



# Financial Policies

Updated May 2026





## Financial Policies

---

Created by the





## Financial Policies

---

### Table of Contents

Statement of Purpose and General Policy .....	5
Statement of Purpose.....	5
General Policy.....	5
Financial Planning.....	6
A. Annual Financial Planning .....	6
B. Multi-Year Financial Planning.....	6
C. Planning for Long-Term Liabilities.....	6
Internal Control Policy .....	8
Revenue Policies .....	10
Overarching Policy .....	10
Accounts Receivable Policy .....	11
Purpose .....	11
Scope .....	11
Disclaimer .....	11
A. Revenue Billing Procedures .....	11
B. Uncollectible Receivables .....	11
C. Write-Off Authorization .....	12
D. Accounting Procedures .....	12
Grant Funding and Compliance .....	13
Purpose .....	13
1. General Standards.....	13
2. Grant Application Process .....	13
3. Grant Acceptance .....	14
4. Grant Management and Compliance .....	14
5. Grant Accounting.....	15
6. Post-Award Procedures.....	15
Cost-of-Services Policy .....	16
Budget Policies .....	17
Overarching Policies.....	17



## Financial Policies

---

Budget Preparation Policy .....	18
A. Structural Balance .....	18
B. Appropriations Limit.....	18
C. Operating Carryover .....	18
D. One-Time Revenues.....	18
F. Maintenance .....	19
Budget Management and Oversight.....	20
A. Internal Controls .....	20
B. Revenue Forecasting .....	20
C. Fiscal Impact Statements .....	20
D. Financial and Management Reporting.....	20
F. Additional Appropriations During the Fiscal Year .....	20
G. Budget Transfers.....	21
H. Interfund Borrowing.....	21
Capital Improvement Plan Policy.....	22
A. Annual Adoption of CIP .....	22
B. Annual Appropriation Requirement.....	22
C. Project Manager .....	22
D. Statement of Fiscal Impact on the Operating Budget .....	22
Debt Policy.....	23
Expenditure Policies.....	24
Purchasing Rules & Regulations.....	24
Purpose .....	24
Policy.....	24
Code of Ethics .....	24
Conflict of Interest.....	25
General Purchasing Regulations and Procedures.....	25
Purchasing Requirements – Materials, Supplies, and Equipment – Tangible Items.....	26
Local Vendor Master Account Purchases.....	28
Purchasing Requirements – Services .....	28



## Financial Policies

---

Council Authority Exception .....	29
Purchase Order Exceptions .....	30
Vendor Requirements .....	30
Exceptions to Competitive Bidding (PO Still Required).....	30
Public Contracting .....	32
Information Technology (IT) Equipment .....	35
General Guidelines.....	36
Local Business/Local Bidder Preference .....	36
Shipping Instructions .....	36
TRAVEL EXPENSES .....	36
TRANSFER OR DISPOSAL OF FIXED ASSETS.....	37
Federal Procurement .....	37
Fixed Asset and Infrastructure Capitalization Policy .....	39
Purchasing Card Policies .....	40
Unclaimed Check Policy .....	41
Purpose .....	41
Summary of State Law .....	41
Process for Public Notification of Unclaimed Check .....	41
Claiming an Unclaimed Check.....	41
Unclaimed Funds of \$15 or less –or—Unknown Depositor.....	42
Disbursement and Funds Transfer .....	42
Remedies for Rejection of Depositor’s Claim .....	42
Accounting Transactions .....	42
Policy Review.....	43
Sample of Public Notice .....	44



## Financial Policies

---

### Statement of Purpose and General Policy

#### Statement of Purpose

The purpose of implementing financial policies is to establish consistent operating and planning guidelines that support the Town of Truckee's financial management and decision-making processes. These policies are intended to guide Town staff in evaluating the fiscal impact of programs, initiatives, and policy recommendations presented to the Town Council. They also serve as a framework for Town Council actions that promote long-term financial stability and sustainability.

Town Council and staff are expected to adhere to the guidelines set forth in these policies. Any recommended deviation from these policies must be clearly disclosed in supporting documentation—such as staff reports, resolutions, or budget presentations—along with the rationale for the exception.

These financial policies are to be applied in conjunction with applicable state and federal laws, the Truckee Municipal Code, and Generally Accepted Accounting Principles (GAAP). In the event of a conflict, the provisions of law will take precedence.

#### General Policy

- The Town will manage its financial resources prudently, transparently, and in accordance with applicable laws and GFOA standards or best practices.
- Financial decisions will be guided by a long-term perspective, informed by multi-year financial planning, forecasting, and scenario analysis.
- The Town will maintain accounting systems that comply with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements.
- Internal controls will be developed using the Committee of Sponsoring Organizations (COSO) framework. They will be reviewed and updated regularly to ensure accountability and the safeguarding of public assets.
- Investment policies will prioritize safety and liquidity before yield, consistent with California Government Code and best practices.



## Financial Policies

---

### Financial Planning

#### A. Annual Financial Planning

- Identifying Community Needs: Assessing and prioritizing essential services required by residents and businesses.
- Organizing Programs: Structuring programs to effectively deliver these essential services.
- Establishing Goals and Objectives: Defining clear, measurable goals and objectives for each program to ensure accountability and transparency.
- Improving Service Delivery: Setting objectives aimed at enhancing the efficiency and effectiveness of services.
- Evaluating Costs of New Services: Assessing operational, maintenance, staffing, and long-term costs associated with proposed new services or activities.
- Allocating Resources: Ensuring that necessary resources are appropriated to achieve the established objectives.
- Measuring Performance: Implementing standards to evaluate -
  - Progress toward Strategic Plan goals and objectives.
  - Service and activity outputs.
  - Appropriate use of appropriations.
  - Cost-effectiveness compared to other service providers, including benchmarking against local agencies and exploring private service provision options.

#### B. Multi-Year Financial Planning

To understand the long-term implications of current financial decisions, the Town will develop a five-year financial forecast during each budget cycle, updated at quarterly intervals with the Quarterly Financial Updates presented to Council. This forecast will:

- Project revenues and expenditures for all operating funds by category.
- Utilize historical data, inflation assumptions, and Town expenditure priorities.
- Serve as a planning tool for budget development and evaluating the future impact of current decisions.

#### C. Planning for Long-Term Liabilities

To maintain financial stability, the Town will proactively plan for potential liabilities, including:

- Employee leave payouts.
- Pension obligations.
- State and federal unfunded mandates.
- Infrastructure maintenance costs.



