CITY OF PAHOKEE, FLORIDA

ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL

ADOPTED BY THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA

ADOPTED: AUGUST __, 2026

Contents

PART 1 – ASSET AND PROPERTY MANAGEMENT

Capital Asset Management, Tracking, And Surplus Disposal Policy (NEW)

SECTION 1: PURPOSE, SCOPE, AND LEGAL AUTHORITY

1.1 Purpose

The purpose of this Policy is to establish uniform, legally compliant accounting practices and internal controls for the acquisition, recording, tracking, safeguarding, depreciation, physical inventory, and disposal of City-owned capital assets and sensitive non-capital property. This policy is designed to prevent and detect fraud, waste, and abuse of taxpayer-funded municipal resources, ensure the reliability of the City's financial reports, and establish clear lines of custodial accountability.

1.2 Scope

This policy applies to all departments, divisions, and personnel of the City of Pahokee, Florida, including the City Manager, City Clerk, Mayor, members of the City Commission, and all employees, contractors, and authorized representatives who handle, purchase, or manage City-owned assets on behalf of the City.

1.3 Legal Authority

This policy is established in accordance with:

1.3.1 Chapter 274 of the Florida Statutes (F.S.) – Tangible Personal Property Owned by Local Governments, which governs the supervision, control, safekeeping, and disposal of local government property.

1.3.2 Section 218.33, Florida Statutes (F.S.) – Requiring local government entities to establish and maintain internal controls designed to safeguard assets, promote compliance, and prevent fraud, waste, and abuse.

1.3.3 The Charter of the City of Pahokee 3.04 – Establishing the head of the City government and delineating administrative, procurement, and execution authorities.

1.3.4 City of Pahokee Code of Ordinances §2-275 – Governing the declaration and disposition of City-owned surplus property, including City Manager evaluation, City Commission declaration by resolution, and authorized methods of disposal.

1.3.5 Code §§2-291–2-293 - The Code establishes the Finance Director position specifically to administer and monitor the City's financial and purchasing affairs and assigns responsibility for accounting systems, financial records, special funds and fiscal controls.

SECTION 2: DEFINITIONS AND CAPITALIZATION THRESHOLDS

2.1 Capital Assets (Tangible Personal Property)

A Capital Asset is defined as any tangible personal property, including vehicles, machinery, heavy equipment, office furniture, buildings, improvements, and technology infrastructure, that meets all of the following criteria:

2.1.1 Is non-consumable and of a non-consumable nature.
2.1.2 Has an expected estimated service or useful life of one (1) year or more.
2.1.3 Has an individual unit acquisition cost of $5,000.00 or more (inclusive of ancillary charges such as shipping, freight, transit insurance, and installation costs).

*Note: This $5,000 threshold reconciles and supersedes all prior conflicting thresholds, aligning the City's daily purchasing procedures with its Notes to the Financial Statements. However, all operational rules—including daily operator checks, preventive maintenance, safe vehicle operations, anti-idling restrictions, fuel card management, out-of-county travel, and underutilization thresholds—shall be governed strictly by the City of Pahokee Fleet Management Policy. In the event of a conflict between the financial tracking rules of this policy and the operational guidelines of the Fleet Management Policy, this Capital Asset Policy shall control for accounting, audit, and legal disposal purposes.

2.2 Sensitive Non-Capital Assets (IT and Portable Equipment)

These items must be recorded, physically tagged, and tracked in a separate IT Asset Registry, regardless of value:

- Laptops, notebooks, and tablet computers.
- Cellular telephones and smart phones.
- Digital cameras and recording equipment.
- Printers, scanners, and high-value portable IT peripherals.
- Specialized public safety or communication equipment.

These items are expensed in the fiscal year of purchase rather than capitalized, but they are subject to the same tracking, physical inventory, and property retrieval controls as capital assets.

SECTION 3: ACQUISITION, VALUATION, AND PROCUREMENT CONTROLS

3.1 Valuation Basis

All capitalized assets must be recorded at historical cost. The initial cost must include the net purchase price plus any ancillary charges necessary to place the asset into its intended state of operation.

- Donated Assets: Tangible property acquired through donation must be recorded at its fair market value at the time of donation and documented by the Finance Department.

3.2 Payment and Purchasing Controls

In compliance with internal control objectives to prevent circumvention of purchasing limits and tax-exempt rules, the following procurement regulations are mandated:

3.2.1 Direct Accounts Payable Payments Required: Capital assets and sensitive IT equipment shall not be purchased using a City-issued credit card, debit card, or via employee personal reimbursement.
3.2.2 Accounts Payable Process: All capital purchases must be executed through the formal Accounts Payable process using a valid, approved Purchase

Order (PO) issued before the order is placed. Payments must be issued directly to the vendor via check or electronic funds transfer (EFT).

3.2.3 No Circumvention of Thresholds: Splitting a single purchase into multiple smaller transactions to bypass competitive bidding limits or Commission approval thresholds is strictly prohibited and subject to immediate disciplinary action.

3.2.4 Sales Tax Exemption: All purchases must utilize the City's Consumer's Certificate of Exemption. City personnel are prohibited from paying sales tax on municipal purchases. Employee reimbursements containing sales tax for any capital or IT equipment will be rejected by the Finance Department.

SECTION 4: INVENTORY CONTROLS, TAGGING, AND THE MASTER LEDGER

4.1 Physical Asset Tagging

4.1.1 Every capital asset and sensitive non-capital asset must be physically tagged with a unique, pre-numbered City of Pahokee identification tag immediately upon delivery or receipt.

4.1.2 The Finance Department, in coordination with the IT department/contractor, shall maintain custodial control over unissued tags and supervise the physical application of tags.

4.2 Standardized Master Ledger

The Finance Director shall maintain a master capital asset ledger and vehicle listing. To ensure complete tracking and audit compliance, the master ledger must contain the following fields for every asset:

- Unique City Asset Identification/Tag Number
- Department and physical location
- Description of the asset (including make, model, and manufacturer)
- Vehicle Identification Number (VIN) or manufacturer serial number
- Acquisition Date
- Acquisition Cost (historical cost)
- Funding source (e.g., General Fund, Grant-funded, etc.)
- Custodian of the asset (assigned department head or employee)
- Estimated useful life (in years)
- Depreciation Method (Straight-Line)
- Accumulated Depreciation
- Current physical condition (e.g., Excellent, Good, Fair, Poor, Damaged, Obsolete)

4.3 Mandatory Annual Physical Inventory

4.3.1 At least once per fiscal year, the Finance Department shall conduct a comprehensive physical inventory of all capitalized assets, vehicles, and sensitive non-capital items.

4.3.2 The physical inventory must verify the existence, physical location, custodian, and condition of each asset.

4.3.3 Any discrepancies, missing items, or unrecorded disposals must be immediately reported in writing to the City Manager, Finance Director, City Clerk, and City Commission. The City Clerk shall receive and preserve the written notice as an official City record, and the appropriate authority shall determine whether investigation or corrective action is required.

SECTION 5: DEPRECIATION METHODOLOGY

5.1 Straight-Line Depreciation

5.1.1 All capitalized assets will be depreciated using the Straight-Line Depreciation Method.

5.1.2 Depreciation expense will be calculated by dividing the historical cost (minus any estimated salvage value) by the estimated useful life of the asset class.

5.1.3 Standard useful life guidelines by asset class shall be established by the Finance Director based on municipal accounting standards (e.g., light vehicles: 5 years; heavy machinery: 10 years; computer equipment: 3-5 years; buildings: 30-40 years).

SECTION 6: DISPOSAL AND SURPLUS PROPERTY PROCEDURES

In compliance with Chapter 274, Florida Statutes and City Code § 2-275, the City of Pahokee is legally responsible for the supervision, control, safekeeping, and proper disposition of its property.

Any property owned by the City which has become obsolete, or which has outlived its usefulness, or which has become inadequate for the public purposes for which it was intended, or which is no longer needed for public purposes, may be disposed of in accordance with the procedures outlined below.

6.1 Formal Declaration of Surplus Property

6.1.1 The City Manager, after evaluation and good faith analysis, shall advise the City Commission in a written memorandum reasons why certain property should be declared surplus property.

6.1.2 Once the City Manager prepares a written memorandum addressed to the Commission, a surplus resolution shall be prepared and transmitted to the City Clerk for agenda processing in accordance with the City Charter, Code of Ordinances, agenda procedures, and applicable public-notice requirements.

6.1.3 Under no circumstances may the City Manager dispose of City-owned property in the absence of a Resolution of the City Commission deeming the subject property as surplus property.

6.1.4 The City Manager shall then determine the most appropriate method to dispose of surplus items and report the decision at the next regular City Commission meeting in accordance with City Code § 2-275(4). Such methods may include, but shall not be limited to, the following:

(a) Annual surplus equipment sale; (b) Sale; (c) Trade; (d) Donation.

6.1.5 The City Manager may require a surety bond for certain property, as the City Manager may deem appropriate.

6.1.6 The City Manager shall then advertise in a newspaper of general circulation that the surplus disposal will be awarded by sealed bid or auction and awarded to the highest bidder. The City Manager may reject any and all bids as he/she deems appropriate.

6.1.7 Proceeds from the sale of the property shall go into the general fund of the City, unless the equipment was acquired by utilizing police forfeiture funds.

6.2 Standardized Disposal Form

Before any physical disposal takes place, a Standardized Asset Disposal Form must be fully executed and submitted to the Finance Department. This form must document:

- The unique City ID tag number, description, VIN/serial number, and historical cost of the asset.
- The physical condition of the asset and the specific reason for disposal (e.g., obsolete, damaged, excess).
- The proposed method of disposal (e.g., public auction, competitive sealed bids, trade-in, scrap, donation to another governmental unit or non-profit, or destruction).
- The estimated market value of the property.
- The signature of the Custodian/Department Head, the Finance Director, and the City Manager.
- The date and resolution number of the City Commission approval.

6.3 Physical Disposal, Sale, and Destruction

6.3.1 Public Sale: When surplus property is to be sold, the City Manager shall advertise in a newspaper of general circulation that disposal will be by sealed bid or auction and shall award the property to the highest bidder, subject to the City Manager's authority to reject any and all bids, consistent with City Code § 2-275(6).

6.3.2 Trade-In: An asset may be traded in toward the purchase of a replacement asset, provided the trade-in is documented on the Purchase Order, approved by the City Commission, and the traded-in asset is properly removed from the master ledger.

6.3.3 Scrap/Destruction: If an asset has no commercial value, is hazardous, or is completely destroyed, it may be physically scrapped or destroyed upon written authorization of the City Manager. Documentation of the physical destruction or receipt from the scrap yard must be attached to the Asset Disposal Form.

6.3.4 Stolen or Lost Property: In the event of theft or unexplained physical loss, the department head must file a formal police report with the local law enforcement agency within twenty-four (24) hours of discovery. A copy of the police report must be submitted with the Asset Disposal Form to authorize de-capitalization and ledger adjustment.

6.3.5 No Private Benefit: No City employee, elected official, or relative of a City employee or official shall receive any private benefit, direct purchase privilege, or free distribution of City surplus property.

SECTION 7: EMPLOYEE SEPARATION AND PROPERTY RETRIEVAL PROCEDURES

Please refer to the Retrieval of City Assets and Equipment Policy

Retrieval of City Assets and Equipment Policy (UPDATED)

7.1 PURPOSE

This policy establishes the procedure for the timely and complete collection of all City-owned assets, equipment, and information from an employee or Charter Officer (e.g. City Manager, City Clerk) upon resignation, termination or retirement. This ensures the security of City data, the continuity of government operations, and the proper accountability of public property.

7.2 SCOPE

This policy applies to the retrieval of all City-owned equipment (including, but not limited to, computers, tablets, mobile phones, security access cards, electronic keys, vehicles, and documents) issued to employees and Charter Officers upon the official date of their separation (e.g. end of term, resignation, termination, retirement, or removal).

7.3 DEFINITIONS OF SEPARATION

For the purpose of this policy, separation occurs upon:

- The effective date of a resignation.
- The effective date of termination of employment.
- The effective date of retirement.

7.4 DEFINITIONS OF CITY ASSETS

City assets include, but are not limited to:

- **Technology:** Laptops, tablets, desktop computers, City-issued cell phones (and accessories), printers, and external hard drives.
- **Access Credentials:** Building keys, vehicle keys, access cards, government identification badges, and any electronic access tokens.

- **Documentation:** All physical files, City-owned manuals, reports, and records.
- **Digital Access:** Passwords and access to City email accounts, cloud storage, and proprietary systems.
- **Vehicles:** City-issued vehicles

7.6 EQUIPMENT RETRIEVAL PROCEDURE

The Human Resources Department shall coordinate with IT and Finance for retrieval of equipment from employees under the City Manager's jurisdiction. The City Manager shall surrender City property to the City Clerk as required by City's Charter and Code of Ordinances.

Date of Retrieval: All City assets and equipment must be returned to the City **no later than 4:00 PM on the official date of separation** (e.g. the effective date of resignation or termination). For Charter Officers who are terminated outside of regular business hours (e.g. during a Commission meeting), assets and equipment must be returned to the City **no later than 10:00am the morning following the termination meeting.**

All network access, email accounts, and remote access privileges will immediately be disabled upon the effective date of separation.

If a city vehicle was assigned, it must be returned, fueled, and with all keys and associated documentation, to the designated city facility on the date of separation.

Upon removal from office, the city manager shall immediately surrender to the city clerk all city property within his/her possession and control.

PRE-SEPARATION INVENTORY AND COORDINATION

TASK	RESPONSIBLE PARTY
Technology Inventory: Maintain a comprehensive inventory of all City technology assets, accounts, and credentials issued to the separating individual.	IT and HR
Physical Property: Compile an inventory of all physical non-IT assets (e.g., keys, furniture, vehicles) issued to the separating individual.	HR

***Date of Retrieval:** All City assets and equipment must be returned to the City **no later than 4:00 PM on the official date of separation** (e.g. the effective date of resignation or termination). For Charter Officers who are terminated outside of regular business hours (e.g. during a Commission meeting), assets and equipment must be returned to the City **no later than 10:00am the morning following the termination meeting.**	HR and IT
Coordination: Designate a secure time and location for the separating individual to surrender all City property. For elected officials, this may occur immediately following the final official meeting or event.	HR
Inventory Check: Conduct a physical inventory check against the issued equipment list. The separating individual and the representative inspecting the list must both sign the Asset Return Form. A copy of the signed form must be submitted to HR and filed in the separating individual's personnel file.	HR & IT
Digital Property: Immediately disable all network access, email accounts, and remote access privileges upon the effective date of separation.	IT
City Vehicles: If a city vehicle was assigned, it must be returned, fueled, and with all keys and associated documentation, to the designated city facility on the date of separation.	Keys surrendered to HR

***** Upon removal from office, the city manager shall immediately surrender to the city clerk all city property within his/her possession and control. **Code §2-97(b)** *(City Manager only)*; **Charter §3.04**

7.7 ACCOUNTABILITY AND MISSING EQUIPMENT

- **Financial Liability:** The separating individual is financially responsible for any City-owned equipment that is lost, damaged, or not returned upon separation, provided the loss/damage was not due to normal wear and tear.
- **Assessment:** The Finance Department will assess the replacement cost or repair cost of the missing or damaged item(s).
- **Collection:** The City reserves the right to seek recovery from the separated individual for the assessed value of unrecovered property through all legal means available.

7.8 DATA AND RECORDS

- **Deletion:** All devices shall be restored to city default configuration to ensure the security of City information and the privacy of the separating individual.

7.9 NON-COMPLIANCE

If all City assets are not returned by the required deadline:

7.91 The Human Resources Director shall issue a formal written demand to an employee for the immediate return of remaining property. For a Charter Officer, any formal demand shall be issued by the City Commission, the Mayor acting pursuant to Commission direction, or another person expressly authorized by the Commission. No forfeiture, withholding, or deduction of compensation or benefits shall occur except as authorized by law, contract, Charter, Code, or adopted personnel policy. The City Manager shall additionally be subject to City Code §2-97(b).

7.92 The City reserves the right to pursue all legal remedies, including court action, to recover the property or seek reimbursement for the fair market value of unrecovered assets, equipment, or replacement costs.

