - 3. The purchase of mass-produced movies, videos, books or other copyrighted materials;
 - 4. The purchase of public works construction, services or personal property for which it is determined there is no functional equivalent;
 - 5. The purchase of products, merchandise or trademarked goods for resale at a political subdivision facility;
 - 6. Where competitive solicitation is impractical, disadvantageous or unreasonable under the circumstances.

x. PURCHASING WITH FEDERAL GRANT FUNDS

- 1. Prior to effecting a purchase using any federal grant funds, procurement staff must verify through the System For Award Management (SAM) that the contractor/vendor is not excluded from doing business under a federal grant.

xi. PURCHASING AUTHORITY

- 1. By adoption of this Policy, the City Council has set the following signatory thresholds for purchases through the Procurement Division.
- 2. Through adoption of this Policy the Mayor has delegated signing authority to the Procurement Manager for purchases made per this policy:
 - a. PURCHASES UP TO \$10,000
 - i. Purchase Orders and Contracts in this range may be signed by any Department Director or Authorized City Personnel.

- ii. All City Department Directors are required to insure all employees have read the Purchasing Policy prior to delegating signing authority for purchases in this range.
 - iii. The employee is responsible for verifying that there are funds available for the purchase and for obtaining all required documentation, i.e. insurance, licenses etc., for the applicable purchasing category.
 - iv. The employee is responsible for obtaining the City Attorney's approval of any contract the employee is signing.
- b. PURCHASES ABOVE \$10,000
 - i. Purchase Orders and Contracts in this range must be signed by either the Procurement Manager, the Mayor or their respective designees, prior to the purchase.
 - ii. The Chief Financial Officer/City Treasurer will stand as the signatory in the absence of the Procurement Manager.
- c. CONTRACTS ABOVE \$200,000
 - i. All contracts in this range require legal review and City Council approval.
- d. CHANGE ORDERS
 - i. Employees may create change orders.
 - ii. All change orders must utilize the standard City form and be approved by the Procurement Manager.
 - iii. The Procurement Manager shall determine if specific change orders require Council approval.
 - iv. Employees are to contact the Procurement Manager prior to drafting & issuing a change order.
- e. CREDIT CARD USAGE
 - i. This policy states the minimum guidelines required by the City [Credit Card Policy](#), City Policy 6.2.5, and by law.
 - ii. Individual departments may establish more restrictive guidelines for usage.
 - iii. Credit card purchases must comply with the Procurement Policy requirements stated above.

xii. PURCHASING ETHICS AND VENDOR RELATIONSHIPS

- 1. Every City employee has a personal responsibility to conduct government business in an ethical manner and assure the integrity of the City purchasing and purchasing processes.
- 2. All City employees and elected officials are responsible for adherence to City and State purchasing rules, and regulations.
 - a. CODE OF ETHICS
 - i. All City employees responsible for procuring goods or services shall:
 - 1. Follow the rules and regulations of the City Standards of Conduct Policy 7.5 and the laws of the State of Idaho.
 - 2. Avoid activities that would compromise or give the perception of compromising the integrity of the procurement process and the best interests of the City. (ref. City Conflict of Interest Policy 6.18).

3. Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
 4. Act as good custodians of public money by obtaining maximum benefit for funds spent.
 5. All employees are required to comply with the City's Policy 6.11 in regards to gifts and gratuities.
 1. In addition to City Policy 6.11 employees in a position to make or recommend an award of a City purchase shall not solicit or accept gifts, money, prejudicial discounts or entertainment material which might influence or appear to influence purchasing decisions.
- b. **VENDOR RELATIONSHIPS**
- i. Developing and maintaining good relationships with our suppliers is important. City personnel should work through the Procurement Division for vendor communication.
 - ii. Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.
 - iii. Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, and other proprietary information.
- c. **LOYALTY AWARDS (GIFT CARDS) AND GIFTS**
- i. Employees are prohibited from personally accepting loyalty/gift cards and/or gifts from vendors for making purchases on behalf of or in any capacity for the City.
 - ii. The City, and not the employee, is being rewarded for its faithful business.
 - iii. Therefore, employees are to ask for discounts on the purchase being made in lieu of gift cards.
- d. **PROHIBITIONS**
- i. The City has adopted the following in regard to purchasing prohibitions:
 1. I.C. §67-9230 –Conflict of interest regarding the holding of contracts or selling to the City property or supplies by City employees unless award is made after competitive bids per City Policy 6.18.
 2. I.C. §67-9230 – Prohibition regarding the influencing or conspiring to influence public purchasing decisions and contract awards.
Attempts at influence may include kickbacks and bribes, peddling or payment of a fee, back door selling, hard-sell tactics, fraternization, or offering gifts to avoid following published procedures or gain advantages.
 3. I.C. §59-1026 – Circumventing Purchasing Authorization – Prohibits efforts by employees to obtain products or

