



## **Financial Policy – Contract Approval Authority**

### **Purpose**

The purpose of this policy is to clarify the authority for approving and executing contracts on behalf of the City of Sidney and to ensure appropriate oversight of contractual obligations.

### **Legal Authority**

Under the Mayor–Council form of government, the City Council holds legislative authority and the Mayor is responsible for the administration of City operations.

Contracts must comply with applicable provisions of Montana Code Annotated, including municipal contracting and procurement laws.

### **Contract Approval Authority**

#### **City Council Approval**

The following contracts require approval by the City Council:

- Contracts required by Montana law to be approved by the governing body
- Contracts resulting from formal competitive bidding
- Major capital construction contracts
- Agreements that create significant financial obligations or long-term commitments
- Interlocal agreements or cooperative agreements with other governmental entities

Council approval shall occur during a public meeting and be recorded in the meeting minutes.

### **Mayor Authority**

The Mayor may execute contracts approved by the City Council and may approve operational agreements consistent with this policy and within approved budgets.

### **Administrative Authority**

The Mayor may delegate authority to designated City staff to execute certain operational agreements necessary for day-to-day operations, provided:

- The agreement is within the adopted budget
- The agreement complies with City purchasing policies
- The agreement does not create significant financial liability or long-term obligations

### **Contract Review**

Prior to execution, contracts should be reviewed to ensure:

- Compliance with applicable laws and regulations
- Consistency with the City's adopted budget
- Appropriate insurance, indemnification, and liability provisions
- Clear scope of work and deliverables

The Clerk/Treasurer shall maintain executed contracts as part of the City's official records.

The City of Sidney is an equal opportunity employer and provider.

**Signature Authority**

Contracts approved by the City Council shall generally be executed by: Mayor as the authorized representative of the City. Additional signatures may be required depending on the nature of the agreement.

**Recordkeeping**

Executed contracts shall be retained in accordance with applicable public records retention schedules and maintained in the City Clerk/Treasurer's office.

**Policy Review**

This policy shall be reviewed periodically by the City Council and City administration to ensure compliance with Montana law and best practices in municipal governance.