SECTION 8: ASSET & EQUIPMENT RETRIEVAL – ELECTED OFFICIALS

8.1 PURPOSE

This policy establishes the procedure for the timely and complete collection of all City-owned assets, equipment, and information from Elected Officials (e.g. Mayor, Commissioners) upon their separation from office (including expiration of term, resignation, removal, or failure to be re-elected). This ensures the security of City data, the continuity of government operations, and the proper accountability of public property.

8.2 SCOPE

This policy applies to the retrieval of all City-owned equipment (including, but not limited to, computers, tablets, mobile phones, security access cards, electronic keys, vehicles, and documents) issued to Elected Officials upon the official date of their separation (e.g. end of term, resignation, or removal).

8.3 DEFINITIONS OF SEPARATION

For the purpose of this policy, separation occurs upon:

- The official end date of the Elected Official's term, pursuant to Article IV, Section 6.03 of the City of Pahokee's Charter.
- The effective date of a resignation.
- The effective date of removal from office.

8.4 DEFINITIONS OF CITY ASSETS

City assets include, but are not limited to:

- **Technology:** Laptops, tablets, desktop computers, City-issued cell phones (and accessories), personal digital assistants (PDAs), printers, and external hard drives.
- **Access Credentials:** Building keys, vehicle keys, access cards, government identification badges, and any electronic access tokens.
- **Documentation:** All physical files, City-owned manuals, reports, and records.
- **Digital Access:** Passwords and access to City email accounts, cloud storage, and proprietary systems.
- **Vehicles:** City-issued vehicles.

8.5 EQUIPMENT RETRIEVAL PROCEDURE

The City Clerk's Office, in coordination with the Information Technology Services Consultant (IT) and the Finance Department, shall manage the equipment retrieval process for Elected Officials.

8.5.1 Pre-Separation (30 Days Prior, if Applicable)

For Elected Officials whose term is ending, the City Clerk shall notify the Official of their responsibilities under this policy and provide an inventory list of assigned equipment. The City Clerk, or the Clerk's designee, shall formally notify IT and the Director of Finance (or Asset Manager) upon confirmation of an Elected Official's separation date and shall coordinate the return and preservation of official records.

8.5.2 Pre-Separation Inventory and Coordination

TASK	RESPONSIBLE PARTY (Elected Officials)
Technology Inventory: Maintain a comprehensive inventory of all City technology assets, accounts, and credentials issued to the separating individual	IT and Clerk
Physical Property: Compile an inventory of all physical non-IT assets (e.g., keys, furniture, vehicles) issued to the separating individual.	Clerk
***Date of Retrieval:** All City assets and equipment must be returned to the City **no later than 4:00 PM on the official date of separation** (e.g., the expiration of the term or the effective date of resignation). Upon removal from office, the City Official shall immediately surrender to the City Clerk all city property within his/her possession and control. Any missing items must be returned to the City Clerk **no later than 10:00 am the morning following the termination meeting.**	Clerk
Coordination: Designate a secure time and location for the separating individual to surrender all City property. For elected officials, this may occur immediately following the final official meeting or event.	Clerk
Inventory Check: Conduct a physical inventory check against the issued equipment list. The separating individual and the representative inspecting the list must both sign the Asset Return Form. A copy of the signed form must be submitted to HR and filed in the separating individual's personnel file.	Clerk
Digital Property: Immediately disable all network access, email accounts, and remote access privileges upon the effective date of separation.	IT

City Vehicles: If a city vehicle was assigned, it must be returned, fueled, and with all keys and associated documentation, to the designated city facility on the date of separation.	Keys surrendered to the Clerk

8.6 ACCOUNTABILITY AND MISSING EQUIPMENT

- **Financial Liability:** The separating individual is financially responsible for any City-owned equipment that is lost, damaged, or not returned upon separation, provided the loss/damage was not due to normal wear and tear.
- **Assessment:** The Finance Department will assess the replacement cost or repair cost of the missing or damaged item(s).
- **Collection:** The City reserves the right to seek recovery from the separated official for the assessed value of unrecovered property through all legal means available.

8.7 DATA AND RECORDS

- **City Records:** The Elected Official must ensure that all official City business records, regardless of where they are stored (including personal devices or cloud storage), are transferred and secured with the City Clerk's Office prior to the return of the device.
- **Deletion:** Deletion: No electronic device retrieved from an Elected Official shall be wiped, reset, reissued, destroyed, or otherwise sanitized until IT has transmitted a complete data preservation copy to the City Clerk and the City Clerk has confirmed that records required to be retained have been secured in accordance with Chapter 119, Florida Statutes, applicable retention schedules, litigation/audit holds, and City records-management procedures. IT may then sanitize the device in accordance with approved cybersecurity procedures.

8.8 NON-COMPLIANCE

If all City assets are not returned by the required deadline:

1. The City Clerk, as coordinator of the Elected Official property-return process, shall issue the initial written demand for the immediate return of remaining City property and records, with copies to the City Manager, Finance Director, and City Attorney as appropriate. Any legal enforcement or recovery action shall be undertaken by the City through the authority provided by law, Charter, Code, and consistent with Commission action.

2. The City reserves the right to pursue all legal remedies, including court action, to recover the property or seek reimbursement for the fair market value of unrecovered assets, equipment, or replacement costs.

8.9 TRAINING, COMPLIANCE AND ACKNOWLEDGEMENT

8.9.1 Annual Staff and Official Training

The Finance Department shall conduct mandatory annual training for all department heads, purchasing staff, charter officers, and elected officials regarding the requirements and administrative responsibilities of this Capital Asset Policy. For elected officials, the Finance Department shall coordinate with the Office of the Clerk, in accordance with Article II, Section 2.06 of the City of Pahokee's Charter.

8.9.2 WRITTEN ACKNOWLEDGEMENT REQUIRED

- Every employee, contractor, and elected official of the City of Pahokee must read and sign a written Policy Understanding and Acknowledgement Form within thirty (30) days of this policy's adoption or upon hire/taking office.
- The signed acknowledgement form must be maintained in the individual's permanent personnel file in Human Resources as proof of compliance and understanding of their personal financial accountability for municipal property.

PART 2 - IT & SECURITY

IT Asset Management, User Access, And Password Security Policy (NEW)

SECTION 1: PURPOSE, SCOPE, AND LEGAL AUTHORITY

1.1 Purpose

The purpose of this Policy is to establish rigorous, legally compliant guidelines for the recording, tracking, safeguarding, and disposal of City-owned Information Technology (IT) equipment, and to define standardized controls for network access, password authentication, password resets, and user account management. This policy is designed to:

- Prevent the loss, theft, or unaccounted-for separation of City-issued IT hardware (such as laptops and cellular phones)
- Protect critical municipal networks, systems, and data from unauthorized access or cyber threats
- Ensure the operational integrity and reliability of the City's financial and administrative databases.

1.2 Scope

This policy applies to all departments, divisions, and personnel of the City of Pahokee, Florida. This includes the City Manager, City Attorney, City Clerk, Mayor, members of the City Commission, and all employees, volunteers, contractors, and third-party vendors who utilize or manage City-owned IT assets or access the City's electronic networks and databases.

1.3 Legal Authority and Public Records Exemptions

This policy is established under the following authority:

1.3.1 Section 282.3185, Florida Statutes (F.S.) – The Local Government Cybersecurity Act, which mandates that local governments adopt cybersecurity standards, perform vulnerability assessments, establish incident response plans, and implement access control standards.

1.3.2 Section 119.071(3), Florida Statutes (F.S.) – Public Records Exemptions for Security. Security-related information shall be treated as confidential or exempt only to the extent specifically provided by Florida law. Public-records requests involving IT or cybersecurity records shall be routed through the Office of the City Clerk for review, coordination of any lawful redaction or exemption, and production. IT and the City Attorney shall provide technical or legal assistance to the City Clerk as needed.

1.3.3 The Charter of the City of Pahokee (Sec. 3.04 & Code §2-293) – Designating the City Manager as the chief administrative officer responsible for the execution of administrative policy and the oversight of all municipal operations, which includes management of the City’s contracted IT services. §2-293 supports Finance's asset/accounting control responsibilities.

SECTION 2: IT ASSET MANAGEMENT AND PROCUREMENT CONTROLS

2.1 Centralized IT Asset Registry

The Finance Department shall maintain a centralized Master IT Asset Registry in coordination with the Contracted IT Vendor.

2.1.1 Required Entries: Every City-owned IT device must be entered into the Registry immediately upon acquisition.

2.1.2 Standardized Data Fields: The Master IT Asset Registry must document:

- Unique City ID Tag Number.
- Device Manufacturer, Model, and Description.
- Hardware Serial Number and MAC Address.
- Assigned Custodian (Specific employee, Charter Officer, or elected official).
- Device Location (Department or remote authorization).
- Acquisition Date and Cost.
- Estimated Useful Life and Disposal/De-provisioning Date.

2.1.3 Tracking of City-Owned Cellular Phones: the City shall maintain a dedicated Mobile Device Registry within the IT Asset Registry that records the phone number, carrier, IMEI, and assigned custodian for every municipal mobile phone.

2.2 IT Procurement Restrictions

2.2.1 Direct Accounts Payable Payments Required: To ensure compliance with the City’s tax-exempt status and to prevent unrecorded IT purchases, no IT hardware or software may be purchased using a City-issued credit card, debit card, or via employee personal reimbursement.

2.2.2 Required Approvals: In accordance with the City's Purchasing Policy, purchases of computer equipment, cellular phones, software, and related IT services must receive the approval of the requesting Department Head or Charter Officer and the IT designee before a Purchase Order (PO) is issued, together with any additional approval required by the City Code or adopted purchasing thresholds. Nothing in this policy shall be construed to place one Charter Officer under the administrative supervision of another Charter Officer.

2.2.3 Immediate Tagging: Upon delivery to the City, all IT hardware must be delivered directly to the Finance Department and IT designee for unique tagging, serialization, and registry entry prior to being issued to any custodian.

2.3 Physical Disposal and De-provisioning of IT Assets

2.3.1 Commission Approval Required: Obsolete or damaged IT equipment must be formally declared "Surplus Property" and approved for disposal by the City Commission in an open meeting and recorded in the official minutes.

2.3.2 Data Sanitization (Wiping): Prior to physical disposal or donation, the Contracted IT Vendor must perform certified data sanitization on all hard drives and storage media, removing all City data, licensed software, and access configurations. A Certificate of Destruction must be attached to the Standardized Asset Disposal Form.

2.3.3 Lost or Stolen IT Equipment: If any IT device is lost or suspected stolen, the custodian must file a police report within twenty-four (24) hours and submit it to the IT vendor and Finance Director so access credentials can be immediately revoked and the device can be de-capitalized.

SECTION 3: USER ACCESS AUTHORIZATION AND TERMINATION CONTROLS

3.1 Account Provisioning and Authorization

3.1.1 No Anonymous or Shared Accounts: Every user must be assigned a unique, individual User ID and password. The use of shared, generic, or anonymous accounts (e.g., "finance staff", "admin") for daily operations is strictly prohibited.

3.1.2 Access Request Form: Access to City networks, financial systems, email, or City applications may only be granted upon an IT Access Request Form authorized by the applicable Department Head or Charter Officer. For personnel assigned to the Office of the City Clerk, access shall be authorized by the City Clerk or the Clerk's designee. Additional IT or Finance approval may be required for privileged or financial-system access based on system security and segregation-of-duties requirements.

3.1.3 3.1.3 Records Management and Custodial Access: Nothing in this section shall authorize the access, alteration, deletion, destruction, or disposition of City records contrary to the City's records management program, applicable records retention requirements, or law. The Office of the City Clerk, as custodian of public records and administrator of the City's records management program, shall be provided copies of completed user access authorization, modification, and termination records and shall be consulted regarding the preservation, retention, lawful disposition, or production of City records.

Upon the separation, termination, retirement, expiration of term, or other departure of any City employee or official, all City records associated with the individual's account or City service, including electronic mail, electronic files, and records maintained within City systems, shall be preserved and made accessible to the Office of the City Clerk for records management and public records purposes prior to deletion, destruction, or lawful disposition. Deactivation or termination of a user's access shall not constitute authorization to delete or destroy City records associated with the user's account.

Records and systems maintained by or under the custody or administration of the Office of the City Clerk, including cemetery records and cemetery management systems administered through that Office, shall not be substantively accessed by personnel outside the Office of the City Clerk except through the City Clerk or as otherwise required by law or lawful process. Technical administrative access by Information Technology personnel or contractors shall be limited to that reasonably necessary to perform authorized technical functions and shall not, by itself, constitute authorization to review, retrieve, use, disclose, alter, or delete the substantive contents of such records.

3.1.4 Principle of Least Privilege: Users shall only be granted the minimum level of system access necessary to perform their official duties. Administrative or privileged system access shall be restricted to the Contracted IT Vendor.

3.2 <u>Immediate Termination and Deactivation Timeline</u>

To prevent unauthorized system access by former personnel and protect critical municipal data:

3.2.1 Notification: Human Resources must notify the Contracted IT Vendor immediately upon receiving a notice of resignation, retirement, termination, or suspension of any employee, contractor, or elected official.

3.2.2 Deactivation Timeframe: The Contracted IT Vendor must disable all network logins, VPN access, email accounts, and software credentials within two (2) hours of receiving notification for involuntary terminations, and no later than the close of business on the final day of service for voluntary separations or expiration of terms.

3.2.3 Elected Officials and specified Charter Officers: Account deactivation applies to the City Manager, City Clerk, Mayor, and City Commissioners upon the legally effective date of separation, removal, suspension, resignation, or expiration of term, as applicable. A Charter Officer's access shall not be disabled merely upon an informal request by another Charter Officer. For the City Clerk, IT shall act upon official notice of Commission action or other legally effective separation consistent with Charter section 3.03. Access changes for employees assigned to the Office of the City Clerk shall be authorized by the City Clerk or the Clerk's designee.

3.2.4 Quarterly Access Review: The Contracted IT Vendor and Finance Director shall perform a quarterly audit of all active system users to identify and deactivate any dormant or orphaned accounts. The results of each quarterly access review, including documentation of identified discrepancies and corrective actions, shall be provided to the Office of the City Clerk for retention in accordance with the City's records management program. Where the review involves access to records or systems maintained by or under the administration of the Office of the City Clerk, the City Clerk or designee shall verify the appropriateness of such access.

3.2.5

SECTION 4: PASSWORD AUTHENTICATION STANDARDS

4.1 <u>Password Complexity Requirements</u>

All user accounts accessing City of Pahokee computers, local networks, cloud systems, and financial databases must utilize highly secure, complex passwords that meet the following standards:

1. Minimum Length: Must be a minimum of twelve (12) characters in length.
2. Character Variety: Must contain characters from at least three (3) of the following categories:

- Uppercase letters (A-Z).
- Lowercase letters (a-z).
- Numbers (0-9).
- Special characters/symbols (e.g., !, @, #, $, %, ^, &, *).

3. Prohibited Elements: Passwords must not contain the user's account name, actual name, date of birth, or sequential characters (e.g., "123456", "password").

4.2 Multi-Factor Authentication (MFA)

1. Mandatory MFA: Multi-Factor Authentication (MFA) is mandated for all remote access connections, including Virtual Private Networks (VPN), remote desktop access, web-based email, and cloud-hosted administrative platforms.
2. Financial and Sensitive Systems: MFA must be enabled for all users accessing the City's financial management and accounts payable software, regardless of whether access is local or remote.

*NOTE: Password requirements are subject to change based on recommendations from City's IT Service Consultant.

SECTION 5: PASSWORD RESET AND MANAGEMENT POLICY

5.1 <u>Mandatory Password Rotation</u>

5.1.1 Forced Expiration: Users are required to change their passwords at least once every ninety (90) days. The system shall automatically prompt the user to change their password and prevent login if the password has expired.

5.1.2 Password History: The system shall maintain a history of the user's passwords and prohibit the reuse of any of the user's last ten (10) passwords.

*NOTE: Password Reset requirements are subject to changes based on recommendations from the City's IT Service Consultant.

5.2 <u>Password Reset Procedures</u>

To prevent social engineering and unauthorized account takeover:

5.2.1 Vendor Assistance: Users who forget their password or are locked out of their account must contact the Contracted IT Services Consultant help desk.

5.2.2 Identity Verification: Before performing a password reset, the Contracted IT Services Consultant must verify the identity of the user requesting the reset (e.g., via a call back to their registered City phone number, verification of an employee ID number, or confirmation by their supervisor).