services by avoiding the competitive process by splitting purchases or creating false emergency situations.

4. I.C. §67-9230 – No vendor or related party, or subsidiary, or affiliate of a vendor may submit a bid to obtain a contract to provide property to the City, if the vendor or related party, or affiliate or subsidiary was paid for services utilized in preparing the bid specifications or if the services influenced the procurement process.

xiii. APPEALS

1. The City strives for a fair, legal and transparent solicitation process.
2. Any bidder, proposer or vendor who believes they were aggrieved in connection with a solicitation or award may appeal to the Procurement Manager.
3. The solicitation appeals are as follows:
 - a. Specification Appeal
 - i. Informal Solicitation – A bidder/proposer must submit an appeal to the Procurement Manager at least one (1) day prior to the due date and time of the solicitation.
 - ii. Formal Solicitation – A bidder/proposer must submit an appeal to the Procurement Manager no later than three (3) days prior to the due date and time of the solicitation.
 - b. Appeal of Award
 - i. Formal Solicitation – A bidder/proposer must submit an appeal to the Procurement Manager within seven (7) calendar days of the transmittal of the Notice of Intent to Award, stating the express reason(s) the aggrieved bidder feels that the award decision is in error.

xiv. PAYMENT PROCESSING

1. See [Accounts Payable Policy](#)

2. Idaho Statutes Regarding Purchasing, Contracting and Purchasing

- a. Public Works Contractor Licensure Requirements
 - i. I.C. §54-1904 (i)
- b. Exemptions to Public Works Contractor Licensure
 - i. I.C. §54-1903 (i) & (k)
- c. Filing of Notices and Income Tax Returns -- Payment of Income Taxes by Contractors
 - i. I.C. §54-1904A
- d. Public Works Construction Bidding
 - i. I.C. §67-2803 (2) & (3)
- e. Public Purchasing of Goods and Services Bidding
 - i. I.C. §67-2803 (2)
 - ii. I.C. §67-2805 (2) & (3)
- f. Purchasing By Political Subdivisions
 - i. I.C. Title 67, Chapter 28
- g. Exemptions to Public Purchasing of Goods and Services Bidding
 - i. I.C. §67-2803 (1) through (7)
 - ii. I.C. §67-2806
 - iii. I.C. §67-2808 (1)

- h. Joint Purchasing Program
 - i. I.C. §67-2807 (1)
- i. Penalties – Political Subdivisions/Public Officials
 - i. I.C. §54-1914 (2)
 - ii. I.C. §54-1920 (2)
 - iii. I.C. §59-1026
- j. Penalties – Contractors
 - i. I.C. §54-1914 (1)
 - ii. I.C. §54-1920 (1) & (3)
- k. Prohibitions
 - i. I.C. §67-9230
- l. Professional Service Contracts with Design Professionals, Construction Managers and Professional Land Surveyors
 - i. I.C. §67-2320
- m. Disposal of Surplus
 - i. I.C. Title 50, Chapter 14
- n. Abandoned or Unclaimed Property in Possession of Sheriff or City Police Department -- Sale at Public Auction.
 - i. I.C. §55-403
- o. Written Plans and Specifications for Work To Be Made by Officials – Availability
 - i. I.C. §67-2309
- p. Leases
 - i. I.C. §50-1409
- q. Public Works Contractors
 - i. I.C. Title 54, Chapter 19
- r. IDAHO ADMINISTRATION RULES
 - i. Idaho Sales and Use Tax Administrative Rules – Contractors
 - 1. 35.01.02.12
- s. STATE OF IDAHO BOARD OF EXAMINERS
 - i. State Personal Surplus Property Policy and Procedures
 - 1. Policy No. 442-40