## Financial Policies

---

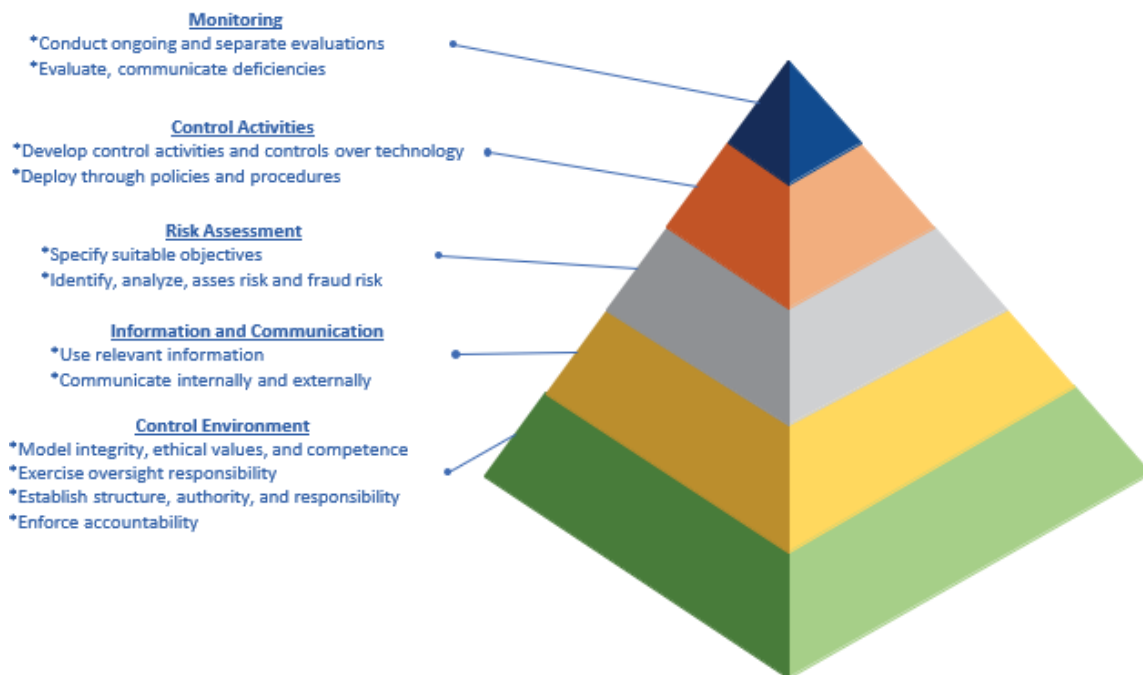
By implementing these financial planning policies, the Town of Truckee aims to ensure sustainable financial health and the continued provision of high-quality services to the community.



## Financial Policies

### Internal Control Policy

- The Town will maintain a strong internal control environment using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework as the foundation for internal control practices.
- The COSO framework includes the following five interrelated components:
  1. **Control Environment:** Establishing a tone at the top that reinforces ethical conduct, accountability, and a commitment to competence.
  2. **Risk Assessment:** Proactively identifying and assessing internal and external risks that could impact the achievement of objectives.
  3. **Control Activities:** Designing and implementing policies and procedures to mitigate risks and ensure compliance with applicable laws, regulations, and goals.
  4. **Information and Communication:** Maintaining effective communication channels and systems to ensure that relevant, timely, and accurate information flows internally and externally.
  5. **Monitoring Activities:** Continuously evaluating the effectiveness of internal controls and taking corrective action when deficiencies are identified.



- The Town will define roles and responsibilities to support a culture of accountability and oversight throughout all departments.



## Financial Policies

---

- Town staff will receive periodic training to ensure awareness and understanding of internal control responsibilities.
- The Town will implement mechanisms for employees to report concerns related to internal control deficiencies or suspected fraud, including anonymous reporting channels.
- Internal controls will be documented, reviewed, and updated annually as part of ongoing risk management and operational improvements.



## Financial Policies

---

### Revenue Policies

#### Overarching Policy

- The Town will strive for a diverse, stable revenue structure to minimize vulnerability to economic cycles and legislative changes.
- Forecasting of major revenues will utilize conservative assumptions and incorporate historical trends, current data, expectations of the future, and external economic indicators.
  - Where financially feasible and for larger revenues sources, outside consultants will be utilized to develop more robust forecasts (i.e. for property tax and sales tax).
- Fees and charges will be evaluated periodically to ensure cost recovery and equity among payers. Cost-of-service studies will guide these updates.
- The Town will seek grant funding and intergovernmental revenue when aligned with strategic goals, but will avoid dependence on temporary funding for ongoing operations.
- Revenue collection and compliance will be actively managed through audits, reviews, and process improvements.
- One-time revenues will be used for one-time expenditures, or to build reserves, and shall not be used for recurring operating expenditures.



## Financial Policies

---

### Revenue Policies (cont'd)

#### Accounts Receivable Policy

##### Purpose

The purpose of this policy is to ensure diligent, consistent, and effective management of the Town's accounts receivables. This includes timely billing, follow-up, and recovery of outstanding amounts, while ensuring the accuracy of reported receivables and the efficient use of staff and financial resources.

##### Scope

This policy applies to all Town departments and funds. Types of receivables include, but are not limited to: transient occupancy tax, regulatory and development impact fees, service charges, recovery for damage to Town property, fines and penalties, benefit payments, rents and leases, contract payments, and legal judgments.

##### Disclaimer

If any portion or procedures in the Town's policies, as they relate to Accounts Receivable are out of conformance with applicable law or regulation, that portion of the policy shall be null and void. All other portions and procedures shall remain in effect.

#### A. Revenue Billing Procedures

- Customer Statements: Customers have 30 days from the invoice or statement date to make payment, unless otherwise specified by contract.
- First Overdue Notice (31–60 Days after due date): A notice will be sent including any applicable late fees, penalties, or interest, pursuant to the Town of Truckee Fee Schedule
- Second Overdue Notice (61–90 Days after due date): A follow-up notice will be issued, potentially with additional fees or interest applied, pursuant to the Town of Truckee Fee Schedule.
- Collections/Legal Notice (Over 90 Days after the due date): Accounts not resolved within 90 days after the due date may be referred to a collection agency and/or to the Town Attorney for further legal action.

#### B. Uncollectible Receivables

A receivable may be designated as uncollectible if appropriate collection procedures have been exhausted and one or more of the following criteria apply:

- The debt is in dispute and insufficient documentation exists to support further collection.
- The cost of pursuing further collection exceeds the expected recovery.
- The account remains unpaid after the applicable statute of limitations or four years, whichever is sooner.
- The debtor cannot be located and/or has no known assets.