5.2.3 Temporary Passwords: Any temporary password issued by the IT Services Consultant must be a randomized string, valid for single-use only, and the user must be forced to establish a new, complex password immediately upon their next login.

5.2.4 Audit Logging: The Contracted IT Services Consultant must maintain an automated, unalterable log of all password reset requests, including the date, time, requester identity, and the technician performing the reset.

SECTION 6: TRAINING, COMPLIANCE, AND ACKNOWLEDGEMENT

6.1 Annual Cybersecurity Training

6.1.1 Mandatory Participation: All City personnel, including the City Manager, City Clerk, Mayor, Commissioners, and other personnel required by applicable law or City policy, must complete required cybersecurity awareness training. The Office of the City Clerk shall coordinate or facilitate Citywide cybersecurity awareness and compliance training, in collaboration with the City's designated Information Technology professionals, Human Resources, and other appropriate officials. The City Clerk shall maintain or coordinate the official Citywide training-compliance record, as assigned by law, ordinance, resolution, Commission action, or adopted City policy. This provision does not assign technical cybersecurity administration, network security, system configuration, vulnerability management, or technical incident remediation to the Office of the City Clerk.

6.1.2 Training Content: Training shall address, as applicable, secure password practices, phishing and social-engineering detection, physical security of mobile devices, protection of public records and confidential or exempt information, records preservation, secure handling of City information, and incident-reporting responsibilities. Cybersecurity training affecting the preservation, loss, destruction, compromise, recovery, accessibility, or disclosure of official City records shall be coordinated with the Office of the City Clerk.

6.2 Policy Acknowledgment

6.2.1 Written Agreement: Every employee, contractor, and elected official must read, understand, and sign the IT Security and Acceptable Use Policy Acknowledgment Form within thirty (30) days of this policy's adoption or immediately upon hire/taking office.

6.2.2 Record Keeping: Human Resources shall maintain employee acknowledgment forms in the applicable personnel file, and Finance shall maintain contractor acknowledgment forms. The City Clerk shall maintain acknowledgments of elected officials and specified Charter Officers when required as part of the official records of the governing body. Enforcement against employees shall be by the official having supervisory authority under the Charter, Code, and personnel rules. Enforcement against a specified Charter Officer is reserved to the City Commission consistent with the Charter. Temporary restriction of system access may be taken when reasonably necessary to address an active cybersecurity threat, with prompt notice to the affected Charter Officer and the appropriate governing authority.

PART 3 – FINANCE

Municipal Credit Card Use Policy and Internal Control Procedures

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SECTION 1: PURPOSE

The purpose of this policy is to establish internal controls, accountability standards, authorization procedures, and oversight requirements governing the use of City-issued credit cards for official municipal business. This policy is intended to:

- Ensure proper stewardship of public funds
- Prevent fraud, abuse, misuse, and reporting errors
- Ensure compliance with Florida law and City purchasing requirements
- Address prior audit findings identified by the State of Florida Auditor General
- Establish timely reconciliation and payment procedures
- Prevent payment of sales tax when exempt
- Promote transparency and accountability in the expenditure of public funds
- Ensure all transactions clearly document a valid public purpose

SECTION 2: SCOPE

This policy applies to all City-issued credit cards and purchasing cards, including general-purpose credit cards and vendor-specific or store-issued cards (e.g. Home Depot), unless otherwise governed by a separate City policy

Credit cards shall generally be issued only to Charter Officers, City Commissioners, Department Directors, and other employees whose duties require frequent authorized purchases. Any issuance to an employee other than those identified above must be approved in writing by the City Manager and documented by the Finance Department.

No other employee may possess or independently use a City-issued credit card unless specifically approved in writing by the City Manager for temporary operational necessity

SECTION 3: AUTHORIZED USES

City credit cards shall only be used for legitimate and necessary official City business, including:

- Official travel on behalf of the City
- Attendance at approved conferences, seminars, and training
- State and federal legislative representation activities
- Registration fees
- Lodging
- Airfare and transportation

- Official meals associated with approved travel
- Official supplies purchased when normal procurement methods are impractical
- Emergency response activities
- Purchases specifically authorized by the City Manager
- Emergency operational purchases when procurement procedures are impractical

All expenditures must serve a documented public purpose.

SECTION 4: PROHIBITED USES

City credit cards shall NOT be used for:

- Personal purchases of any kind
- Cash advances
- Alcoholic beverages
- Entertainment expenses unrelated to City business
- Fuel purchases unless specifically authorized
- Split purchases to avoid purchasing thresholds
- Purchases lacking prior approval
- Purchases subject to sales tax
- Gift cards
- Political contributions or campaign-related expenses
- Family member or guest expenses
- Personal memberships unless specifically authorized
- Charitable donations
- Fines or penalties
- Purchases intended for resale
- Purchases from employees or immediate family members where a conflict of interest exists
- Purchases prohibited by the City's Procurement Policy
- Online purchases from vendors not approved in accordance with City purchasing procedures or through unsecured websites or payment systems
- Storage of City credit card information on personal devices, personal accounts, or unsecured websites
- Use of personal online retail accounts for City purchases unless specifically authorized by the Finance Director
- Purchases that violate applicable cybersecurity or information technology policies
- Recurring subscriptions unless approved by Finance

Unauthorized use may result in:

- Immediate card suspension
- Personal repayment obligation
- Disciplinary action up to termination
- Referral for criminal prosecution

SECTION 5: CREDIT CARD ISSUANCE AND LIMITS

5.1 Approval Authority

- City credit cards shall be issued only to full-time employees or elected officials whose job responsibilities require frequent authorized purchases or travel and when other procurement methods are impractical.
- All employee credit cards must be approved in writing by the City Manager. Approval documentation shall be maintained by the Finance Department.
- Credit cards issued to elected officials shall require approval by formal action of the City Commission and shall be administered by the Finance Director. **Cards issued to the City Commission should be used solely for travel.**

5.2 Charter Officers

Because the City Manager and City Clerk are Charter Officers, additional internal controls shall apply to ensure appropriate oversight and separation of duties in accordance with Charter §§2.04, 2.06 & 3.04; Code §2-293

The City Commission shall approve the issuance of any City credit card to a Charter Officer by formal action.

The Finance Director shall administer Charter Officer credit cards, including maintaining card records, monitoring compliance with this policy, and ensuring timely submission of required documentation.

Monthly credit card statements and supporting documentation for the City Manager and City Clerk shall be reviewed by the Finance Director for completeness and compliance with this policy. The Finance Director shall submit the reconciled statements to the Mayor, or the Mayor's designee designated by the City Commission, for review and approval prior to payment.

No Charter Officer shall approve or certify their own credit card transactions, reimbursements, or monthly statements.

The Finance Director shall not approve their own credit card transactions. If the Finance Director is issued a City credit card, the Finance Director's monthly statements and supporting documentation shall be reviewed and approved by the City Manager.

Any exceptions, disputed transactions, or suspected misuse involving a Charter Officer's credit card shall be reported to the City Commission.

5.3 Credit Card Custody and Sign-Out Requirements

City-issued credit cards shall be maintained in a secure location under the control of the Finance Department when not in authorized use. All City credit cards shall be stored in the designated safe located in the Finance Director’s office.

Prior to removing a City credit card for an authorized purchase or approved travel, the cardholder shall sign out the card in accordance with procedures established by the Finance Department. The Finance Department shall maintain a record of credit card issuance and return sufficient to identify the cardholder, card issued, date of issuance, and date of return.

Credit cards used for non-travel purchases shall be returned to the Finance Department within twenty-four (24) hours following completion of the authorized purchase.

Credit cards used for approved City travel shall be returned to the Finance Department no later than two (2) business days following completion of the approved travel.

Cardholders shall remain responsible for safeguarding the credit card while it is in their possession and shall not transfer, loan, or permit another individual to use a card that has been signed out to them.

Failure to return a City credit card within the required timeframe, absent documented circumstances beyond the cardholder's control, may result in suspension of credit card privileges or other corrective action in accordance with this policy.

5.4 Credit Limits

The City Manager shall establish limits for employees and departments under the City Manager's jurisdiction. Credit limits for elected officials, the City Manager and City Clerk shall be established or approved by the City Commission, or pursuant to a uniform schedule adopted by the City Commission:

- Cardholder name
- Department
- Individual transaction limits
- Monthly spending limits
- Any replacement or reissuance history

Limits shall be based on operational necessity.

The Finance Department shall periodically review all active credit cards to ensure continued operational necessity and shall cancel cards that are no longer required or have remained inactive for an extended period unless justified by operational needs.

SECTION 6: CARDHOLDER AGREEMENT AND PRE-APPROVAL PROCEDURES

6.1 Cardholder Agreement

Prior to issuance, each cardholder must sign a Credit Card User Agreement acknowledging:

- Receipt of policy
- Understanding of prohibited uses
- Personal responsibility for misuse
- Agreement to provide documentation timely

6.2 Required Pre-Approval Procedures

Prior written approval is required before any travel-related expenditure.

The following must be approved in advance:

- Travel authorization
- Conference registration
- Estimated travel costs
- Lodging arrangements
- Transportation expenses

Approvals must include:

- Business purpose
- Dates
- Estimated costs
- Funding source

SECTION 7: EMERGENCY PROCUREMENT

Emergency purchases made when normal procurement procedures are impractical must be documented in writing and shall include:

- Description of the emergency condition
- Explanation of why standard procurement procedures could not be followed
- Identification of the vendor selected
- Justification that the cost was reasonable under the circumstances

Emergency purchases remain subject to post-purchase review and audit.

SECTION 8: SUBMISSION DEADLINE, MISSING RECEIPTS AND SALES TAX

8.1 Receipt Submission Deadline

All receipts and supporting documentation must be submitted to the Finance Department by the next business day for purchases and no later than 48-hours (two business days) after returning from travel.

8.2 Documentation Requirements

Each transaction must include:

- Original itemized receipt
- Business purpose statement
- Travel authorization, if applicable
- Conference agenda or meeting documentation, when applicable
- Evidence of required supervisory or travel approvals, including electronic approvals where applicable

The business purpose statement must clearly identify:

- Who incurred the expense
- What was purchased
- Why the expense was necessary for City business
- How the expenditure benefited the City

Statements such as “miscellaneous,” “meeting,” or “City business” alone are insufficient.

8.3 Failure to Submit Documentation

Failure to submit required documentation within the deadline may result in suspension of credit card privileges or escalation under the disciplinary provisions of this policy.

8.4. Missing Receipts

The cardholder must obtain a duplicate receipt, when possible. Missing receipts must be documented with a written explanation and approved by the Finance Director. Repeated missing receipts may result in suspension of credit card privileges.

8.5 Sales Tax Exemption Compliance

The City is exempt from Florida sales tax, however, purchases that improperly include Florida sales tax when the City is exempt, may be authorized in writing by the Finance Director due to circumstances beyond the cardholder's control.

Required Controls

- Tax-exempt certificates shall be issued with each credit card.
- Cardholders must inform vendors of the City’s tax-exempt status before purchase.
- Finance shall review all receipts for sales tax charges.

If sales tax is improperly charged:

- The cardholder must attempt reimbursement from the vendor;
- Repeated violations may result in suspension of card privileges.

SECTION 9: MONTHLY RECONCILIATION PROCEDURES

9.1 Cardholder Responsibilities

Within five (5) business days of receiving the monthly statement, the cardholder must submit:

- Reconciled statement
- All receipts
- Business purpose documentation
- Missing receipt affidavit, if necessary

Failure to submit the required documentation within the prescribed timeframe may result in suspension of credit card privileges until all outstanding documentation has been received and approved.

9.2 Department Director Review

The Department Director or supervising authority shall review:

- Accuracy
- Compliance
- Public purpose
- Budget availability and compliance with the City's policies

9.3 Finance Department Review

The Finance Department shall independently verify:

- Proper account coding
- Sales tax compliance
- Mathematical accuracy
- Detection of duplicate or potentially fraudulent transactions
- Supporting documentation
- Timeliness

SECTION 10: TIMELY PAYMENT CONTROLS

The Finance Department shall implement and maintain procedures to minimize late fees, finance charges, and delinquent payments, including the following:

- Maintenance of a centralized credit card payment and statement tracking system;
- Timely monitoring and review of all statements upon receipt;
- Processing of payments sufficiently in advance of due dates in accordance with the City’s financial procedures and banking timelines;
- Use of automated payment reminders and notification systems where available; and

• Designation of backup personnel to ensure continuity of payment processing during employee absences or emergencies.

The Finance Director shall periodically review compliance with these procedures and shall report any significant violations, recurring deficiencies, misuse of City credit cards, or material internal control concerns to the City Manager and, when appropriate, the City Commission.

Any late fees, finance charges, penalties, or other costs determined to have resulted from employee misconduct, gross negligence, intentional misuse, or willful failure to follow established procedures may be subject to disciplinary action and reimbursement to the City to the extent permitted by applicable federal and Florida law, collective bargaining agreements, personnel policies, and the City Charter.

The Finance Department shall promptly notify the applicable cardholder and supervisor of any delinquent or incomplete reconciliation to avoid delays in payment processing.

Nothing in this policy shall be interpreted to authorize deductions from employee wages except as permitted by applicable law and authorized procedures.

SECTION 12: FRAUD PREVENTION AND MONITORING

The City shall implement the following fraud prevention measures:

- Merchant category code restrictions;
- Spending limits;
- Prohibition on ATM withdrawals;
- Immediate reporting of lost or stolen cards;
- Monthly audit sampling by Finance Director;
- Random transaction reviews;
- Annual independent review by internal or external auditor;
- Immediate deactivation upon termination or reassignment.

Suspected fraud or misuse shall immediately be reported to:

- Finance Director
- City Manager
- Law enforcement when appropriate

SECTION 11: SEGREGATION OF DUTIES

The following duties shall be separated whenever possible:

Function	**Responsible Party**
Card Use	Authorized Cardholder
Review & Approve cardholder transactions; Ensure purchases are appropriate; Verify proper documentation & account coding.	Department Director
Review statement; process payment	Finance Staff
Administer the City Credit Card program; maintain & safeguard credit card account info; review & reconcile monthly statements; monitor compliance & enforce policy.	Finance Director

All credit card expenditures shall comply with applicable federal and Florida law, procurement policies, ethics provisions, public records laws, and adopted administrative procedures.

Commissioner expenses shall be reviewed by the Finance Director for accuracy, appropriateness, budget availability, and compliance, and shall require approval by the City Manager prior to payment.

Charter Officer expenses shall be reviewed by the Finance Director for accuracy, appropriateness, budget availability, and compliance with this policy and shall require approval by the Mayor, or the Mayor's designee as authorized by the City Commission, prior to payment.

<u>A. Self-Approval Prohibited</u>

No employee, elected official, Charter Officer, or approving authority shall review, approve, certify, or authorize payment of their own credit card transactions, reconciliations, or supporting documentation. Whenever an approving authority is the cardholder, approval shall be performed by the next higher level of independent authority as provided in this policy.

SECTION 13: TRAVEL EXPENSE STANDARDS

<u>Travel Arrangements</u>

Travel arrangements for members of the City Commission shall be coordinated and made by the City Clerk or the City Clerk’s authorized designee.

Travel arrangements for the City Manager shall be coordinated and made by the Executive Assistant or other authorized designee of the City Manager.

All travel arrangements shall comply with the City’s Travel Policy, applicable purchasing requirements, approved travel authorization, and established budgetary limitations.

City credit cards used to secure or pay for authorized travel arrangements shall remain subject to all documentation, custody, reconciliation, and other requirements established by this policy.

Travel expenditures must comply with:

- Applicable GSA regulations;
- City travel policies;
- Approved travel budgets.

Travel expenses shall be limited to:

- Airfare should be purchased sufficiently in advance to obtain the most economical fare whenever practicable.
- Shared lodging may be utilized when practical, appropriate, and cost-effective.
- Meal reimbursements shall not exceed the limits established by applicable GSA regulations and City travel policy.
- Economy or intermediate-class rental vehicles shall be used unless a larger vehicle is justified by operational necessity.

Luxury or excessive expenditures are prohibited.

SECTION 14: AUDIT AND OVERSIGHT

The Finance Director shall prepare a quarterly credit card activity report for submission to the City Manager. The City Manager shall present the report to the City Commission.