City of Meridian
Standard Operating Procedure
Number 9.13

Revenue Management

Purpose:

To set forth the City's procedures regarding the Revenue Management Procedure

Procedures and Related Information:

1. Revenue Characteristics

- a. Simplicity
 - i. City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient.
 - 1. City will avoid nuisance taxes or charges as revenue sources.
- b. Certainty
 - i. City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budgets and plans.
 - ii. City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
- c. Equity
 - i. City shall make every effort to maintain equity in its revenue system structure (i.e., the City shall seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities, and customers' classes).
- d. Revenue Adequacy
 - i. City shall require that there be a balance in the revenue system (i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay).
 - ii. All revenue forecasts shall be conservative.
- e. Administration
 - i. The benefits of a revenue source shall exceed the cost of levying and collecting that revenue.
 - 1. The cost of collection will be reviewed annually for cost effectiveness.
- f. Diversification and Stability
 - i. A diversified revenue system with a stable and predictable base of income shall be maintained and managed to help avoid instabilities in revenue sources due to factors such as short-term fluctuations in the economy.

2. Revenue/Cost Recovery

- a. Revenues should not exceed the reasonable cost of providing the service.
- b. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide support costs.
- c. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative costs of collection.

- d. Revenue rate structures should be sensitive to the "market" for similar services.
- e. City will utilize a common approach in determining cost recovery levels for various programs.

3. *Revenue Approaches*

a. Cost/Benefit of Abatement

- i. City will use due caution in the analysis of any tax or fee incentives that are used to encourage development.
 - 1. Ideally, a cost/benefit (fiscal impact) analysis will be performed as part of such caution.

b. Non-Recurring Revenues

- i. One-time or non-recurring revenues will not be used to finance current on-going operations.
- ii. Non-recurring revenues should be used only for one-time expenditures.
- iii. Non-recurring revenues will not be used for budget balancing purposes.

c. Interest Income

- i. Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the equity balance of the fund from which monies were provided for investment.

d. User Fees and Charges

- i. For services associated with a user fee or charge, a fee will offset the direct and indirect costs of that service where possible.
 - 1. Fees will be reviewed at least every three (3) years to ensure that fees provide adequate coverage of costs of services.
 - a. Finance department will review and recommend any changes to the City Council.

e. Enterprise Fund Rates

- i. City will review and adopt utility rates, as needed, which will generate revenues required to fully cover current operating and maintenance expenses, meet the legal restrictions of all applicable bond covenants, establish necessary future replacement costs, and provide for an adequate level of working capital.
 - 1. Enterprise Fund rates will include transfers from the General Fund as follows:
 - a. General and Administrative Charges:
 - i. Administrative costs will be charged to all funds for services of general overhead, such as administration, finance, legal counsel, and other costs, as appropriate.
 - ii. The charges will be determined through an indirect cost allocation following accepted practices and procedures as developed by the Finance department.

f. Intergovernmental Revenues

- i. Any potential grants will be examined for matching requirements.
 - 1. Generally, these revenue sources should be used for capital improvements that are consistent with the [Capital Improvement Program \(CIP\)](#) whose operating and maintenance costs have been included in the operating budget or for special programs associated specifically with the grant.

g. Revenue Monitoring

- i. Actual revenues received will be regularly compared to budgeted revenues and variances will be investigated.



City of Meridian
Standard Operating Procedure
Number 9.14

User Fees and Charges Development

Purpose:

To set forth the City's procedures regarding the User Fees and Charges Development Procedure

Procedures and Related Information:

1. User Fees and Charges - Development

- a. Finance department will be responsible for analyzing all User Fees and Charges on a routine basis to justify the User Fees and Charges.
 - i. Finance department will be responsible for working with departments to determine the full cost recovery amount for all User Fees and Charges.
 1. Finance department will be responsible for working with departments to determine the subsidized percentage needed for all User Fees and Charges.
- b. Finance department will be responsible for establishing review periods for each User Fee and Charge.
- c. Finance department will be responsible for establishing fair and equitable methods when developing City fees and charges.
 - i. Finance department will be responsible for developing transparent fees and charges allowing for proper identification of factors and considerations impacting the development of all fees and charges.
- d. Finance department will be responsible for presenting all new and changes to User Fees and Charges at least once per fiscal year to City Council for approval.