## Financial Policies

---

- The debtor has no assets and is unlikely to acquire any in the future.
- The debtor is deceased with no estate or responsible party.
- The debt has been discharged in bankruptcy or by court order.
- The debt has been officially forgiven by Town Council action.

### **C. Write-Off Authorization**

- Administrative Services Director may approve write-offs up to \$5,000.
- Town Manager may approve write-offs over \$5,000 and up to \$10,000.
- Town Council approval is required for any write-off exceeding \$10,000.

The Finance Division will periodically prepare an ageing report for the Town Manager and/or Town Council identifying all delinquent receivables over \$5,000 and the actions taken to collect them. Note: Writing off an uncollectible receivable does not imply forgiveness of the debt or the gifting of public funds.

### **D. Accounting Procedures**

- Once deemed uncollectible, the accounts receivable invoice is reversed in the Town's financial system.
- Write-offs are charged back to the original accounts from which the revenue was credited, if a credit was made.
- Any revenue received from a collection agency will be returned to the account originally credited.



## Financial Policies

---

### Revenue Policies (cont'd)

#### Grant Funding and Compliance

##### Purpose

This policy establishes uniform guidelines for the Town of Truckee's pursuit and management of grant funding. Adherence to these guidelines promotes efficiency, transparency, accountability, and a strategic approach to funding opportunities, enhancing the Town's competitiveness in securing grants. All Town personnel involved in seeking or utilizing grant funds must comply with this policy.

##### 1. General Standards

Grants provide supplemental funding to enhance the Town's programs, projects, and services. However, they come with specific compliance and reporting obligations. Therefore, careful consideration is required before pursuing or accepting grant funds.

Definition: A grant is a financial award from federal, state, local governments, or other organizations to fund specific objectives through legally binding agreements.

##### 2. Grant Application Process

- Grant Planning and Opportunities
  - Strategic Alignment: Departments should proactively identify grant opportunities that align with the Town's priorities and objectives.
  - Early Coordination: Engage with the Finance Division early in the process to assess feasibility and resource requirements.
- Determining Eligibility
  - Assessment: Evaluate the Town's eligibility based on grantor criteria, including project scope, target population, and geographic focus.
  - Resource Evaluation: Consider the Town's capacity to meet grant requirements, including staffing, matching funds, and sustainability.
- Approval to Apply
  - Internal Review: Obtain approval from the Department Director and the Finance Division before proceeding with an application.
  - Town Council Notification: Inform the Town Manager's Office of significant grant applications.
  - Town Council approval may be required based on grant size or strategic importance.
- Submitting Grant Applications
  - Quality Assurance: Ensure applications are complete, accurate, and submitted by the deadline.
  - Record Keeping: Maintain copies of all submissions and related correspondence in accordance with the Town's records retention policy.



## Financial Policies

---

### 3. Grant Acceptance

- Approval Process
  - Award Notification: Upon receiving a grant award, promptly notify the Finance Division and relevant stakeholders.
  - Review Terms: Thoroughly review grant terms and conditions to ensure the Town can comply with all requirements.
- Town Council Approval to Accept Award
  - Council Authorization: For grants exceeding \$100,000 or those with significant policy implications, obtain Town Council approval before acceptance.
- Budget Appropriation
  - Financial Planning: Work with the Finance Division to establish appropriate budget entries and ensure matching funds are allocated if required.
- Execution of Award
  - Agreement Signing: Authorized personnel must sign grant agreements after all approvals are secured. The Town Manager or the Mayor are the only parties with signing authority on behalf of the Town. Contact the Clerk's Department for assistance with routing for signatures.
  - Documentation: Retain fully executed agreements and related documents as per the Town's records management policies.

### 4. Grant Management and Compliance

- Roles and Responsibilities
  - Project Managers: Oversee grant-funded projects, ensuring compliance with scope, budget, and reporting requirements.
  - Finance Division: Provides financial oversight, including monitoring expenditures, financial reporting, and audits.
  - Department Directors: Ensure staff adhere to grant terms and allocate necessary resources for compliance.
  - Use of outside consultants
- Procurement under Grants
  - Compliance: Follow the Town's procurement policies and any additional grant-specific procurement requirements.
  - In the event of a conflict, use the more stringent policy or procedure
- Compliance Standards
  - Reporting: Submit programmatic and financial reports as stipulated by the grantor, adhering to deadlines and formats.
  - Record Retention: Maintain grant records for the period specified by the grantor, as required by law, or pursuant to the Town's Record's Retention Policy, whichever is longest.



## Financial Policies

---

### 5. Grant Accounting

- Monitoring the Budget
  - Regular Reviews: Conduct periodic budget reviews to ensure expenditures align with grant budgets and identify variances.
- Cash Management
  - Reimbursements: Request reimbursements timely, adhering to grantor guidelines to maintain the Town's cash flow.
- Staff Time and Administration
  - Time Tracking: Accurately document staff time spent on grant activities via timesheet to support reimbursement claims and audits.
    - Check with the Finance Division for assistance setting up tracking projects if the grant funding is not filtering through a capital improvement project.
- Internal Controls
  - Safeguards: Implement internal controls to prevent and detect misuse of grant funds, ensuring integrity and accountability.

### 6. Post-Award Procedures

- Close-out
  - Final Reporting: Complete all required final reports, financial reconciliations, and evaluations.
  - Record Archiving: Archive grant documents as per retention policies, ensuring availability for future reference or audits.
- Audit
  - Preparation: Prepare for potential audits by ensuring all documentation is complete and accessible.
  - Responsiveness: Address audit findings promptly, implementing corrective actions as necessary.
  - By adhering to this policy, the Town of Truckee ensures responsible stewardship of grant funds, maintains compliance with grantor requirements, and upholds public trust in its financial management practices.



## Financial Policies

---

### Revenue Policies (cont'd)

#### Cost-of-Services Policy

- The Town will seek to recover 100% of the cost to provide regulation, products, or services, except where specifically adjusted by Council.
- Recovering the full cost of special services of a voluntary and limited nature, ensures that general taxes are not diverted from general services of a broad nature, and thereby prevent general taxes from being utilized to subsidize unfairly and inequitably special services.
- Penalties shall be set by Council, in conformance to applicable state and federal law. They shall have no relation to the cost of service.
- Development-related infrastructure and facility costs will be fully recovered from developers in compliance with State law.
- The Town may require fiscal impact analyses for large developments to ensure long-term sustainability of services.