The quarterly report shall summarize overall credit card activity, compliance trends, and internal control matters. The report shall not include confidential account numbers or other protected financial information and shall include, at a minimum:

- Cardholder activity summaries;
- Outstanding documentation or reconciliation issues;
- Late payments, finance charges, or penalties;
- Sales tax violations or exemptions not properly applied;
- Suspected misuse or other policy violations;
- Credit card issuances, suspensions, and cancellations; and
- Any significant internal control deficiencies and corrective actions implemented.

An annual compliance review shall be conducted by the Finance Director to evaluate compliance with this policy and assess the effectiveness of internal controls. The results of the annual compliance review, including any recommendations for policy or procedural improvements, shall be submitted to the City Manager and presented to the City Commission.

Lost or Stolen Credit Cards

A cardholder shall immediately report a lost or stolen City credit card to the issuing financial institution and the Finance Director. The cardholder shall also notify their supervisor as soon as practicable. The Finance Department shall document the incident, coordinate replacement of the card, and monitor the account for unauthorized transactions.

SECTION 15: TRAINING REQUIREMENTS

Before receiving a City credit card, all cardholders must complete mandatory training covering:

- Authorized uses;
- Documentation requirements;
- Florida sales tax exemption;
- Public records retention;
- Fraud prevention;
- Ethics requirements;
- Cybersecurity awareness
- Purchasing policy
- Consequences for misuse.

Annual refresher training shall be required.

SECTION 16: RECORD RETENTION

All credit card documentation shall be retained in accordance with:

- Florida public records laws;
- State retention schedules;
- City financial record retention policies.

Records may be maintained electronically if properly secured. Records shall be made available for inspection in accordance with Florida public records laws, subject to applicable exemptions.

SECTION 17: VIOLATIONS AND ENFORCEMENT

Violations of this policy may result in:

- Revocation of card privileges;
- Employee discipline;
- Personal repayment;
- Termination;
- Referral to law enforcement;
- Civil recovery actions.

Intentional misuse of public funds may be referred to the appropriate law enforcement agency for investigation and, where warranted, prosecution under applicable law.

SECTION 18: POLICY ADMINISTRATION

The Finance Director shall administer this policy and may establish administrative procedures consistent with applicable law, the City Charter, and City policies.

The City Manager may issue administrative directives necessary for implementation of this policy.

The City Commission reserves the authority to amend, suspend, or repeal this policy in accordance with applicable law and the City Charter.

APPENDIX A

City of Pahokee Credit Card User Acknowledgment and Agreement

I acknowledge that I have received, read, and understand the City of Pahokee Credit Card Policy. I understand that the City-issued credit card is provided solely for the conduct of authorized official City business and remains the property of the City of Pahokee.

By signing this agreement, I acknowledge and agree to the following:

General Responsibilities

I understand that:

- The City credit card may only be used for authorized and necessary official City business.
- I am personally responsible for all purchases made using the credit card assigned to me.
- I will comply with all provisions of the City's Credit Card Policy, Procurement Policy, Travel Policy, applicable administrative procedures, and all applicable federal and Florida laws.
- I will exercise prudent judgment and ensure that every expenditure serves a legitimate public purpose and represents an appropriate use of public funds.

Prohibited Uses

I understand that I shall not:

- Use the credit card for personal purchases or personal benefit.
- Loan, transfer, or allow any other individual to use my assigned credit card.
- Circumvent purchasing limits through split purchases or other methods.
- Obtain cash advances.
- Purchase prohibited items or services identified in the Credit Card Policy.
- Knowingly authorize payment of Florida sales tax when the City is entitled to a tax exemption, unless circumstances beyond my control prevent its removal.
- Store City credit card information on personal devices, personal online accounts, or unsecured websites.

Documentation Requirements

I agree to:

- Obtain and retain itemized receipts for all transactions.

- Provide sufficient documentation identifying the business purpose of each purchase.
- Submit all required statements, receipts, supporting documentation, and any required affidavits within the timeframes established by City policy.
- Immediately notify the Finance Department if I am unable to obtain a required receipt.

Safeguarding the Card

I agree to:

- Protect the credit card and account information from unauthorized access or use.
- Never share the card number, security code, or account credentials except as required to complete an authorized transaction.
- Immediately report a lost, stolen, or compromised credit card to the issuing financial institution, the Finance Director, and my supervisor.
- Cooperate with the City in investigating any unauthorized transactions.

Separation of Employment or Change in Assignment

I understand that I must immediately return the City credit card to the Finance Department upon:

- Separation from employment;
- Retirement;
- Transfer or reassignment when the card is no longer required;
- Suspension of credit card privileges; or
- Upon request by the City.

Audits and Public Records

I understand that:

- All purchases made with a City credit card are subject to review, audit, and public records requirements as provided by Florida law.
- I may be required to provide additional documentation or explanations supporting any transaction.

Misuse and Enforcement

I understand that violations of the City's Credit Card Policy may result in one or more of the following:

- Suspension or permanent revocation of credit card privileges;

- Disciplinary action, up to and including termination of employment, in accordance with applicable personnel policies;
- Personal reimbursement to the City for unauthorized expenditures, to the extent permitted by applicable law;
- Referral to law enforcement or other appropriate authorities when warranted; and
- Any other corrective action authorized by law or City policy.

I understand that nothing in this agreement authorizes deductions from my wages except as permitted by applicable law and authorized procedures.

By signing below, I certify that I have read and understand the City of Pahokee Credit Card Policy, have had the opportunity to ask questions regarding its requirements, and agree to comply with all applicable provisions.

Employee Name (Print): ____

Job Title: ____

Department: ____

Credit Card Number (Last Four Digits): ________________________

Employee Signature: ____________________________________

Date: _______________________

Supervisor Name: ____

Supervisor Signature: ______________________________________

Date: _______________________

Finance Department Verification

Credit Card Issued By: ______________________________________

Date Issued: ________________________

Credit Limit: ____

Finance Director: ______________________________

Signature: _______________________________________

Date: ________________________

CITY OF PAHOKEE

TRAVEL POLICY (UPDATED)

~~Dec 2025~~

PURPOSE:

The purpose of this policy is to provide guidance to authorized travelers of the City of Pahokee who incur travel costs while conducting City business. Through the use of this policy, authorized travelers should have a clear understanding of eligible expenses before a trip begins to avoid unnecessary expenses or costs to the City. Providing a uniform standard for travel reimbursement will promote proper use of public funds

ENFORCEMENT

The City Manager and the Director of Finance shall be jointly responsible for administrative enforcement of this policy for employees and departments under the City Manager's jurisdiction. Each Charter Officer shall administer this policy within that Charter Officer's office, subject to Finance's fiscal-compliance review and the City Commission's authority over Charter Officers. In accordance with Section 112.061(10), Florida Statutes, any individual who willfully submits a false or fraudulent travel claim shall be civilly liable to the City for the full amount of the unauthorized reimbursement, shall be subject to immediate disciplinary action up to termination, and the City shall refer the matter to the State Attorney's Office and the Palm Beach County Commission on Ethics."

DEFINITIONS

1. Business Travel - Travel that is for a public purpose and necessary for an employee to complete an assigned task or carry out assigned responsibilities and that serves a clearly identified public purpose. Examples include serving on a professional or technical board, a speaking engagement, and other business travel serving a clearly identified public purpose. For a trip to be classified in the Business Travel category, there generally is no registration fee. Routine business, certification, or training travel that does not require overnight lodging and is fully funded within a department's pre-approved annual budget may be authorized by the applicable Department Director. For the Office of the City Clerk and other Charter Officer offices, such travel may be authorized by the applicable Charter Officer. Fiscal review, reimbursement approval, and segregation-of-duties requirements remain applicable. Unbudgeted travel, out-of-state travel, or travel exceeding ten thousand dollars ($10,000) shall require formal City Commission approval by resolution.
2. Certification or Training Travel- Travel related to essential technical training required to perform in the job classification. For a trip to be classified in this category, the course must result in a certificate, course credit, CPE, CLE, and CEU for satisfaction of in-service training needed for a specified position. This type travel shall be approved by the City Commission.
3. Overnight Travel (Class A or B as defined in FS112.061):
    a. **Class A Travel:** *Continuous travel of twenty-four (24) hours or more away from official headquarters.*

b. **Class B Travel:** *Continuous travel of less than twenty-four (24) hours which involves overnight absence from official headquarters.* Overnight travel requires approval by the City Commission through the City's annual budget process or by resolution.

c. **Class C Travel:** *Travel for short or day trips where the traveler is not away from official headquarters overnight.* Day travel may be initiated at the department level,but shall be approved by the City Manager. Approval may be granted if said travel has already been approved through the City's annual budget process.

5. Official Headquarters: This shall mean the main address of the City Hall for the City of Pahokee. 6. Authorized Traveler ("Traveler"): An individual who is officially permitted by the municipality to engage in official travel in furtherance of municipal business. The term includes: (i) any employee of the municipality acting within the scope of their employment to include the City Manager and City Clerk; (ii) any elected official when travelling on official business of the City of Pahokee; (iii) volunteers of the city serving, including student groups when approved by a resolution of the City Commission. All travel for an authorized traveler shall be approved, in advance, by the City's budget process. Individuals accompanying a traveler, such as a spouse, children, relative, friends, or companions are **not** considered authorized travelers, and travel for such persons is not reimbursable.

BUDGET PROVISION:

At the time of fiscal year budget submission, a copy of the detailed travel plans for the year shall be submitted to the City Commission for consideration. Detailed travel plans shall include all known conference names, locations and dates. Only necessary City staff may attend submitted conferences No Traveler will be authorized to attend any convention, conference, or training program at City expense, unless funding is available in the approved City budget. Working in conjunction with the Finance Director, the City Manager shall be accountable for monitoring the budget to ensure sufficient funds are available. If a trip was not anticipated, written justification shall be provided to the City Manager for approval by the City Commission as a budget amendment.

TRAVEL PROCEDURES:

1. Planning for an authorized traveler shall be made well in advance of travel in order to keep cost to the City as low as possible. The authorized traveler shall complete the Travel Request form (Exhibit A) as soon as the need for travel is recognized and submit the form to the Finance Director. The Travel Request form must be completed for each trip (local vicinities, within the state, out of state). The Office of the City Clerk shall be responsible for making arrangements for all travel within its respective office and coordinating travel for members of the City Commission and ensuring that the Travel Request Form is fully completed when submitted from the Finance Director or designee. . This form is designed to show the estimated cost of the trip.

2. All necessary backup (e.g. registration forms, training brochures, conference schedule, or other documentation) must be attached to the Travel Request form.

Prior to the travel, and at the beginning of the budget review process all associated travel costs should be reasonably estimated and included for review. Each travel request form shall be subject to the following review process:

a) **Department Director/Department Head Review:** The Department Director/Department Head (or designated representative) must perform the initial review of the request form *prior to forwarding to the Finance Director*. The Finance Director will evaluate the trip's public purpose, alignment with the budget, cost-effectiveness, and benefit to city before forwarding to the City Manager for review or proper documentation, approval and submission to the City Commission for consideration.

b) **Mayor and City Commission Travel:** Travel Forms for elected officials and certain non-employee travelers (such as City Commission approved advisory board members, and Youth Council members) shall be completed by the Office of the City Clerk and submitted to the Finance Director for processing. All travel arrangements, including overnight accommodations and securing conference registrations shall be made by the City Clerk. The City Clerk is responsible for preparing travel requests forms for the Mayor and City Commissioners and shall include all required backup documentation with necessary forms Travel for the Mayor and City Commission shall be approved as a part of the regular City Commission budget process. Members of the City Commission shall timely provide the Office of the City Clerk with all information necessary to coordinate authorized travel, including a list of anticipated conference, meetings, or trainings they plan to attend, along with any registration, lodging and travel details. Changes or cancellations shall be promptly communicated to the Office of the City Clerk.

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To ensure proper internal controls, no individual is permitted to approve their own travel requests or logs. The travel requests, credit card charges, and Travel Logs of the Charter Officers must be reviewed and approved in writing by the Mayor-Commissioner. The travel requests, credit card charges, and Travel Logs of City Commissioners must be reviewed and approved in writing by the City Manager, City Clerk, and the Director of Finance.

3. The Travel Request Forms must be approved prior to paying registration fees or making hotel, airline, or car rental reservations.

4. Authorized travelers shall plan the submission of Travel Request forms accordingly. It is the responsibility of the traveler to provide enough lead-time to take advantage of any early discounts available and otherwise comply with this policy.

All pre-travel Travel Request forms must include a dedicated signature and date line for the Director of Finance, certifying budget availability, the validity of the public purpose, and the mathematical accuracy of GSA per diem calculations before any travel is booked or paid.

5. Upon completion of a trip, a Travel Log shall be completed. The Travel Log identifies all the expenses the incurred on a trip. Original receipts must be attached to the Travel Log. The Travel Log shall be to submitted to the Finance Department within two business days after returning from travel. If an Authorized Traveler fails to submit a completed Travel Log with original receipts within tn (10) business days, or fails to return a refund due to the City within five (5) business days: (1) all future travel and credit card privileges shall be immediately suspended, (2) the outstanding travel advance shall be reclassified as a personal debt, and (3) the Finance Department is programmatically authorized and directed to deduct the full amount of the travel advance from the traveler's next scheduled paycheck or final separation payout.
6. The Travel Log shall be reviewed by the Finance Director for accuracy, completeness, and compliance with travel policies. The Travel Log is then compared to the Travel Request to determine if a refund is due to the City or the authorized traveler.
    - If a refund is due to the authorized traveler, a Request for Direct Payment form should be attached to the Travel Log. If a refund is due to the City, the authorized traveler shall send the required payment along with the Travel Log, within two (2) business days of returning from trip.

    If you have any questions on completing any part of the forms, please contact the Finance Department for assistance.

TRANSPORTATION:

1. Travel by air is authorized at the economy or coach rate. All air travel must be booked in standard, non-upgraded economy or coach class. Purchasing premium class seating, including but not limited to first class, business class, or upgraded classes (such as Delta Comfort Plus), is strictly prohibited. If a traveler purchases an upgrade, they shall be held personally liable and must immediately reimburse the City for the entire ticket cost. A full, unredacted airline itinerary showing the fare class code (e.g., confirming standard economy) must be attached to the Travel Log. All air travel must be by a usually traveled route. In case travel is byan indirect route, any extra costs shall be the traveler's responsibility.
2. If a City vehicle is provided, keep all receipts for fuel, oil, or applicable repairs while on the road. Best efforts should be made tofuel City vehicles at the City fuel depot prior to travel.
3. For travel using a personal vehicle, mileage will be reimbursed in accordance with U.S General Services Administration (GSA) requirements. This rate is to cover all costs of operation and ownership. If your personal vehicle is in need of repairs or fluids during a trip, any expense shall not be submitted or reimbursed as a separate cost to be paid by the

City. Mileage will be substantiated by “MapQuest” or another acceptable guidelines and will be based upon the closest starting point to destination either your home or office headquarters. Reimbursement for fuel purchases (gas station receipts) or the use of City fuel cards is strictly prohibited when utilizing a personal vehicle. The GSA mileage rate is legally designed to cover all fuel, maintenance, and ownership costs. Fuel charges are only reimbursable when operating a City-owned fleet vehicle or an approved rental vehicle.

4. When two or more travelers from the same department will be traveling on the same trip, the Department Director will designate which traveler will receive the mileage reimbursement. In unusual circumstances, more than one vehicle may be required when consideration is given to the number of personstraveling, the length of stay, and the amount of baggage required.

    - If aa traveler is not designated to receive mileage reimbursement, he/she may still drive a personal vehicle at his/her own expense.

5. Reasonable parking fees, tolls, and taxi fares are may be eligible expenses. Receipts for submittal shall be retained with the travel log for compliance review by the Finance Department.**Rental Vehicle.** All rental car use for official City travel requires prior approval by the City Manager. When booking, the authorized traveler or the Office of City Clerk (on behalf of Elected Officials) shall secure the cheapest available government or weekend rate. In nearly all cases, an economy size automobile is the most appropriate vehicle to rent for one person. If the City does not have a preferred rental car agency, the provider offering the lowest and best rates should be secured. The driver must have a valid license. Special add-ons (e.g. satellite radio, etc.) and additional charges and options are not allowed and will not be reimbursed by City. Rental vehicles are not eligible for mileage reimbursement. Drivers should comply with all other City polices for reporting in the event of an accident, irrespective of fault.