2. User Fees and Charges - Proposals and Approvals

- a. Finance and Legal department must approve all User Fees and Charges prior to submission to City Council for approval.
- b. City Council is responsible for approving all User Fees and Charges.
- c. City Council will only accept User Fees and Charges submitted to them by the Finance department for consideration of approval.
- d. City Council may decide against full cost recovery in cases where greater public benefit is greater.

3. User Fees and Charges - Management

- a. Finance department will be responsible for developing and maintaining a Citywide User Fees and Charges database.
 - i. Departments will be responsible for verifying that all User Fees and Charges are included in the Citywide User Fee and Charges database.

4. User Fees and Charges - Cost Recovery Methods

a. Full Cost Recovery

- i. Activities/Programs will be assessed a fee to collect 100% of all costs associated to an activity/program.

b. Majority Cost Recovery

- i. Activities/Programs will be assessed a fee to collect 80%-99% of all costs associated to an activity/program.

c. Partial Cost Recovery

- i. Activities/Programs will be assessed a fee to collect 50%-79% of all costs associated to an activity/program.

d. Minimal Cost Recovery

- i. Activities/Programs will be assessed a fee to collect 1%-49% of all costs associated to an activity/program.

e. No Cost Recovery

- i. Activities/Programs will be assessed a fee to collect 0% of all costs associated to an activity/program.
 - 1. Activities and programs assigned this Cost Recovery Method will be subsidized by other revenue sources.

f. Interagency Cost Recovery

- i. Activities/Programs provided by interagency relationships with the City will not be required to meet any City Cost Recovery Criteria.
 - 1. Interagency fees will be developed by the agency.
 - 2. Interagency fees will be collected by the City for distribution to the interagency per interagency agreements.
 - 3. Interagency fees will not provide any cost recovery to the City unless identified within interagency agreement(s) for administrative functions for the collection and distribution of interagency fees.

g. Penalties/Fines Cost Recovery

- i. Fees established for the purpose of a penalty or a fine will not be required to meet any City Cost Recovery Criteria.
 - 1. Penalties and fines will follow any applicable State, Federal, or Local laws.

5. *User Fees and Charges - Cost Recovery Criteria Definitions*

- a. The following criteria are used to determine if a service is Full, Majority, Partial, Minimal, or No Cost recovery.
- b. The service does not have to meet every criterion.

a. Full Cost Recovery (100%)

- i. Individuals or groups benefit from the service and there is little or no community benefit.
- ii. Administrative costs of imposing and collecting the fee are not excessive.
- iii. The service is provided at market price by the private sector.

b. Majority Cost Recovery (80%-99%)

- i. The individual or group using the service is the primary beneficiary.
- ii. Administrative costs of imposing and collecting the fee are not excessive.
- iii. Imposing a majority cost fee would not place the agency at a competitive disadvantage.
- iv. The service is usually provided by the private sector, but may also be provided by the public sector.
- v. User fees should recover the majority cost of services benefiting specific groups or individuals.

c. Partial Cost Recovery (50%-79%)

- i. The individual or group using the service is the substantial beneficiary.
- ii. Administrative costs of imposing and collecting the fee are not excessive.

- iii. Imposing a partial cost fee would not place the agency at a competitive disadvantage.
- iv. The service is usually provided by the private sector, but may also be provided by the public sector.
- v. User fees should recover the partial cost of services benefiting specific groups or individuals.

d. Minimal Cost Recovery (1% - 49%)

- i. Services benefit those who participate but the community at large also benefits.
- ii. Administrative costs of imposing and collecting the fee are not excessive.
- iii. Imposing a minimal cost fee would place the agency at a competitive disadvantage.
- iv. The services may be provided by the public sector, but may also be provided by the private sector.

e. No Cost Recovery (0%)

- i. The service is equally available to everyone in the community and should benefit everyone.
- ii. Because the service is basic, it is difficult to determine benefits received by one user.
- iii. The level of service attributable to a user is not known.
- iv. Administrative costs of imposing and collecting a fee exceed revenue expected from the fee.
- v. Imposing the fee would place the agency at a serious disadvantage.
- vi. The service is primarily provided by the public sector.