## Financial Policies

---

### Budget Policies

#### Overarching Policies

- The Town will adopt structurally balanced budgets where recurring revenues equal or exceed recurring expenditures.
- Multi-year forecasts will accompany budget development to identify potential structural gaps.
- Performance metrics and program objectives will be incorporated into the budget to promote accountability and transparency.
- The Town will periodically conduct service and efficiency reviews to optimize resource allocation.
- Budget adjustments will require appropriate approvals:
  - The Town Manager approval for operational transfers within the same fund.
  - Town Council approval for increases in total personnel, transfers for capital expenditures, or transfers between funds.
- The Town will maintain a centralized process for reviewing and approving new staffing requests.
- Accrued leave liabilities will be reviewed and funded as part of the annual budget process.



## Financial Policies

---

### Budget Policies

#### Budget Preparation Policy

##### A. Structural Balance

The Town shall maintain a balanced budget, ensuring that total proposed expenditures do not exceed the sum of estimated revenues and available fund balances, exclusive of reserves, for any fund.

The Annual Budget or Bi-annual Budget shall clearly identify anticipated revenues for all funds for the upcoming fiscal year(s). Current revenues should be sufficient to support current expenditures, maintaining structural balance. Estimates of current revenues shall not include beginning fund balances.

The Town shall make every effort to budget operating expenses at a level that is at or below the anticipated revenues for that fund. If projected revenues are insufficient to support projected funding requirements, the Town Manager and Administrative Services Director may recommend the allocation of unreserved fund balances if it appears that:

1. The expenditure requiring the appropriation of additional revenues is not likely to recur.
2. The revenue source leading to the development of the available revenues is likely to remain stable in future years.
3. An appropriate match of revenues and expenditures can be established that will not lead to structural imbalance in future years.

##### B. Appropriations Limit

Appropriations in the Annual Budget shall comply with the annual determination of the Town's appropriations limit, calculated in accordance with Article XIII B of the California Constitution and applicable Government Code sections.

##### C. Operating Carryover

Operating program appropriations not spent during the fiscal year will not automatically carry over into the next fiscal year and shall lapse at year-end. Unspent appropriations shall be subject to re-appropriation in the subsequent fiscal year. This policy does not preclude the Town Council from adopting an expenditure control program designed to encourage departments to achieve annual cost savings to fund large capital expenditures or other one-time expenditures.

##### D. One-Time Revenues

One-time revenues shall only be used for one-time expenditures. Prior to allocating any one-time revenues, the Administrative Services Director shall determine that such revenues are not being used to subsidize an imbalance between operating revenues and expenditures. If it is determined that one-



## Financial Policies

---

time revenues are needed to correct a structural imbalance, a financial forecast demonstrating that the operating deficit will not continue, shall be presented to the Town Manager and Town Council.

### **F. Maintenance**

Equipment and buildings shall be maintained at reasonable levels to avoid service disruptions, achieve maximum useful life, and ensure the safety of employees and the public. Maintenance and replacement funding shall be allocated each year consistent with this policy.



## Financial Policies

---

### Budget Policies (cont'd)

#### Budget Management and Oversight

##### A. Internal Controls

The Town of Truckee shall maintain a comprehensive system of internal financial controls to safeguard Town assets and uphold the integrity of the Town's financial systems. All department managers are responsible for implementing Town financial policies, applying sound internal controls, and regularly monitoring and evaluating their effectiveness.

##### B. Revenue Forecasting

Revenue estimates will be monitored on an ongoing basis to identify trends that could significantly impact the Town's revenue streams. The Administrative Services Director will consult with internal stakeholders and, as needed, external sources to assess current and emerging economic conditions that may affect the Town's fiscal outlook.

##### C. Fiscal Impact Statements

In support of effective fiscal management, all items submitted to the Town Council for consideration shall include a statement outlining the direct and indirect fiscal impacts. Any proposals not included in the adopted annual work plan must be clearly identified, and funding should be contingent upon the identification of cost savings or additional revenues to cover the unanticipated expense. The Administrative Services Director will also monitor state and federal legislation, and the Town Attorney will monitor legal proceedings that may have a fiscal or policy impact on the Town and report findings to the Town Manager and Town Council as appropriate.

##### D. Financial and Management Reporting

The Administrative Services Director shall provide periodic financial reports to the Town Council. These reports will include an analysis of year-to-date actual revenues and expenditures compared to budgeted appropriations.

##### F. Additional Appropriations During the Fiscal Year

- Supplemental Appropriations: Prior to Council consideration of any supplemental appropriations, the Administrative Services Director must certify that revenues in excess of budgeted amounts are available. Supplemental appropriations may then be adopted by an action of the Town Council.
- Emergency Appropriations: The Town Council may authorize emergency appropriations to safeguard public health, safety, or welfare, in accordance with applicable sections of the Truckee Municipal Code.
- Reductions in Appropriations: If it appears that revenues or available fund balances will be insufficient to cover authorized expenditures, the Town Council or Town Manager may



## Financial Policies

---

reduce appropriations. The Administrative Services Director shall report such actions to the Town Council.

### **G. Budget Transfers**

- Transfers within a Departmental Category: Department Heads may transfer funds within the budget for that department/division. As an example, if there is a staffing shortage, the Department Head may use savings in the wages category to contract for additional third-party assistance paid for out of the Professional Services category. As long as spending is within the overall divisional budget, no additional approvals are necessary.
- Transfers between Divisions or Departments: These transfers require review and approval by both the Administrative Services Director and the Town Manager.
- Transfers between Funds: Only the Town Council may authorize fund-to-fund transfers or transfers from unappropriated or fund balances via resolution.

### **H. Interfund Borrowing**

Occasionally, it may be necessary to temporarily loan funds between Town funds. Any such request must be submitted in writing to the Administrative Services Director, who will evaluate the request and propose repayment terms and an interest rate, if applicable. If approved by the Town Manager, an agenda item will be prepared for Town Council consideration. All interfund borrowing must be consistent with legal and regulatory requirements governing each fund.



## Financial Policies

---

### **Budget Policies (cont'd)**

#### **Capital Improvement Plan Policy**

##### **A. Annual Adoption of CIP**

The Town Council shall adopt an annual Capital Improvement Plan (CIP) that outlines all planned capital investments for the upcoming fiscal year and the subsequent four fiscal years. The CIP serves to systematically plan, schedule, and finance capital projects, ensuring cost-effectiveness and adherence to established funding and construction policies. It balances projects aimed at repairing, replacing, or enhancing existing facilities, equipment, or infrastructure with those that significantly expand or add to the Town's fixed assets.