    All rental vehicles require prior written authorization from the City Manager. Rental vehicles are strictly restricted to Economy, Compact, or Mid-Size classes. Standard or Premium SUVs, luxury vehicles, or specialty classes (such as GMC Yukon or 'Cool Cars') are strictly prohibited unless five (5) or more Authorized Travelers are sharing the vehicle and the Finance Director pre-approves the class in writing. Travelers must decline all optional collision damage waivers (CDW), GPS, or satellite radio add-ons, and must return the vehicle fully refueled to prevent rental agency surcharges.

6. **Train, Bus, Taxi, Shuttle, and Other Transportation Fares.** The actual cost of train or bus tickets will be reimbursed, provided the total expense remains equal to or less than the lowest available airfare and associated costs as determined by the Finance Director.

7. For local ground travel (when using a common carrier), reasonable taxi fares are eligible expenses. Travelers may use available and reasobably practical bus or shuttle service for airport transfers. The City will reimburse parking fees where necessary. A receipt shall be submitted for any claimed parking expense. Transportation, lodging andmeals shall be paid pursuant to U.S General Services Administration (GSA) requirements.**Tolls**. Reasonable tolls will be permitted when the most direct travel route requires tolls.. Receipts and/or supportive documentation must be submitted.

LODGING**:**

1. Rates should be researched to identify the most reasonable cost for hotel bookings, if the group rate cannot be secured.
2. Whenever possible, lodging should be paid in advance with a City check, along with a copy of the tax-exempt certificate to avoid the charge of sales tax. If faced with these charges, authorized travelers should alert the Finance Department to work with the hotel to have the charges removed from the bill.
   If the City credit card is used for payment, a copy of the sales tax exemption certificate to avoid a sales tax charge is required. This certificate should be presented upon check-in.
3. The hotel receipt should list the daily charges to the room, not just the total amount of the bill.

MEALS:

1. The City will reimburse authorized travelers for approved overnight travel up to the per diem rates established by the U.S General Services Administration (GSA). The GSA may adjust rates annually.
2. 2. Meals that are already covered by a registration fee or provided by another organization are not eligible for separate reimbursement. Reimbursement for breakfast will be permitted even if a continental breakfast is included in Hotel expense, provided it is not a part of the purchased registration for the conference or meeting event. A complete, official conference agenda, seminar schedule, or training brochure must be attached to both the Travel Request and the final Travel Log. If an agenda is not provided, the Finance Department shall reject the travel paperwork and withhold all per diem disbursements.

Double-Dipping is strictly prohibited. Authorized Travelers who are advanced GSA meal per diems shall not, under any circumstances, charge meals, beverages, or room service to a City-issued credit card. Any meal charged to a City credit card during a trip where per diem was paid constitutes an unauthorized personal purchase and a violation of the City of Pahokee Anti-Fraud Policy. The Finance Department shall automatically deduct the credit card transaction amount from the traveler's next paycheck and refer the violation to the Commission on Ethics.

REIMBURSABLE TRAVEL EXPENSES:

Section A- Travel Outside of Palm Beach County Requiring **Overnight Stay**

1. Meals and Lodging: All travelers are allowed meals and lodging while away from the official headquarters for business, certification or training travel. Meal reimbursements will follow U.S General Services Administration (GSA) requirements. On the first and last calendar days of Class A or Class B travel, meal per diem shall be programmatically restricted to seventy-five percent (75%) of the active GSA standard rate for the destination.

Lodging for approved overnight travel is reimbursed for actual, reasonable, and necessary costs. The cheapest rate (government/conference/weekend) must be booked. Travelers sharing a room must split the cost (pro rata). Conference hotel rates, or comparable hotel rates if the conference hotel is full, are authorized.

2. Registration: This expense should be paid in advance and a travel request for payment should be submitted to the Finance Director.
3. Air travel fare: Air travel fares should be researched to identify the most reasonable, cost effective fare and booked through a reliable source. The final price itinerary should be attached to the travel request form.
4. Mileage: If a City vehicle is not available and the approved traveler has to drive their private vehicle, the traveler will be reimbursed for mileage based on U.S General Services Administration (GSA) requirements..
5. Other incidental charges: Travelers may be reimbursed for tolls and parking, if the receipts are provided.

Section B- Travel Outside of Palm Beach County **Not Requiring Overnight Stay**

1. Meals: Travelers will **not** be reimbursed for meals.
2. Registration: This expense is typically paid in advance and a travel request for payment should be submitted to the Finance Director.
3. Mileage: If a City vehicle is not available and the authorized traveler has to drive their private vehicle, the traveler will be reimbursed for mileage.
4. Other incidental charges: Travelers may be reimbursed for reasonable tolls and parking. Reciepts shall be submitted for consideration by the Finance Director.

Section C- One Day Travel Within Palm Beach County

1. Meals and Lodging- In accordance with Section 10 of the City of Pahokee Personnel Manual, under no circumstances shall any meal per diem, subsistence, or lodging allowances be authorized, paid, or reimbursed if the travel destination is confined within the borders of Palm Beach County, regardless of whether the travel is overnight or a single day.
2. Registration: This expense is typically paid in advance and a travel request for payment should be submitted to the Finance Director.
3. Mileage: If a City vehicle is not available and the authorized traveler has to drive their private vehicle, the traveler will be reimbursed for mileage pursuant to U.S General Services Administration (GSA) requirements.

Other incidental charges: Travelers may be reimbursed for reasonable tolls and parking, Reciepts shall be submitted for consideration by the Finance Director.

Section D- Miscellaneous Provisions:

1. Under no circumstance will any non-business related expense be reimbursed by the City.
2.
3. Personal/Incremental Costs: An authorized traveler on official City business who wishes to alter travel plans for personal reasons will only be reimbursed for those expenses which are clearly business related. Travelers shall identify and segregate all expenses that are not business related and shall not submit personal expenses to the City for reimbursement under any circumstances.

NON-REIMBURSABLE TRAVEL EXPENSES:

Non-reimbursable expenses are those generated by activities and events, which do not serve a direct public purpose to the City. Such expenses include the following:

1. Laundry/Dry Cleaning
2. Gratuities
3. Entertainment/Alcoholic Beverages
4. Room Service
5. Parking/Moving/Traffic Violations
6. Movie Rentals
7. Cribs, irons, etc.
8. Locksmith Charge
9. Vehicle Ownership Costs
10. Donations
11. Personal Phone Calls not related to business
12. Flight Insurance
13. Car repair and Maintenance (unless it's a City vehicle)
14. Locker rentals
15. Leisure Services
16. Car Wash
17. Vicinity travel to/from eating establishments, except for required business meetings
18. Fees and tips given to porters, baggage carriers, bellhops, hotel maids, etc.

EMERGENCY CIRCUMSTANCES

In cases where a valid emergency is presented, the City Manager may approve an expense not otherwise covered by this policy if the expense is within the purchasing authority of the City Manager. h.

EXHIBIT A – TRAVEL REQUEST FORM

CITY OF PAHOKEE

REQUEST FOR TRAVEL AND FINAL COST

Department: ____________________ **Employee Name:** ______________________________

Travel Destination: ________________________
City State

Begin Travel: ________________________ **End Travel:** ____________________
Time Date Time Date

Describe on sheet 2 the nature of the meeting, seminar, conference or convention and justification for attending (attach any brochure or printed media)

PLEASE ATTACH ALL TRAVEL DOCUMENTATION AND RECEIPTS

Calculations of Costs:		**Make Checks Payable To:**	**Advance Req.**	**Final Costs:**
Registration Fees:	$0.00	____________________	$0.00	$0.00
Airfare:	$0.00	____________________	$0.00	$0.00
Auto Rental:	$0.00	____________________	$0.00	$0.00
Reimbursement for Personal Auto: Estimated- Reimbursed Upon Return				
(.725x **0** miles)		____________________	$0.00	$0.00
GSA has adjusted all POV mileage reimbursement rates effective January 1, 2026.				
Per Diem - GSA Meals & Incidentals (M&IE)				
# of Day(s) ______	x $51.00 a Day	0	$0.00	$0.00
or # of Meals Included: Breakfast ______ $16.00	Lunch ______ $19.00	Dinner ______ $28.00	$0.00	$0.00
IE $5.00/day	(x)		$0.00	
Lodging				
# of Night(s) ______		____________________	$0.00	$0.00
x $ a Night: ______	(Blanket Rate)			
		TOTAL:	$0.00	
Less Amt. To Be Reimbursed upon Return, Chks to Vendors & Amt. Paid w/ City Visa:			$0.00	$0.00
		TOTAL ADVANCE (CHECKS) PAID TO EMPLOYEE:	$0.00	
		SUB-TOTAL:		$0.00

Account: ____________________ **Account:** ____________________

Other Charges Incurred During Travel

	Amount	Receipt	Final Costs
1. Tolls	$0.00	Attach Toll Receipt	$0.00
2. Parking	$0.00	Attach Parking Receipt	$0.00
3. Taxi	$0.00	Attach Receipt	$0.00
4. Other	$0.00	Attach Receipt	$0.00
		Total Reimbursable Cost:	$0.00
		Less: Total Advanced & Total Paid w/ City Visa:	
		Amount Due Employee:	$0.00

Describe on sheet 2 a narrative comparing the expected benefits from this travel to the actual benefits received. Describe in sufficient detail the specific knowledge gained from this travel and who else may benefit from your attendance.

FINAL TOTAL: ______

Employee Signature: ______________________ **Date** ______________

Director: ______________________ **Date** ______________

City Manager: ______________________ **Date** ______________

Finance Director: ______________________ **Date** ______________

Tuition Reimbursement (UPDATED)

1.1 LEGAL AUTHORITY AND TAX COMPLIANCE

This policy is established under the authority of:

i. Section 218.33(3), Florida Statutes (F.S.) – Mandating that each local government entity establish and maintain rigorous internal controls to prevent and detect fraud, waste, and abuse, promote compliance, and safeguard public assets.
ii. Internal Revenue Code (IRC) Section 127 – Governing qualified Educational Assistance Programs. Under federal law, municipal employers may exclude up to $5,250.00 per calendar year of educational assistance from an employee's gross income, provided the program meets specific IRS guidelines. Any educational assistance exceeding $5,250.00 in a calendar year constitutes taxable compensation subject to standard federal income tax, FICA, and Medicare withholdings.
iii. The Charter of the City of Pahokee (Sec. 3.04) – Designating the City Manager as the chief administrative officer responsible for the execution of administrative policy and the oversight of all municipal operations.

The City of Pahokee Purchasing and Procurement Policy Manual mandates that all taxable personnel disbursements must be routed exclusively through the payroll system rather than Accounts Payable to ensure complete regulatory compliance.

1.2 PURPOSE

The City of Pahokee recognizes that the continuous professional development of its municipal workforce directly enhances the quality of public services, improves organizational efficiency, and supports the retention of highly qualified personnel. This policy is designed to encourage employees to develop their professional skills by taking recognized educational courses related to their current or future career goals with the City of Pahokee.

1.3 ELIGIBILITY

To be eligible for the City of Pahokee Tuition Reimbursement program the employee must be considered a regular full-time employee. Meaning, the employee must work a minimum of 37.5 hours per week. In addition, the employee must have completed their probationary period and be in good standings with the City of Pahokee one (1) year prior before being approved for program. The tuition reimbursement program is limited to three (3) employees per calendar year. Selections are determined on a first come first serve bases. Curriculum must align with current job description or future municipal job.

1.4 REIMBURSEMENT AND ACADEMIC PERFORMANCE (GRADE) REQUIREMENTS

The City of Pahokee Tuition Reimbursement program shall apply only to courses in the pursuit of associate, bachelor and postgraduate degree and must be related to the same or similar field in which the employee currently works for the city. Reimbursement in the amount of 100% will be paid for the instruction or tuition fees, providing that the employee obtains a letter grade of "A". A letter grade of "B" constitutes reimbursement in the amount of 80%. A letter grade of "C" constitutes reimbursement in the amount of 40%. Reimbursement will not be paid out for any additional expenses incurred (i.e. text books, transportation, equipment, etc.).

Prior to receiving reimbursement, the employee must complete a tuition reimbursement form, located in the Human Resources office. They must also obtain authorization from their immediate supervisor and the City Manager. The tuition reimbursement form and evidence of a successful grade must be submitted to the expense department within 30 days of completing the course. Reimbursement will occur as per standard City of Pahokee expense procedures.

The total tuition reimbursement costs of the City of Pahokee shall not exceed $2,000 per employee per fiscal year (October 1st - September 30th).

1.5 NON-REIMBURSABLE EXPENSES

The City will not reimburse or pay for secondary, personal, or administrative expenses, including:

1. Optional or recreational student fees, athletic fees, student union fees, or health insurance premiums.
2. Parking permits, campus transit fees, or tolls.
3. Travel, lodging, meals, and transportation costs associated with attending local academic classes, all of which are strictly non-reimbursable.
4. Late registration fees, course change fees, library fines, or equipment rental fees.
5. Tuition expenses that are funded or paid for by other sources, such as military benefits (GI Bill), student scholarships, fellowships, or private grants. Duplicate reimbursement constitutes fraud and is subject to immediate legal and disciplinary action.

The employee will be responsible for their schedule to attend classes. However, classes must be attended during off duty hours. Employees may not attend during normal working hours, without written approval by the City Manager.

All employees receiving, any reimbursement under this program must remain employed by the City of Pahokee for a minimum of one (1) year following the date the tuition reimbursement is paid to the employee. However, those employees separating from employment for whatever reason, whether voluntary or involuntary, before expiration of the required period, the employee must refund the City of Pahokee for reimbursement. The refund can be in the form of a lump sum amount or no more than 6 monthly payments upon separation date approved by the Finance Director and the City Manager.

OUTSIDE EMPLOYMENT

The City of Pahokee strongly discourages, but does not prohibit, outside employment subject to the following conditions. Outside employment cannot:

1. Be conducted on City time.
2. Interfere with working hours or overtime requirements of the employee's position.

EXHIBIT A - TUITION REIMBURSEMENT APPROVAL FORM

Use this form after completion of pre-approved coursework to request reimbursement under Administrative Policy ________.

PART I – Employee Information

Field	Response
Employee Name	
Department	
Position	
Supervisor	
Original Pre-Approval Form Number	
Academic Term	

PART II – Course Completion

Course Code	Course Title	Credits	Final Grade	Tuition Paid	Books	Fees	Requested Reimbursement

Overall GPA (if applicable): ____________

PART III – Required Documentation

☐ Official transcript or grade report attached

☐ Proof of tuition payment attached

☐ Itemized receipts for required textbooks attached

☐ Itemized receipts for mandatory fees attached

☐ Course syllabus attached (if requested)

PART IV – Employee Certification

I certify that I successfully completed the above pre-approved coursework and that all submitted expenses are true and accurate. I understand reimbursement is subject to City policy, available funding, annual IRS limits, and verification by Human Resources and Finance.

Employee Signature	Date

PART V – Reimbursement Calculation (Finance Use Only)

Description	Amount
Tuition Eligible	$
Mandatory Fees Eligible	$
Required Textbooks Eligible	$
Total Eligible Costs	$
Grade Reimbursement Percentage (A/B=100%; C=80%; Below C=0%)	
Prior Calendar Year Reimbursements	$
Approved Reimbursement	$
Taxable Amount (over IRC §127 annual limit, if applicable)	$

PART VI – Review & Approval

Reviewer	Decision	Signature	Date
Department Director	☐ Approve ☐ Deny		
Human Resources	☐ Eligible ☐ Not Eligible		
Finance Director	☐ Approve ☐ Deny		
City Manager	☐ Final Approval ☐ Denied		

Payroll Processing
Payroll Batch #: ____________ Check Date: ____________ Processed By: ___________________

EXHIBIT B - TUITION REIMBURSEMENT PRE-APPROVAL REQUEST FORM

Form No. HR-TR-_______ | Administrative Policy _______ (IRC §127)

PART I – EMPLOYEE INFORMATION

Field	Information
Employee Name	
Department	
Position	
Supervisor	
Hire Date	
Probation Completed	
Employment Status	☐ Full-Time ☐ Other
Good Standing Verified	☐ Yes ☐ No

Employee Certification: I certify that I meet the eligibility requirements.