##### **B. Annual Appropriation Requirement**

Through the annual Appropriation Resolution passed by the Town Council, the capital budget legally authorizes expenditures for the upcoming fiscal year. The CIP includes projections for the first year as well as future projects for which financing has not been secured or legally authorized, making funding allocations for future years subject to change.

Capital financing decisions will consider full lifecycle costs and the least costly financing methods.

##### **C. Project Manager**

Each capital improvement project will have a designated project manager responsible for preparing the project proposal, ensuring timely completion of required phases, authorizing all project expenditures, ensuring compliance with all applicable regulations and laws, and periodically reporting on project status.

##### **D. Statement of Fiscal Impact on the Operating Budget**

Each approved CIP project will include a statement detailing its fiscal impact on the annual operating budget and identifying an appropriate source of funding. If there is an operating impact within the five-year projection window of the operating budget, that impact will be included in the budget projections.



## Financial Policies

---

### Debt Policy

- The Town will limit the use of debt so as not to place a burden on the fiscal resources of the Town and its taxpayers.
- The Town will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues. Debt will not be used to fund operating deficits or for current operations.
- The Town will match the term of debt with the useful life of the asset it finances. As an example, if a new building is expected to have a useful life of 30 years, the Town could issue debt with a term of 30 years or less to match the useful life of the underlying asset.
- Debt ratios will be monitored annually, with General Fund-backed debt targeted to remain under 10% of General Fund revenues.
- The Town will maintain strong disclosure practices and investor communications.
- The Town will maintain strong communications with bond rating agencies about the Town's financial condition and will follow a policy of full disclosure on financial reports and bond prospectus.
- The Town will continually strive to maintain and/or improve the Town's bond rating.
- Alternatives such as inter-fund loans and pay-as-you-go financing will be evaluated before issuing external debt.
- Whenever possible, the Town will investigate the use of special assessment, revenue, or other self-supporting bonds to limit the General Fund obligation for debt-service payments.
- The Town will not use short-term borrowing to support routine operations, provided however, that it may be used to meet temporary cash flow needs. Purchasing Cards may be used for the convenience of operations, such as for employee travel for training purposes, but shall be paid off each month.
- Debt policies and affordability analysis will be reviewed before issuing any new debt.



## Financial Policies

---

### Expenditure Policies

#### Purchasing Rules & Regulations

##### Purpose

The purpose of these Rules and Regulations is to protect the public interest by providing the Town of Truckee a means of assuring continuity and uniformity in its purchasing operations, and to provide guidelines to users in implementing Town of Truckee Municipal Code Chapter 3.12.

##### Policy

The Town of Truckee is committed to purchasing supplies, services and equipment in an efficient, consistent, fair, open and equitable manner and at the lowest possible total cost commensurate with the quality and scope needed. The Town shall secure professional services based upon demonstrated competence, professional qualifications, and suitability for the project in general. Any price and value considerations and justifications should be documented in the Town's electronic records system. Each person responsible for the procurement of goods and services for the Town of Truckee must comply with both these Rules and Regulations and the Municipal Code Chapter 3.12.

##### Code of Ethics

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procure, any person employed by the Town of Truckee, or vendors and third parties doing business with the Town of Truckee, shall be bound by the following code of ethics, including but not limited to:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the Town;
4. Identify and eliminate any conflicts of interest;
5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment; and
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.



## Financial Policies

---

### Conflict of Interest

Town employees shall not participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict arises when a financial interest or other interest in the company selected for the award of a contract is held by:

- An employee;
- Any member of his or her immediate family;
- His or her partner;
- An organization which employs, or is about to employ, any of the above.

Town employees are prohibited from soliciting or accepting gratuities, favors, gifts, or anything of monetary value from actual or potential contractors, bidders, vendors, or parties to purchasing agreements with the Town. Provided however, this prohibition shall not apply to gifts of nominal value which are intended for all town employees' use or consumption, or which the individual receives in recognition of national holidays, anniversaries, birthdays or similar occasions. If you are not sure whether you have a conflict of interest regarding a particular vendor, please check with the Town Attorney.

***The Town of Truckee reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by required documentation.***

### General Purchasing Regulations and Procedures

These rules apply to the purchase of materials, supplies, services (professional, consulting, public works, maintenance and other general services), and equipment.

- Town Department Manager (aka Department Heads) are responsible for identifying the best products and services for their departments.
- The Administrative Services Director is responsible for ensuring that the purchasing rules and guidelines are followed and that proper documentation is secured and maintained in the Town's electronic records management system to support purchasing decisions.
- Only the Town Manager, or the Mayor as directed by the Town Council, is authorized to sign Town contracts. The Town Attorney will review all contracts prior to submitting a contract to the Town Manager for signature. This review will be for form and other legal issues.
  - A contract is any document that contains terms and conditions, whether or not it includes an amount to be paid
- Mid-managers are authorized to approve purchases up to \$1,000 unless the purchase is for their personal use and being made with their personal funds, for example membership dues or reimbursement for supplies or services for the Town of Truckee. In such cases, the Department Head must approve the purchase.
- Purchases in excess of \$1,000 require Department Head approval unless a standard purchase order or contract has already been approved and the purchase fits within the



## Financial Policies

---

scope and budget for that purchase order or contract.

- The Town Manager must approve all purchases made with the Department Heads' purchasing cards.
- The Town Manager can authorize the purchase of service, supplies and equipment from a vendor, by a Town Division up to \$75,000 per Town fiscal year (excluding sales tax). This applies to both single and cumulative purchases.
- Council approval is required for all purchases from a vendor by a Town Division greater than \$75,000 (excluding sales tax) per fiscal year. This applies to both single and cumulative purchases. This limit does not apply to public works contracts or other exceptions identified in Section 7. Council approval must be obtained prior to the purchase except in cases of Town Manager approved emergency, for which the Council approval can be obtained afterward.
- All purchasers shall consider the Town's *Recycled Product Procurement Policy* as stated in Municipal Code Section 3.12.380, and the *Green Procurement and Sustainable Practices Policy* adopted by Resolution 2009-04.
- All purchases shall consider the Town's preference to local businesses as stated in Municipal Code Section 3.12.295 and Resolution 2012-11.
- For the purposes of these rules, a Town Division is defined as those operations, which are overseen by a single Town Division Manager. For example, if one Division Manager oversees the Facilities, Fleet and Trails Divisions, these are considered to be one Town Division for the purposes of this policy.
- Account number coding – the department that is making the purchase is responsible for determining which budget account line should be charged for the expenditure. Administrative Services will review the coding and assist with any inconsistencies.
- Original invoice – All original invoices must be directed to the Administrative Services Department, Accounts Payable, preferably via email, and will then be entered into the system and routed for approval electronically. The division making the purchase must enter the date the item was received in the Town's electronic purchasing system when requested by Finance
- Purchasing card receipts must be forwarded to Accounts Payable or directly uploaded into individual folders within LaserFiche and the account coding will be completed by the divisional administrative staff, electronically prior to the end of the month following the purchase date.
- Document purpose of purchase – The purpose of each charge must be documented in the Town's electronic system.
- Travel Requisition (TR) – If the receipt is for travel, the Travel Requisition (TR) number must be included.