Initials: __________ Date: __________

PART II – COURSE INFORMATION

Field	Information
Institution	
Accrediting Agency	
Academic Term	☐ Fall ☐ Spring ☐ Summer
Degree Program	
Major	
Course Dates	Start: ______ End: ______
Class Schedule	

Course Code	Course Title	Credits	Tuition	Fees	Books	Total

PART III – PUBLIC PURPOSE

Describe how the coursework relates to your current position or career path:

____

____

____

Describe the benefit this education provides to the City of Pahokee:

____

____

____

Required Attachments: ☐ Syllabus ☐ Cost Schedule ☐ Textbook List ☐ Job Description

PART IV – SERVICE AGREEMENT

By signing below, I acknowledge the City's tuition reimbursement policy, including the 24-month service commitment and repayment (clawback) provisions described in Administrative Policy _________.

Employee Signature	Date

PART V – APPROVAL ROUTING

Approver	Decision	Signature	Date
Department Director	☐ Approve ☐ Deny		
HR Director	☐ Approve ☐ Deny		
Finance Director	☐ Approve ☐ Deny		
City Manager	☐ Approve ☐ Deny		
Mayor/Commission (if required)	☐ Approve ☐ Deny		

PART VI – REIMBURSEMENT SUBMISSION CHECKLIST

☐ Executed Pre-Approval Form

☐ Official Transcript/Grades

☐ Proof of Tuition Payment

☐ Required Textbook Receipts

☐ Course Syllabus

PART 4 – GRANTS MANAGEMENT

Grant Management Policy and Procedures (NEW)

SECTION 1: PURPOSE, DEFINITION, GRANT TYPES, AND GOVERNING LAWS

1.1 PURPOSE

The purpose of these policies and procedures is to develop, implement, and maintain effective grant oversight and coordination for the City of Pahokee (the "City"), thereby increasing grant related revenue, enhancing compliance, limiting the City's exposure to grant-related legal liability, and improving the efficiency, effectiveness, and impact of programs and services funded through grants. These policies and procedures are intended to encourage prudent financial stewardship and foster public trust through a rigorous adherence to ethical and professional standards. Adherence to these policies and procedures will promote efficiency, enhance transparency and accountability, and create a strict approach to funding opportunities, while placing the City in a more competitive position to secure grant funds.

Grants to local governments support new initiatives, build on or broaden the immediate concerns of local government, and help address issues difficult for localities to fund. They can diversify local government funding bases and help improve or expand services to citizens in need. Because entering into grant agreements may also have a cost to local governments (e.g., matching requirements, required continuation of service(s) without additional financial assistance, and/or indirect costs), responsible local governments provide systems for weighing benefits and costs of grant programs under consideration. It is the goal of the City of Pahokee to seek funding opportunities that are well suited to local needs while controlling the costs associated with financial assistance.

1.2 DEFINITION OF A GRANT

A grant is a type of financial assistance (in cash or in kind) bestowed by a government or other organization (called the grantor) for specified purposes to an eligible recipient (called the grantee). Grants are conditional upon certain qualifications and are bound by some type of contractual obligation as to the use, maintenance of specified standards, or a proportional contribution (cost share or match) by the grantee or other grantor(s).

A grant can be defined in, but is not exclusive to, the following forms:

1. Loan Contract
2. Loan Guarantee
3. Intergovernmental Agreement
4. Contractual Agreement
5. Joint Participation Agreement
6. Cooperative Agreement

Grant Policy and Procedures

A grant can be restricted or unrestricted to be used by the recipient in any manner within the parameters of the recipient organization's activities or for a specific purpose by the grantor. A grant from the federal government will retain its character and will not lose its identity even when it is passed through the state. City departments must ensure all federal regulations are followed throughout the grant period. Where there are discrepancies between federal, state, and local requirements during implementation of the grant, staff must follow the most stringent of the rules and regulations.

1.3 GRANT TYPES

In addition to grants, there are other types of financial assistance the City receives that may not include the term "grant" but are also covered by this policy. The City considers the term "grant" to include, but not be limited to, contracts or agreements that fall under the purview of Title 2 of the Code of Federal Regulations ("CFR") Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, also known as the Uniform Guidance. This circular incorporates guidance previously found in OMB Circulars A-87, A-102, and A-133.

<u>**Discretionary Grants**</u>: A discretionary grant awards funds on the basis of a competitive process. The Grantor reviews applications, through a formal review process, in light of the legislative and regulatory requirements and published selection criteria established for a program.

<u>**Block Grants**</u>: A broad, intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities. Block grants are distributed according to legal formulas defining broad functional areas such as health, income security, education, or transportation. They are used for a variety of activities, largely at the recipient's discretion, and can include a wide range of government programs under one funding umbrella.

<u>**Continuation Grants**</u>: A continuation grant provides additional funding for budget periods subsequent to the initial budget period. Also referred to as a "renewal grant." Cooperative Agreements and Contracts: A type of grant assistance awarded by a federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.

<u>**Corporate Grants**</u>: A grant made by a corporation.

<u>**Foundation Grants**</u>: A grant made by a philanthropic foundation.

<u>**Pass Through Grants**</u>: Grant funds received from one grantor, but passed through another grantor or funding source.

<u>**Earmarks:**</u> Refers to a provision in legislation requiring that a portion of a certain source of revenue be designated for specific projects, usually at the request of a legislator. Typically, the City submits requests for projects to state and federal legislators, who seek to obtain funds for those requests, usually to be spent in the district the legislator represents.

Formula Grants: A grant that a federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on criteria written into the legislation and program regulations. This funding is directly awarded and administered in the federal agency's program offices.

1.4 GOVERNING LAWS AND REGULATIONS

- Federal Grant and Cooperative Agreement Act of 1977, as incorporated in Title 31 Section 6304 of the U.S. code.
- 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards (a.k.a. the "Omni Circular").
- Single Audit Act of 11984 as amended in 1996.
- OMB Circular A-133 and compliance supplements.
- Florida Statutes Section 218.33(3)
- Charter §§2.04 & 3.04; Code §§2-274 & 2-293

1.5 UPDATES AND REVISIONS

This living document contains federal, state, and city policies and procedures that by its nature may be revised over time as regulations change, new tools emerge, new processes are designed, and risks change. This document may be updated or amended at any time by a majority vote of the City Commission.

SECTION 2: GRANTS MANAGEMENT POLICY

The City encourages its departments to seek supplemental grant funding to support functions and programs that are beneficial to the public. All City departments are subject to the policies and procedures of the Grant Policy and Procedures for application, acceptance, and implementation of all grant awards. However, for those grants that require no application or were received on an entitlement basis, the grant application, grant award, or other portions of this policy may not be applicable. Any questions regarding the applicability of portions of the policy should be resolved by contacting the City Manager or his/her designee.

2.1 GENERAL PRINCIPLES

The Grants Policy and Procedures establishes the following principles:

- All grant applications and activities must be coordinated through the Finance Department.
- The total additional costs associated with each new grant, including estimated indirect costs, must be identified for all grants.
- The Period available for a grant must be monitored and aligned with Programs timeline. Upon grant expiration, all approved matching City funds and all positions funded by the

grant will end. The City Manager or City Commission may continue funding a program or position previously funded from grant revenues.

- The benefitting department is responsible for adhering to all policies and procedures attached to the grant by the grantor.
- All City departments must follow the procedures outlined in the Grant Policy and Procedures unless otherwise authorized by the City Commission and/or City Manager.

2.2 APPLICATION APPROVAL

No Department Director, employee, or representative of the City shall submit an application for any grant award, or otherwise commit City resources to a grant-funded project, without the following pre-authorization:

1. Budgeted Grants: If the grant application has been explicitly included and approved within the City's annual budget process, department heads may proceed with drafting the application under the supervision of the City Manager.

2. Unbudgeted Grants: If a grant opportunity arises during the fiscal year that was not anticipated in the annual budget, the department must submit a written justification detailing the grant's scope, required matching funds, and long-term maintenance costs to the Finance Director and City Manager.

3. Commission Approval Mandate: In accordance with Section 2.04 of the City Charter and the City of Pahokee Purchasing and Procurement Policy Manual, any grant application or agreement involving a potential financial obligation or award of $10,000.00 or more must be approved by formal resolution of the City Commission at an open public meeting prior to submission or acceptance.

2.3 APPLICATION PROCESS

a) Departmental Assessment – Prior to applying for a grant, a department should assess its capacity to aid in the application of and manage the grant in question. City departments that seek and utilize grant funds are responsible for assisting with: planning for grant acquisition; preparation and submission of grant proposals; grant writing; preparing City Commission agenda items; preparing budget revision requests to accept grant funds; grant orientation and review; managing grant programs and projects; preparing and submitting reports to grantors; managing and monitoring subrecipients whenever applicable; and properly closing out grant projects as detailed in this policy and the grant agreement or award letter that delineates the terms and conditions of the grant.

b) Approval Process – Departments interested in applying for a grant must first contact the City Manager and the Finance Department to discuss the opportunity, well in advance of the grant application deadline. Departments may write their own grants or have it written by the City Manager's designee.

c) City Attorney Review – When required and prior to application submission, the City Attorney shall conduct a legal review of grant applications.

d) City Commission Approval – In accordance with Section 2.04 of the City Charter, the Mayor-Commissioner is the sole authorized signatory for executing all grant agreements, deeds, contractual obligations, and binding documents exceeding $10,000.00. The Finance Department shall be responsible for preparing the agenda item, unless a different department is writing the grant.

In accordance with Section 3.04 of the City Charter, the City Manager is authorized to sign grant agreements and related administrative contracts valued under $10,000.00, provided that budgeted matching funds are available.

Department Directors, supervisors, and contracted consultants have zero legal authority to sign or execute grant applications, acceptance agreements, or contracts. Any such signature is legally null and void, constitutes a severe policy violation, and may hold the signer personally civilly liable.

e) Federal and State Grants Systems – The Finance Department has the sole responsibility of managing and renewing the City of Pahokee's registration with the U.S. Government's System for Award Management (SAM) and for managing user access to federal and state grants systems that are used by multiple departments to apply for grants.

f) A copy of all grant applications (including all attachments) must be kept in the Department's shared drive and filed with the Finance Department.

2.4 GRANT AWARD AND ACCEPTANCE

To ensure fiscal control, the City of Pahokee must approve all contracts and/or accept all grants on behalf of the City. The Mayor-Commission signs grant agreements that have been approved by City Commission, with copies of all executed agreements given to the Finance Department or the City Manager's designee.

SECTION 3: ROLES AND RESPONSIBILITIES

All City personnel engaged in preparing grant proposals, administering grant awards, or who are responsible for grant-funded assets serve an important role in the success of project outcomes and objectives and ensuring that all grant terms, conditions, budgetary requirements, and regulatory requirements are met. Below are the "key players" in the management and administration of grant-funded projects received by the City and a representational list of the responsibilities.

City Commission: The City Commission has the authority to set policies and budgets.

City Manager: The City Manager is the Authorized Organizational Representative (AOR) on behalf of the City within SAM.gov and has the authority to grant waivers to the grant process and procedures that do not violate City Charter.

Finance Department: The Finance Department ensures overall management of grant contracts/agreements are in compliance with all regulatory requirements and in alignment with the City's strategic plan, policies, and goals. The Department is also responsible for:

1) Developing, revising, and distributing the official grants policies and procedures of the City of Pahokee.

2) Coordinating the tracking of grant applications, awards, and major project management decisions associated with awarded grants.

3) Assisting departments with the interpretation and application of city, county, state, federal or other grants policies.

4) Assisting with the resolution of disputes between the City of Pahokee and funding sources.

5) Offering grants training and technical assistance services and encourage information and communication.

6) Preparing agenda items for City Commission meetings for grant awards.

7) Researching appropriate funding opportunities.

8) Informing all departments about relevant funding opportunities.

9) Writing grant proposals.

10) Reviewing proposals written by other departments, upon request.

11) Offering training and technical assistance in proposal writing.

12) Ensuring that requests for grant funds are promptly submitted to minimize the advance use of City funds.

13) Ensuring that project reporting requirements and deadlines for submissions are observed.

14) Recording revenues and expenditures associated with approved grants.

City Departments: City Departments that apply for grants are responsible for:

1) Researching appropriate funding opportunities
2) Obtaining approval for grant submission.
3) Working with the Finance Department to prepare Commission agenda item.

4) Ensuring that requests for grant funds are promptly submitted to minimize the advance use of City funds.
5) Ensuring that project reporting requirements and deadlines for submissions are observed.
6) Management and oversight of grants.

SECTION 4: GRANT PRE-AWARD PROCESS

The pre-award process involves all steps from project development to submitting a grant proposal to a grantor. In some cases, the pre-award process may take years depending on the complexity of the project. Organizations that are successful with obtaining funds for their projects are cognizant of the fact that you should never chase the dollar when it comes to grants. A project that is not well developed will often fail even if the proposal is awarded for funding.

4.1 Project/Program Development

A grant project or program should be well defined prior to seeking grant funds. In general, projects should align with the City's and/or the department's strategic plan or in support of City functions. The project should be well thought out prior to seeking grant funds. Once a Notice of Funding Opportunity (NOFO) is posted, the typical timeframe for application submission is between 8-12 weeks. A well thought out project/program will reduce the stress of preparing a grant application when funding is made available. The following are questions to consider when developing a project:

- Is the project/program temporary or permanent?
- If it's temporary, is there funding to support the project/program once the grant expires?
- What is the goal or end product?
- Are the goals and objectives achievable and measurable?
- What are the steps necessary to achieve end results?
- Have similar projects/programs been done before by another agency?
- If needed, are there any existing funds or programs that can be utilized as leveraging or matching?
- Will additional staff be needed to support the project/program? If so, will the grant support the position, or will the position be requested as part of the City budget?
- Will the project/program require outside partnership? If so, has the organization been contacted for interest? Is there an agreement in place with the partners?
- What is the anticipated project/program cost?
- Will the grant cost more to implement than it is worth?

When possible and if potential funding is identified, it is best to prepare the application ahead of time in anticipation of the NOFO. This is especially true for those NOFOs that are likely to recur every year.

4.2 Review of Grant Opportunities

Each grant proposal will be reviewed and analyzed for the following considerations:

A. Financial

- Total anticipated project cost
- Matching requirements and sources
- Project/Program income considerations
- Staffing requirements
- Cash flow needs
- A continuation plan for sustaining the program after expiration of grant funds (if applicable)

B. Programmatic

- Alignment with City strategic priorities and department's mission
- Provision or expansion of services to address critical needs and core services
- Capacity to administer the financial and administrative aspects of the grant
- Consideration of potential political or conflict issues

4.3 Grant Search

There are thousands of grants available in the United States. Grants can come from all different sources: federal, state, foundations, and private philanthropy. No matter the source of the grant, the commonality is the grant has to meet the objectives of the grant source. The best resources in searching for funding are through competitors and colleagues.

4.4 Application Preparation

The Finance Department is available to provide technical support and assist with the preparation of grant applications.

A. Once a Notice of Funding opportunity (NOFO) or Funding Opportunity Announcement (FOA) has been identified for a proposed project/program, the most important thing is to read the entire NOFO or FOA as soon as possible. Keep in mind that you will be rereading the NOFO or FOA a few times prior to submitting the application. Things to identify up front before starting the preparation are:

a. Grantee eligibility

b. Funding goals, priorities, and ceilings

c. Letter of intent (if applicable)

d. Submission deadline

e. Matching requirements

f. Letters of support or commitment

g. Partnership requirements

h. Grantor points of contact

One or more of the previous items can help determine if the grant is feasible. It is recommended that a department not waste time on applying for a grant if there is not sufficient time to prepare a good proposal. Good projects/programs are rejected all the time by grantors for incomplete or ineligible applications.

B. If a federal grant is being considered, keep in mind the federal government has stringent principles on how grant funds can be spent and managed by grantees. Super circular Title 2 CFR 200 is the "Uniform Administrative Requirements, Cost Principals, an Audit Requirements for Federal Award." Its policies went into effect for grants awarded after December 26, 2014. Also, pay close attention to the NOFO for guidance as to what is an eligible cost under the grant.

C. If unsuccessful in being awarded the grant, contact the grantor for a debriefing. Granting agencies routinely provide review comments or telephone debriefings for proposals they do not award.