### **Purchasing Requirements – Materials, Supplies, and Equipment – Tangible Items**

- All purchases shall, to the extent practical, be based on at least three informal bids, unless



## Financial Policies

---

one of the exceptions in Section of these Rules and Regulations applies.

- The purchase shall be awarded to the bidder offering the most advantageous bid to the Town after consideration of price, quality, durability, servicing, delivery time, standardization, and the preference for local businesses as stated in Resolution 2012-11, or an updated resolution.
- Purchase orders are required for all single purchases over \$6,500 unless already included in a blanket purchase order.
- All shopping documentation about price or other considerations must be attached to the electronic purchase order document. Shopping documentation should be comparison shopping between 3 vendors.
- Purchases requiring a purchase order shall not be made until the purchase order has been approved by the Department Head, Administrative Services Director, and Town Manager.
- Purchases shall consider the *Recycled Product Procurement Policy* as stated in Municipal Code Section 3.12.380, and the *Green Procurement and Sustainability Practices Policy* adopted by Resolution 2009-04.
- Blanket purchase orders shall be created when cumulative annual (fiscal year) purchases will exceed \$6,500 within a Town Division. Single item purchases from a vendor, which have a separate purchase order, will not be counted towards the threshold for creating a blanket purchase order.
- Price shopping a “bucket” or group of commonly purchased items may be used to justify a blanket purchase order.
  - A minimum of three items commonly purchased shall be priced from three or more vendors.
  - The shopping may be used to justify the creation of a blanket purchase order for more than one vendor in order to justify as-needed purchasing.
  - A written justification must be made along with the pricing matrix. This can be completed on the “Vendor Selection Form”.
  - Any local preference consideration should be clearly noted in the justification.
- Blanket purchase orders may be established for a three-year period. The blanket purchase order will be valid for three years but must be updated prior to the end of the three-year period if: 1) New vendors are available and need to be included for price comparison purposes. 2) The Division Manager or Department Head determines that the change in quality, service or pricing warrant the deletion of the blanket purchase order. Should any of these conditions exist; any amount remaining on the purchase order will be voided.
- Blanket purchase orders must identify annual amounts and are subject to the annual authorization limits for approval authority. For example, a three-year blanket purchase order for \$20,000 per year for a total of \$60,000 would need Town Manager approval but not Council approval.



## Financial Policies

---

### Local Vendor Master Account Purchases

Many local vendors allow Town employees to make discretionary purchases against an approved master account (ex: Mountain Hardware, Truckee Rents, The Office Boss, etc.). Departments utilizing these options should do the following:

- Ensure budget is available and that the purchase is necessary
- Ensure the staff member who is making the purchase is a designated employee on the account; (reach out to Accounts Payable to verify)
- Provider name, department, and clear, legible signature at point of purchase;
- Receive a copy of the receipt/invoice up point of purchase;
- Submit a copy of the receipt/invoice to accounts payable via email within **5 business days** of purchase

### Purchasing Requirements – Services

- Services should be obtained from the most qualified provider with the highest service level considering cost, specialty, timing and other factors. All purchases shall, to the extent practical, be based on at least three informal bids, unless the services are professional in nature and do not lend themselves to award by competitive bidding.

**NOTE:** Selection of consultants for architectural, landscape architectural, engineering, environmental, and land surveying services shall be based on qualifications, as required by Government Code Sections 4525-4529.5. Cost may be considered but shall be secondary to qualifications.

- Documentation of requests for proposals or other informal inquiries shall be included with the electronic contract purchase order.
- All services require a contract to be executed with the service provider. See attached Contracting Matrix for process details.
- The Division Manager is responsible for the initial contract draft, including scope of work.
- A Department Head must approve all contracts in excess of \$1,000 before they are submitted to the Town Manager for approval.
- The Town Manager can authorize the purchase of services from a vendor, by a Town Division up to \$75,000 (excluding sales tax) per Town fiscal year.
- The Town Attorney will review all proposed contracts. All contracts will meet Town requirements for allocation of risk (i.e. indemnity and insurance). Proposed changes to risk allocation will be conferred upon by the Town Attorney, Administrative Services Director and the Division Manager.
- Only the Town Manager, or the Mayor as directed by Town Council, can sign contracts on behalf of the Town.
  - A contract is any document that includes terms and/or conditions to which the Town must agree in order to make the underlying purchase
- A contract purchase order will be created when a contract is signed by both parties.



## Financial Policies

---

Services may not be utilized until there is a signed contract and the contract PO is in place.

- Contracts for services can be executed for up to three years, however annual authorization limits apply, and annual updates of insurance information may be necessary.

All contracts without a not-to-exceed amount require Council approval at least every three years. Examples of appropriate types of contracts include legal services, benefit contracts that are required per employment group agreements and long-term lease agreements. A contract purchase order for these items is not required but is encouraged for tracking purposes.

Selection of consultants for architectural, landscape architectural, engineering, environmental, and land surveying services shall be based on qualifications, as required by Government Code Sections 4525-4529.5. Cost may be considered but shall be secondary to qualifications. The following methods are acceptable regardless of the amount of the contract:

- Request scope of work and cost estimate, from two or more consultants and choose the most qualified.
- Conduct a Request for Qualifications process, or choose a consultant from a list of qualified consultants that was developed through a previous Request for Qualifications process.
- Conduct a Request for Proposals process. This option should be considered when the project is complex, or the required services are not available from the consultants the Town typically uses.
- Designated Source – if only one consultant was considered for the work, provide a written justification in the project file. A designated source written justification must verify that the Town has negotiated a fair and competitive fee with the consultant based upon a comparison of that fee with other professional fees for similar specialized sources. Valid designated source justifications include:
  - Consultant has specialized knowledge of the project that is unique and not available from other firms;
    - The consultant has expertise relating to the services to be provided that are unique and not available from other firms;
    - Project timing would not allow for RFP process. This justification requires details on the schedule and consequences associated with delays in the schedule.