SECTION 5: GRANT POST-AWARD PROCESS

When the City receives a grant from an outside source, it generally incurs obligations. At a minimum in accepting the grant, the City assumes the obligation of ensuring that the grant money is spent only for the specific purposes attached to the grant. In addition, there may be impacts to internal service departments, reporting obligations, compliance with nondiscrimination laws, indemnity and releases—all of which become City obligations upon receipt of the grant funds.

5.1 Award Notification, Review, and Acceptance Procedures

Grant agreements are legal contracts. It is the City's responsibility to carry out grant activities to accomplish its objectives, while adhering to the regulatory and budgetary terms and conditions prescribed by the grantor in the grant agreement. Failure to do so exposes the City to legal liability and compromises current and future grant funding. The City carries a significant legal and ethical responsibility when accepting grant funding, and management of grant awards requires heightened awareness throughout the organization. It is the responsibility of the Finance Department and/or the benefitting department to review the contract or agreement, especially the scope of work, to ensure the department concurs with the language and conditions stipulated within the document.

5.2 Fiscal Accountability

- No grant funds shall be disbursed until contracts are fully executed between grantor and grantee.
- Grant funds may only be used for grant-related expenses and expended within the period of availability and performance identified in the grant agreement.

- Departments receiving grant funds shall adhere to City policies and procedures regarding revenue collection and accounting and reporting of grants received by the City.
- Modifications or reallocations to the awarded budget that alters the grant amount or moves funds from one budget line item to another must adhere to grantor.
- Grant funds awarded to the City shall not be used to supplant an existing expense so that current funds can be diverted to another use, unless such use of grants funds is explicitly identified as allowable in writing by the grantor in the grant award.
- All income resulting from a grant-funded project or program shall be managed and maintained as established in the grant agreement.
- All procurement activity associated with grant-funded projects or programs shall follow grantor and City policy and procedures for procurement of goods. Where there is discrepancy between the two, always use the more stringent of the two policies.

  All purchases of goods, materials, or contractual services funded in whole or in part by grant awards must comply with the competitive bidding thresholds established in the City of Pahokee Purchasing and Procurement Policy Manual and 2 CFR Part 200 (Subpart D):

  1. Micro-Purchases (Up to $750.00): Formal competitive pricing is not required, provided the purchase is pre-budgeted and approved by the Department Director.

  2. Small Purchases ($751.00 to $9,999.99): Requires at least three (3) competitive written quotes submitted to the Finance Director and City Manager for approval prior to issuing a Purchase Order.

  3. Major Purchases ($10,000.00 or More): Requires formal sealed bidding (IFB or RFP) advertised in a newspaper of general circulation, approved by formal resolution of the City Commission, and executed by the Mayor.

5.3 Allowable and Unallowable Costs

The benefiting Department is ultimately responsible for adhering to the requirements and conditions of the approved grant agreement and ensuring that only allowable and eligible expenditures are incurred. This means that they are allowable, allocable, necessary, and reasonable and provide a direct benefit to the grant-funded project. Authorized expenditures are:

- Not included as a cost or used to meet the matching requirement for another federal grant
- Consistent with grantee policies, regulations, and procedures regarding federal awards
- Determined in accordance with Generally Accepted Accounting Principles (GAAP)

A. Expenditure Monitoring/Award Reconciliation

It is critical to the overall success of a project that grant funds are expended accurately. After initial setup, grant awards should be monitored on a regular basis to ensure:

- Expenditures are allowable, allocable, necessary, and reasonable based on terms and conditions of the grant award.

- Expenditures are adequately supported by documentation.
- Expenditures are charged to the correct project/program.
- Award spending is commensurate with the project timeframe.

It is important that grant budgets (revenues and expenditures) are reconciled on a regular basis but, more importantly, at the end of each fiscal year. The revenues and expenditures for each grant contract must be reconciled prior to the closing of a grant contract.

B. Mandatory General Ledger Segregation

To prevent the comingling of public funds and preserve clean, audit-compliant tracking, the Finance Department shall implement the following controls immediately upon grant acceptance:

1. Dedicated Project and Fund Codes: The Finance Director must establish a unique, separate General Ledger (GL) Fund or Project Code for every individual grant award received by the City.

2. Banning Fund Comingling: Under no circumstances shall grant revenues or expenditures be merged with the General Fund or with other unrelated grant accounts. All transactions—including purchases, personnel time charges, and indirect costs—must be recorded directly within the designated grant-specific project code.

3. Real-Time Budget Monitoring: In accordance with the City of Pahokee Purchasing and Procurement Policy Manual, the Finance Director and the assigned Project Manager shall perform monthly reconciliations of grant budgets to prevent over-expenditures and ensure that funds are drawn down in strict compliance with the grant agreement.

C. Equipment and Real Property Management

All property and equipment acquired through grant funds shall follow the grantor and City policy and procedures for property or inventory control.

- Property and equipment purchased with grant sources shall be used exclusively during the life of the grant for the project or program for which it was acquired.
- Grant-purchased equipment must be properly maintained and safeguarded, and equipment records must be maintained per City inventory policy and procedure.
- After the grant award is closed and equipment is no longer needed for its originally authorized purpose, the grantee shall request disposition instructions from the grantor and follow City policy and procedures for property and inventory control.
- Grant-purchased equipment cannot be transferred to another project or department after the grant award is closed without approval from the grantor.
- Title 2 CFR 200.313 provides guidance on use and disposition of equipment.

In compliance with the City of Pahokee Capital Asset Policy and 2 CFR § 200.313, all Capital Assets purchased with grant funds must adhere to the following guidelines:

1. Capital Asset Definition: Any non-consumable tangible property purchased with grant funds with an individual cost of $5,000.00 or more and a useful life of one year or more must be capitalized.
2. All capitalized assets and vehicles must be physically tagged with a unique, pre-numbered City of Pahokee identification tag immediately upon delivery.
3. The asset must be entered into the Master Capital Asset Ledger, tracking all twelve (12) standard fields, including the specific funding source (grant code and federal participation percentage), serial/VIN number, custodian, and condition.

All other equipment purchased with grant funds must adhere to the following guidelines:

1. Any IT equipment or portable device (such as desktop computers, printers, laptops, tablets, smartphones, and digital cameras) or other property purchased with grant funds—regardless of cost—must be physically tagged and inventoried before being issued to any custodian.
2. All grant purchased equipment and property issued to an employee, Charter Officer or Elected Official must be returned in accordance with the City of Pahokee Retrieval of City Assets and Equipment Policy.

5.4 Procurement and Suspension/Debarment

It is the responsibility of the recipient department to properly procure goods and services and follow all procurement rules. There are some differences between the federal, state, and city procurement rules. The recipient department must comply with the most stringent of the rules in procurement. It is also the responsibility of the department to ensure that any subcontractor or sub-awardee that will be funded through a grant award is not prohibited from receiving federal funds due to suspension or debarment. A person or entity debarred or suspended is excluded from federal financial and non-financial assistance and benefits under federal programs and activities. Debarment or suspension of a participant in a program by one agency has government-wide, reciprocal effect.

Prime contractors for federal projects must be current with their registration in SAM.gov and have an active DUNS/UEI number. The recipient Department must ensure that the federal Excluded Parties List System (EPLS) within SAM.gov is verified and the proof of verification is printed or record keeping prior to entering into any contractual relationship or use of services. Proof of verification must be attached to the contractor agreement. Finance must verify information is accurate prior to processing initial payment to vendor.

5.5 RECOUPMENT AND COST RECOVERY MANDATE

In strict compliance with Section 112.061(10), Florida Statutes (F.S.), and the City of Pahokee Anti-Fraud Policy:

1. Personal Civil Liability: Any employee, contractor, or official who authorizes or receives an ineligible, unitemized, or fraudulent grant-funded payment or contract overrun shall be civilly liable to the City for the full amount of the unauthorized cost.
2. Active Recoupment Procedures: The City Attorney is authorized and directed to initiate formal civil recovery procedures, litigation, and collection actions to recoup public funds lost to contractor overpayments, personal travel expenses, and unbudgeted overruns.

5.6 Grant Reporting

The recipient department is responsible for coordinating the timely and accurate preparation and submission of all reports per the grant agreement unless otherwise directed by the City Manager.

5.7 General Standards for Supporting Documentation

Costs claimed by the City under grants must be allowable, allocable, and reasonable, and adequate documentation to support charges to the grant must be maintained for audit trails (reference 2 CFR 200). Expenditures under most cost reimbursement grants are governed by the cost principles established by federal, state, and other grantors and must conform to respective policies, grant special provisions, and City policies.

Typical grant transactions may include: personnel costs, purchase of equipment and supplies, costs for contracted services, grant income or revenue, etc. Documentation of eligible expenses may include copies of invoices, receipts, payroll or labor reports, or other proof that complies with federal and state audit standards. Proof of payment of expenditures may include a copy of a credit card receipt, receipt showing cash payment, cancelled checks, bank statements, or other proof that complies with federal and state audit standards.

5.8 PROHIBITION ON LUMP-SUM AND NON-ITEMIZED BILLINGS

The following controls are mandated to support the prohibition of lump-sum payments and non-itemized billings:

1. Hourly Billing Certification: For all hourly, professional services, or cost-reimbursement contracts funded by grants, the City shall never accept or pay lump-sum or non-itemized invoices.
2. Mandatory Invoice Details: In strict compliance with Section C3.02 of the AE Engineering Agreement and Section 3.3 of the City of Pahokee Anti-Fraud Policy, every invoice submitted by a contractor must be a duly certified, itemized invoice detailing:
    - The names and professional classifications of all personnel performing work.
    - The exact hours worked by each individual.
    - The contractually approved salary/hourly rate for each classification.

- A specific, detailed description of the tasks performed during those hours.
- Supporting documentation (time sheets, receipts, and invoices) for all subconsultants and subcontractors engaged on the project.

3. Automatic Rejection: The Finance Department shall immediately reject and return any invoice that fails to provide this level of detail or that contains lumped professional fees.

5.9 MANDATORY THREE-WAY MATCH & INVOICE ATTESTATION

In accordance with the City of Pahokee Purchasing and Procurement Policy Manual, no grant-funded payment shall be disbursed without a completed three-way match:

1. The Three-Way Match Prerequisite: The Finance Department must verify that:
    - There is a valid, pre-authorized Purchase Order on file.
    - The vendor's invoice is fully itemized and matches contract rates.
    - A Receiving Report has been physically signed, dated, and submitted by the employee who personally inspected and accepted the delivered goods or performed services.
2. Invoice Attestation: The Department Director must sign the invoice, certifying that the services were satisfactorily performed in accordance with contract terms, coded to the correct grant project identifier, and represent an eligible expense under the grant award.

5.10 Contract Extension or Amendment

There are times when grantees find it necessary to amend the scope of work or extend the contract timeline. It is important to follow the procedures written in the grant agreement or in the guidelines provided by the grantor when making such a request. Grantees cannot spend funds on items that are not within the original scope of work until the amendment is reapproved by the grantor. Keep in mind, time extension is a reflection of the recipient's ability to perform the contract.

5.11 Grant Closeout

Grant closeout is the process by which the City performs all necessary administrative and financial actions to satisfactorily complete all requirements set forth in the grant agreement and generally addresses the physical completion of work and the administrative requirements for closeout.

Best Practices

90 days prior to the end of a project or grant agreement, determine if an extension would be needed from the grantor in order to complete the project.

Notify all sub-recipients, contractors, subcontractors to submit final invoices.

Reconcile revenues and expenses prior to the last request for payment to grantor. Coordinate with finance department for a final reconciliation prior to preparation of the closeout report to the grantor.

Review the terms of the award and ensure that all deliverables are submitted by the designated due dates including final progress/technical reports.

Submit copies of the closeout report to the finance department.

5.12 Grant Termination

Unless approved by City Manager or the City Commission, the City will not continue a grant-funded program once the grant ends. Therefore, all grant-supported staff positions will be abolished if the grant funding supporting them is eliminated. The recipient department may choose to continue operating capital expenses from an expired grant using other funds available.

5.13 Record Retention

In accordance with record keeping rules, grant documents must be kept for five (5) years after the audit year of the last expenditures. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the five-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period, whichever is later. Grantors may require retention periods in excess of the City's policy of five years. Departments must ensure they comply with retention requirements specified by each grantor when they exceed the City's retention policy.

5.14 Conflict of Interest

Actual or perceived conflicts of interest can damage the reputation and credibility of the City. One of the key purposes of this policy is to eliminate or mitigate the risk, either in actual or in appearance, of a conflict of interest or breach of trust by an official or employee of the City.

A. No official or employee of the City shall have any interest, financial or otherwise, direct or indirect, or arrangement concerning prospective employment that will, or may be reasonably expected to bias the design, conduct, or reporting, of a grant-funded project on which they are involved.

B. Any official or employee shall ensure that in the use of project funds, officials or employees of the City, nongovernmental recipients, or sub recipients shall avoid any action that might result in, or create the appearance of:

i. Using their official position for private gain,

ii. Giving preferential treatment to any person or organization,

iii. Losing partial or complete independence,

iv. Making an official decision outside official channels, or

v. Adversely affecting public confidence or trust in the grant-funded program in particular and the City in general.

C. In addition to any other ethics rules or standards of conduct established by the City, no employee, official, or agent of the City, shall participate in the selection, awarding, or administration, of a contract supported by federal funds if participation creates an actual conflict of interest. Such a conflict would arise when:

i. The employee, official or agent;

ii. Any member of their immediate family;

iii. Their partner; or

iv. An organization which employs, or is about to employ, any of the above, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract or award.

D. Organizational Conflicts of Interest in Federally Funded Procurements:

An organizational conflict of interest exists where there is a relationship between a bidder or other potential contractor and the City, which is equivalent to that of a parent company, affiliate, or subsidiary organization. In such cases, the entity having an organizational conflict of interest with the guidance and/or approval from the federal awarding agency.

At a minimum, for quotes and formal solicitations, the entity having an organizational conflict of interest should not have participated in the preparation of the City's specifications for the quote or solicitation and should meet all material requirements applicable to other eligible respondents.

SECTION 6: FEDERAL REQUIREMENTS FOR CONSTRUCTION PROJECTS

The recipient department must comply with federal requirements involving construction related projects. Departments should plan accordingly to ensure that adequate time, funding, and staffing are available to carry out the federal requirements for construction projects. The requirements flow down to all subcontractors and subrecipients funded through a federal grant award.

Federal Labor Standards and Compliance

Any construction project that will be bid to a private contractor and cost in excess of $2,000 must adhere to the federal labor standards provisions as follows:

Davis Bacon Act – This law requires that laborers and mechanics receive not less than the wages and benefits determined by the Secretary of Labor to be 'prevailing" in the area for the type of work performed. The wage determination for the proper classification of work must be included in the bid document. Wage determinations are issued by the Department of Labor (DOL) and can be found on their website. These are not necessarily the same as union wages.

Contract Work Hours and Safety Standards Act (CWHSSA) – This law applies only if the construction contract is over $100,000 and defines overtime as all hours worked over forty (40) in any work week; requires overtime compensation at not less than 1 ½ times the regularly hourly rate (not including fringe benefits) be paid for such hours to all laborers, mechanics, watchmen, and guards; and makes employers responsible for back wages and for liquidated damages at the rate of $40 per day if there are violations.

Copeland Act (Anti-Kickback Act) – This law provides that all workers be paid unconditionally, and without deductions (except those that are permissible), based on DOL criteria. Deductions that meet such criteria include taxes, legally permissible voluntary deductions and those required by court action. It also requires the maintenance and submission of weekly payroll reports and statements of compliance. Furthermore, it is a criminal offense for any person to induce an employee to give up any portion of his/her compensation.

Fair Labor Standards Act (FLSA) – This covers wages, overtime (even if the project is not subject to CWHSSA), record keeping and child labor standards for other employees hired by the contractor (i.e., those not covered by the federal labor standards provision.)

<u>Uniform Relocation Assistance Act of 1970</u>

The Uniform Relocation Assistance Act of 1970 is a federal law that establishes minimum standards for federally-funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or forms. The Uniform Relocation Assistance Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federally-funded projects. When relocation is needed for a project, there are very specific legal responsibilities to affected property owners and displaced persons that must be addressed.

Conflicts of Interest

As a part of the grant application process, the grant preparer must positively state on any grant form, when asked, that there is an absence of a financial or other interest or affiliation held by them or a member of their immediate family in the funding agency or in companies from which goods and services will be obtained under the supported activity.

SECTION 7: OTHER IMPORTANT FEDERAL GUIDELINES AND POLICIES

Drug-Free Workplace

2 CFR 182, Government-wide requirements for Drug-Free Workplace (Financial Assistance) requires federal grantees and sub-grantees to agree to maintain a drug-free workplace.

DRAFT

Palm Beach County Department of Housing and Economic Sustainability (PBC DHES)

Community Development Block Grant (CDBG) Procedures

PURPOSE

The purpose of this Agreement is to state the terms, covenants and conditions under which the County will provide the Grant Funds to the Subrecipient for implementation of the project.

SCOPE

The Subrecipient shall utilize CDBG funds to carry out code enforcement activities within the boundaries of the Subrecipient's designated CDBG Code Enforcement Area ("Code Enforcement Area"), as defined within the agreement.

CDBG funds will be used to:

Pay all or a portion of the salary and fringe benefits for the following full-time staff: One (1) full-time Senior Code Enforcement Officer.

ROLES AND RESPONSIBILITIES

Role	Responsibility
Code Enforcement Officer	The Officer must be able to carry out the code enforcement tasks described within the CDBG Agreement Prepare and maintain daily activity record and provide this information to the grant manager on a monthly basis (records should match timesheets/payroll).
Grants Coordinator	Identifies grant funding opportunities, review grant eligibility requirements, develops project narrative (prior year could be used) staffing requirements, compliance obligations, gather the required documents and obtain application approval from City Manager reviews and submits grant application package to PBC Department of Housing and Economic Sustainability. Once the grant is awarded, reviews award amount and grant period, follows up the grant approval by the commission and ensures the submission process takes place, monitors grant activities, timelines and maintains grant application file (hard copy & electronic).

Grant Manager/Administrator (Senior Accountant)	Creates a file for new grant, gathers documents for grant reimbursement documents on a monthly basis as required, prepares and process the monthly reimbursements, ensures reporting deadline adheres to grant requirements (10 days after the end of the month), seeks for invoices final approval from City Manager, submits approved reimbursements to the grantor (through regular mail and email) with the supporting documents, monitors reimbursement requests and maintains finance grant documentation file. Gathers proof of reimbursement items for each invoice submitted, such as cash receipts journals, bank statements showing deposited reimbursement(s) and copies of checks (for audit purposes) verify all expenditures are charged, submit final reimbursement request, maintain auditors required spreadsheet with grant database information and archive grant records.
Finance Director	Provides Schedule “IV” Program Budget and for initial application process. Once the grant is approved, the Finance Director prepares a 2nd budget that mirrors the CDBG funding and City funding and sends it to the PBC DHES requestor. Verify funding availability for budgeting purposes, monitors grant activity provides required finance reports and information for grantor monitoring visits.
Human Resources Director	Provides information as required for: • Application process. Salary for Code Enforcement Building Department Personnel) W/C Rate Sheet Health Insurance amount paid by the city Life Insurance amount paid by the city • Commission Approved grant submittal Certificate of insurance listing PBC as the certificate holder • Monthly reimbursements Time Sheets (Pay Periods <u>paid</u> within the month requested). Payroll Checks (Pay Periods <u>paid</u> within the month requested).
Executive Director/CEO	Receives grant availability information from Palm Beach County via email. Approves preliminary grant application submitted to PBC DHES

	Presents grant awarded before the city commission for approval Executes Resolution for final grant approval and submittal to the grantor Approves “Schedule “I” Invoice and Detailed Monthly Narrative Report for each monthly reimbursement
City Clerk	Ensures grant is approved by the commission and fully executed. Submits the approved grant to the grantor with supporting documentation.

<u>GRANT TIMELINE</u>

- Grant application and request letter is received from PBC DHES (around the month of January)
- Grant application submittal to PBC DHES
- Grant award contract is received
- Grant approval by City Commission
- Grant final approval by the City Manager
- Grant is submitted by the City Clerk with all the required documents
- Grant is awarded
- Grant activity
  - Grant Reimbursements submittals
  - Grant Reimbursements Received and processed by Finance
- Grant Monitoring Visit (at any time during the term of the agreement)
- Grant closure (when the funds are exhausted)
- Grant réconciliation for audit proposes

REIMBURSEMENT PROCEDURES

Invoice Submittal: No later than the 15th day of each month.
Invoice Processing: Invoices shall be submitted on a monthly basis

<u>STEP 1: REIMBURSEMENT REQUEST PREPARATION</u>

Finance Department shall:

1. Gather the required documents from the individuals responsible
   - Code Officer: Daily activity records
   - Accounts Payable: Health/Life insurance, Retirement and Workman’s Comp proof of payment
   - Human Resources: Daily time sheets and payroll checks
2. Prepare and reconcile payroll and fringe benefits expenditures spreadsheet
3. Prepare Schedule “III” Detailed Monthly Narrative Report
4. Prepare and process reimbursement request Invoice

Schedule “I” Invoice Cover Sheet and include

- Grant number
- Request pay periods (reflecting check dates)
- Invoice total

STEP 2: REIMBURSEMENT REQUEST PACKAGE

Original Invoice (Schedule “I”)
Schedule “III” Detailed Monthly Narrative Report
Payroll & Fringe Benefits spreadsheet
Check Stubs
Timesheets
Daily Activity Records
Health/Life insurance payment proof (Florida Blue)
Retirement proof of payment (FMPTF)
Workman’s Comp proof of payment

STEP 3: APPROVAL

Obtain approval from City Manager

STEP 4: SUBMISSION

Submit reimbursement package to the grantor to:

Deputy Director, (add name)
Department of Housing & Economic Development
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

Retain:

- Copies of reimbursement package for hard copy grant file
- Scanned copy of reimbursement package

STEP 5: PAYMENT RECEIPT

Upon receipt of reimbursement:
Finance Department shall:

1. Verify amount received.
2. Deposit funds.
3. Record payment in accounting system.
4. Update reimbursement tracking log.

STEP 6: RECONCILIATION SPREADSHEET

Reconciliation Sheet should include:

- Grant awarded amount

- Reimbursements submitted
- Adjustments (if any)
- Reimbursements received
- Grant balances

KEY INTERNAL CONTROLS

SEGREGATION OF DUTIES

- Program staff submit grant related activity reports to grant administrator (for monthly grant application submittal).
- Grant administrator prepares reimbursement requests.
- Management approves submissions.

DOCUMENTATION

- No reimbursement request shall be submitted without complete documentation.

PART 5 - ETHICS AND REPORTING

Anti-Fraud, Waste, And Abuse Policy (New)

SECTION 1: PURPOSE, SCOPE, AND LEGAL AUTHORITY

1.1 Purpose

The City of Pahokee is committed to the highest standards of integrity, accountability, and fiscal responsibility in the management of public funds and municipal assets. The purpose of this Policy is to establish clear and enforceable controls to prevent, detect, investigate, and report fraud, waste, abuse, and financial mismanagement within City operations. This policy is designed to safeguard taxpayer resources, promote ethical conduct, restore and maintain public trust, and ensure compliance with municipal and state regulations.

1.2 Scope

This policy applies to all departments, divisions, and operations of the City of Pahokee. It encompasses:

1. All municipal employees, whether full-time, part-time, temporary, or seasonal.
2. All Charter Officers (the City Manager, City Attorney, and the City Clerk).
3. All Elected Officials (the Mayor and City Commissioners).
4. All independent contractors, consultants, vendors, volunteers, and advisory board members acting on behalf of or performing services for the City.

1.3 Legal Authority and Definitions

This policy is established under the authority of:

1. Section 218.33(3), Florida Statutes (F.S.) – Mandating that each local government entity establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse, promote compliance with applicable laws and contracts, and safeguard public assets.
2. Section 112.061(10), Florida Statutes (F.S.) – Establishing second-degree misdemeanor penalties and civil liability for any person who willfully submits or assists in preparing a false or fraudulent travel reimbursement claim.
3. Sections 112.311 - 112.326, Florida Statutes (F.S.) – The Code of Ethics for Public Officers and Employees.
4. Sections 112.3187 - 112.31895, Florida Statutes (F.S.) – Florida's Whistleblower Act (ensuring whistleblower protections for municipal personnel).
5. The Charter of the City of Pahokee §§2.04, 2.06 & 3.04;– Delineating the administrative duties of the City Manager and the contract execution authority of the Mayor.
6. The City of Pahokee Code of Ordinance §§2-272, 2-275 & 2-293– Delineating administrative duties of the City Manager and the contract execution authority of the Mayor, procurement abuse, unauthorized contracts, asset disposal and financial controls.

SECTION 2: DEFINITIONS of PROHIBITED BEHAVIOR

Consistent with the Standards for Internal Control in the Federal Government (U.S. GAO Green Book) and Florida law, the City establishes the following definitions for prohibited conduct:

2.1 Fraud

Fraud is defined as any intentional act, omission, or deception designed to secure an unfair or unlawful personal or financial benefit, or to cause a detriment to the City, through misrepresentation, concealment, or falsification of facts. Examples of fraudulent conduct include, but are not limited to:

1. Falsification of Financial Records: Fabricating, altering, or destroying official records, invoices, purchase orders, receipts, receiving reports, or timecards.
2. False Claims and Travel Fraud: Submitting a Travel Request or Travel Log that contains fabricated costs, personal travel charges disguised as business expenses, or claiming meal per diem for meals already paid for or provided by an event or conference.
3. Mishandling of Asset Records: Unilaterally disposing of City property, failing to record asset acquisitions, or concealing the loss, theft, or personal conversion of City-issued IT equipment (such as laptops or mobile phones) and vehicles.
4. Vendor Collusion and Identity Misrepresentation: Creating fake vendor profiles, using generic vendor accounts (e.g., account 999999) to bypass transparency controls, or processing taxable employee bonuses/awards through Accounts Payable to evade federal tax withholdings.

2.2 Waste

Waste is defined as the act of using or expending public resources carelessly, extravagantly, or to no purpose. Waste does not necessarily involve a violation of the law or fraudulent intent, but it represents a deficiency in reasonable and necessary operational practices. Examples of waste include, but are not limited to:

1. Unnecessary Purchases and Subscriptions: Expending City funds on personal or non-essential services, such as purchasing satellite radio subscriptions for assigned municipal vehicles.
2. Extravagant Travel and Upgrades: Purchasing premium class airline tickets (such as Delta Comfort Plus), renting premium/luxury class rental vehicles, or incurring booking add-ons without documented, justifiable municipal business necessity.
3. Paying Avoidable Taxes: Incurring and failing to remove Florida sales tax on municipal purchases made directly or via employee reimbursements, thereby forfeiting the City's tax-exempt status.
4. Inefficient Procurement: Splitting purchase orders into smaller transactions to bypass competitive bidding limits or Commission approval thresholds, resulting in inflated costs.

2.3 Abuse

Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. It includes the misuse of authority or position for personal financial interest or the private benefit of others. Examples of abuse include, but are not limited to:

1. Directing Policy Overrides: Authorizing employees or elected officials to utilize City credit cards for personal purchases or meals exceeding per diem rates in direct violation of established written policies.
2. Unauthorized Contract Execution: Signing agreements or contracts exceeding $10,000, or professional service agreements, without the required formal City Commission approval and mayoral execution.
3. Personal Use of Public Property: Operating assigned City vehicles, fuel cards, or specialized equipment for personal errands, unauthorized travel, or private business ventures.
4. Dormant Access and Accountability Lapses: Failing to immediately disable IT network and email access for separated employees, leaving sensitive municipal networks vulnerable to unauthorized post-separation use.

SECTION 3: PREVENTATIVE CONTROLS AND PROCUREMENT RESTRICTIONS

The City mandates the following internal control procedures to minimize the risk of fraud, waste, and abuse:

3.1 Strict Segregation of Duties

No single employee or official shall have complete control over all stages of a financial transaction. The functions of ordering, receiving, storing, invoice approval, and payment processing must be separated at the department and administrative levels.

3.2 Payment and Card Controls

1. Direct Accounts Payable Required: All capital assets, sensitive IT equipment (such as laptops, tablets, and cellular phones), and non-travel professional services must be paid directly to the vendor via check or Electronic Funds Transfer (EFT) through the Accounts Payable process. Credit cards or employee personal reimbursements shall never be used to purchase these items.
2. Tax Exemption Enforcement: All purchases must utilize the City’s Sales Tax Consumer’s Certificate of Exemption (Form DR-14). Any sales tax charged on a City credit card shall be charged back to the employee. Employee reimbursements containing sales tax will be rejected by the Finance Department.

3.3 Contract and Procurement Verification

1. Commission Approval Thresholds: Any purchase or contractual obligation exceeding $10,000, and all professional service agreements (including engineers, architects,

accountants, and attorneys), must receive formal approval from the City Commission in an open session before execution.

2. Signature Authority: In accordance with Section 2.04 of the City Charter, the Mayor is the designated authority for executing all contracts, deeds, and formal agreements on behalf of the City. The City Manager has no authority to unilaterally execute contracts exceeding $10,000.
3. Detailed Invoicing Required: All contractors, engineering consultants, and professional service providers must submit detailed, hourly invoices documenting names, classifications, hours worked, and specific tasks performed. Lump-sum or non-itemized billings that violate contractual terms shall not be paid.

SECTION 4: MANDATORY REPORTING AND WHISTLEBLOWER PROTECTION

In accordance with ARTICLE XII. INSPECTOR GENERAL, Sec. 2-423. Functions, authority and powers:
(4) Where the inspector general suspects a possible violation of any state, federal, or local law, he or she shall notify the appropriate law enforcement agencies. The county administrator and each municipal manager, or administrator, or mayor where the mayor serves as chief executive officer, shall promptly notify the inspector general of possible mismanagement of contract (misuse of loss exceeding $5,000 in public funds), fraud, theft, bribery, or other violation of law which appears to fall within the jurisdiction of the inspector general, and may notify the inspector general of any other conduct which may fall within the inspector general's jurisdiction.

Reporting Procedures:
City employees must notify the City Manager/Deputy City Manager and/or OIG immediately of any mismanagement of a contract (misuse of loss exceeding $5,000 in public funds), fraud, theft, bribery, or other violation of law. However, if the matter involves the City Manager/Deputy City Manager or any Administrator, the employee may report directly to the OIG. The employee may report to the OIG directly or in writing.

Whistle Blower Allegations
Whistle Blower Allegations in accordance with the OIG and the Florida Whistle Blower Act. An employee may be granted protection under the Whistle Blower Act if a report is filed directly or in writing to the OIG.
Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial specific danger to the public's health, safety, or welfare. Whistle-blower status may be granted to those who report suspected acts of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

Reporting Methods:
IG Hotline: **877-283-7068**
www.pbcgov.com/oig

SECTION 5: TRAINING, ETHICAL STANDARDS, AND ACKNOWLEDGEMENT

5.1 Annual Fraud and Ethics Training

The Office of the City Clerk shall coordinate the City's ethics training and compliance activities consistent with the City's adopted Ethics Training Policy and the Palm Beach County Code of Ethics, including required follow-up training and coordination with the Palm Beach County Commission on Ethics. Human Resources shall notify the Office of the City Clerk of new hires as necessary for ethics-training compliance tracking and may assist with employee onboarding and administrative support. Training specific to fraud prevention, internal controls, purchasing, and financial compliance may be coordinated by Human Resources, Finance, the City Attorney, or another appropriate office; however, such training shall not supersede the City Clerk's responsibilities under the City's adopted Ethics Training Policy.

5.2 Policy Acknowledgment

1. Signed Acknowledgment Required: All employees, Charter Officers, and elected officials must read and sign a written Policy Understanding and Acknowledgment Form within thirty (30) days of this policy's adoption or immediately upon taking office/hire.
2. Maintenance of Records: Ethics-training acknowledgments and compliance records shall be maintained consistent with the City's adopted Ethics Training Policy. Acknowledgment forms required by that policy shall be submitted to the Office of the City Clerk for inclusion in the applicable personnel or administrative records, and training acknowledgment forms for members of City boards and committees shall be filed and maintained by the Office of the City Clerk. Human Resources may maintain employee personnel-file copies as appropriate. Anti-fraud acknowledgments that are separate from ethics-training acknowledgments may be maintained by the office responsible for the applicable personnel, financial, or administrative record.