### **Council Authority Exception**

The Town Manager can authorize purchases in excess of \$75,000 (excluding sales tax), under the following circumstances:

- The item(s) being purchased are routine operating supplies that are included in the approved annual budget. Examples include road sand, paint, office supplies and personal desktop computers.
- The item(s) being purchased are capital items that were included in both the Fleet Replacement Program and the annual capital budget. Council may, at its discretion, request



## Financial Policies

---

that a capital purchase item still be brought to them for approval regardless of this exception. Staff will request and document Council consent to dispense further Council action during the budget process for these items.

- Software maintenance costs or software upgrade costs which are available from only one existing vendor.
- Some Public Projects as outlined in Section 10.
- If the contract is related to planning deposit work and quotes have been solicited from multiple vendors, the applicant selected the vendor, and the applicant is covering the entire cost of the contract.

### **Purchase Order Exceptions**

- Purchases of motor vehicles fuel for use in Town vehicles may be completed using the open market or informal big procedures set forth below and shall not require a purchase order;
- Travel Requisitions or online training registration fees that would otherwise be covered on a travel requisition except it is online
- Town Memberships (i.e. League of California Cities, TNT TMA)
- Employment ads and public notices;
- Utility billings and mandated fees by other public agencies, which are included in the budget, including Caltrans signal maintenance fees.
- Payments made under a Town Grant Program such as the Lease to Locals program

Other than utility billings, employment ads and notices, and mandated public agency fees, purchases of these items will still be subject to the price shopping and documentation process as described in Section 5 above and the documentation of those processes shall be included with the purchase order.

### **Vendor Requirements**

Vendors must adhere to the following requirements:

- Provide the Town with a valid W9
- Be registered to do business with the State of California
  - If not, they must be willing to file form CDTFA-38 for sales tax withholdings

### **Exceptions to Competitive Bidding (PO Still Required)**

Certain exceptions to competitive bidding are allowed. Those include:

- Original equipment manufacturer (OEM)
  - A Division Manager will determine when OEM parts are necessary. When a purchase order is prepared for an OEM vendor, proof from the vendor is required of OEM status, such as a website listing OEM vendors for a particular type of part, or a memo from the



## Financial Policies

---

- vendor verifying OEM status.
- OEM purchase orders should be prepared for a three-year term.
- Sole Source Vendors
  - Sole source means the product/service needed is available from only one vendor. Further, the item is held under exclusive title, trademark, or copyright by a private person or company and there are no close substitutes for that item that provides a similar quality, safety, or service for a more competitive price.
  - Examples: software maintenance from the software vendor, matching existing equipment/supplies (trashcans), insurance, and equipment that is compatible with existing equipment, etc.
  - Sole source is not based on price and price shopping is not included in the documentation.
  - Specific reasons for determining a vendor is a sole source must be included in the electronic purchase order documentation. The required documentation is rigorous in nature and must overcome the overarching need to competitively shop for goods and services.
  - A vendor is not deemed to be sole source due to their proximity to the Town or the fact that other purchases were made from that vendor.
- Piggybacking on Government Contracts
  - Purchases may be piggybacked on other government contracts where price shopping has already been done, and vendors provide quantity discounts based on other government purchases.
  - This mostly applies to capital equipment purchases.
  - Example: joint powers purchasing groups.
  - If piggybacking on government contract, proof of the existence of the government contract needs to be attached, such as joint powers group information showing which vendors are included in agreements.
  - “Government prices” offered by vendors should be price shopped against other vendors and documentation of price shopping needs to be included. There is no exception to price shopping based on the vendor only offering “government pricing” without proof of an outstanding contract with other government that was competitively bid.
- Emergencies
  - An emergency is defined as resulting from a circumstance or the occurrence of a disaster, including, but not limited to fire, flood, snowstorm, power outage or disease or a situation which may lead to the impairment of the health, safety or welfare of the public if not immediately attended to. This may also include repairs to roads, building, drainage, infrastructure, bridges, parking lots, and any other Town maintained assets that are required due to a circumstance to maintain public safety.
  - The Town Manager has the sole authority to approve an emergency bidding exception.



## Financial Policies

---

### Public Contracting

#### *Award Authority*

The Town Manager has the authority to approve public works contracts for up to \$100,000 if they were included in the approved annual budget. The Town Council must approve all other public works contracts.

#### *Exemption from Public Contracting Code*

The Town is exempt from the requirements of the Public Contracting Code to the extent the purchasing ordinance conflicts with the Public Contract Code. If the purchasing ordinance and the purchasing policies do not address an issue that is addressed by the Public Contract Code, follow the Public Contract Code. Note that the Town is **not** exempt from prevailing wage requirements, and the “public project” definition for prevailing wage purposes is not the same as “public project” definition used in these purchasing policies.

#### *Project/Contract Types*

##### Professional Services

Procurement of professional services is covered by Section 6 above.

##### Public Projects

“Public project” means a project that includes:

- Construction, reconstruction, alteration, renovation, improvement, demolition, and most repair work involving any publicly owned and/or maintained non- building infrastructure such as roadways, trails, landscaping, and storm drains, excluding maintenance work defined below;
- Construction, reconstruction, erection, alteration, and demolition work involving any publicly owned, leased, or operated building infrastructure;
- Work in or about streams, rivers, lakes, embankments, or other work for protection against overflow; and
- Furnishing supplies or materials for any such projects.

Public projects do **not** include maintenance work defined as follows:

- Routine, recurring, and usual work for the preservation or protection of any publicly owned or public-operated building for its intended purposes including roof repairs or replacements, heating and air conditioning repairs, painting, carpet replacement, and electric repairs;
- Road and trail maintenance including utility patching, crack filling, filling of potholes, edge grading, street striping, sign replacement, sidewalk repair and replacement, curb and gutter repair and replacement, and street and traffic light repair and replacement;
- Traffic signal maintenance. Installation of new traffic signals is a public project, not



## Financial Policies

---

maintenance;

- Storm drain related maintenance such as cleaning or minor repairs. Replacing storm drains is a public project, not maintenance;
- Landscape maintenance, including mowing, watering, trimming, pruning, planting, tree and plant replacement, irrigation and sprinkler system servicing, retrofit and repair, and landscape rehabilitation; and
- Vehicle and equipment maintenance and repairs.

Maintenance projects shall follow the purchasing requirements for Services as defined in Section 6 above.

### *Basis of Award/Bidding Procedures*

#### *Bidding Thresholds*

In Emergency Situations:

- The *Public Project Designated Source Procedure* shall be used.
- Emergency projects, as defined in Section 9, are projects that do not permit delay resulting from a competitive solicitation for bids and that are necessary to respond to the emergency and/or as determined by the Town Manager.

In Non-Emergency Situations:

- \$15,000 or less per project – *Public Project Designated Source Procedure* shall be used.
- \$15,000 to \$100,000 per project – *Public Project Informal Bid Procedure* shall be used.
- Greater than \$100,000 per project – *Public Project Formal Bid Procedure* shall be used.

### *Public Project Bidding*

#### *Public Project Informal Bidding Procedure*

- Town will maintain informal contractor list, which is non-exclusive and available to any person, corporation or entity. Bid notices will be emailed to the members of the list.
- Notice of Informal Bid shall be published on the Town Website. Notice shall include
  - Description of the project in general terms;
  - Time and place of informal bid meeting (if applicable);
  - Information on how to obtain more detailed information about the project;
  - Date, time and place for submission of sealed bids; and
  - Any other information required by state or local law, as determined by the Town Attorney.
- Informal bids may be solicited in written requests to prospective vendors (including email), by telephone or by public notice.
- All contractors shall be provided with access to the same information.



## Financial Policies

---

- Informal bids shall be due at a specific time/location although email submissions will be allowed. If email is used, the bid information must be included in the subject line and the bids shall not be reviewed until after the bid due date.
- The Town Clerk shall keep written or electronic record of all informal bids for a period of two years. This record, while so kept, shall be open to the public for inspection.
- The contract shall be awarded to the lowest responsible bidder provided that it may be awarded to a different bidder on the basis of the low bidder's incomplete bid, superior qualifications of the other bidder, prior Town experience with the low bidder or other bidder, or other reasons demonstrating that the award is a responsible use of public funds, and acceptable to the Administrative Services Director, that are documented in writing.

### Public Project Formal Bidding Procedure

- The process shall be consistent with Public Contract Code Sections 20160 – 20174 unless otherwise specific in the Municipal Code.
- The first publication or posting of the notice shall be published in one or more of the following ways
  - At least twice, not less than five days apart, in a newspaper of general circulation, printed and published in the city, or if there is none, it shall be posted in at least three public places in the city that have been designated by ordinance as the places for posting public notices; and/or on the Town website.
- The notice shall distinctly state the project to be done.

### Limited Bid Force Account

Limited Bid Force Account projects are bid such that the contractors bid their markup on labor, materials and equipment consistent with the Caltrans Limited Bid Emergency Force Account Highway Projects, attached by reference. This type of bidding may be used in special circumstances where the development of detailed plans and specification is not recommended because the scope of work cannot be adequately defined prior to the initiation of construction or an urgency to start the work exists. An example of a project would include flood damage repairs. In general, the contractor will bid their markup for labor, materials, and equipment, which are generally based on the following:

- Labor: Labor payment is full compensation for the cost of labor used in the direct performance of the work; including:
  - Basic hourly wage
  - Health and welfare
  - Pension
  - Vacation
  - Training
  - Other State- and federally-recognized fringe benefit payments
- Materials – Material payment is full compensation for materials furnished and used in the work.
- Equipment: Equipment rental payment will be based on the Caltrans published Labor



## Financial Policies

---

Surcharge and Equipment Rental Rates.

### *State Prevailing Wage*

State Prevailing Wage shall be paid on all public works projects, maintenance contracts, and general service and professional services contracts where applicable wage rates have been established (e.g. surveying), with the following exceptions:

- Maintenance projects (alterations, demolition, repair, or maintenance work) with a total contract amount less than \$15,000 per project;
- Construction projects (public projects, general service, and/or professional services contracts related to construction) with a total contract amount less than \$25,000;
- Janitorial services;
- Hand snow removal;
- Certain other contracts that fit statutory prevailing wage exemptions – check with the Town Attorney.

### **Information Technology (IT) Equipment**

To maintain proper internal controls, including cybersecurity, and asset inventory, ANY item requiring installation, support, or security evaluation, needs to be vetted with IT. Under no circumstance should these items be purchased by individual departments prior to approval from IT, and preferable should be purchased by IT. These items include but are not limited to:

- Printers
- Smart TVs
- Computers
- Laptops
- Tablets/iPads/Accessories
- Software/Software Subscriptions
- Monitors
- Cell Phones/Cell Phone Apps
- Any network connected device (wired or Wi-Fi)
- Any other IoT (Internet of Things) devices

An IoT device is any web-enabled smart devices that uses embedded systems, such as processors, sensors, and communication hardware to collect, send, and act on data acquired from their environment.

Departments should consult IT via helpdesk to ensure compliance and/or compatibility for small purchases such as USB drives, keyboards, mice, charging devices, etc.

**Please Note:** all employees who utilize any Town information devices are required to complete the annual Cyber Security trainings issued Town-wide by IT. Employees who do not complete this training are prohibited from using the Town's information systems and devices.



## Financial Policies

---

### General Guidelines

Town Divisions are responsible for monitoring the due dates for their invoices and ensuring all necessary approvals occur in time for on-time payment.

### Local Business/Local Bidder Preference

- Preference to local businesses and public project bidders shall be given for any Town public works contract as outlined in Resolution 2017-25.
- The percentage allowed for local bidder preference as by Council Resolution is 5.0%.

### Shipping Instructions

To facilitate efficient and direct shipment of your department orders, please be sure to specify your department name and delivery address on all orders either verbal or written. Also, Attention: (your name) is very helpful in directing deliveries if another department receives a misdirected delivery. This information applies to all orders including blanket purchase orders. Please note shipments to a home address are not allowed unless there is an emergency circumstance or are preapproved by Administrative Services Director.

### TRAVEL EXPENSES

A Travel Requisition (TR) must be completed for all Town-related travel if there are any changes or reimbursements beyond just the registration fee.

- Approval by a Division Manager or Department Head prior to commitment of Town funds is required. Division Managers can approve TRs up to one thousand dollars (\$1,000) in value. Department Heads must approve all Division Manager's TRs.
- The TR replaces the purchase order and must include estimated travel expenditures for lodging, meals, transportation costs and conference-related fees.
- The TR must be logged in the Travel Requisitions Log. Copies of conference agendas and/or itineraries must accompany the form.
- The TR can also be used to request an advance for conference fees, hotel, meal per diem, airfare, etc. Actual meal costs are not reimbursed; the TR form includes a tab for per diem meal rates based on cities for low, medium, or high rates.
- The Town's travel policy, included in the Personnel Rules and Regulations, must be followed and is included by reference with this document.
- Wherever possible a Town vehicle will be used for driving to training.

Upon return, a TR is resubmitted to Accounts Payable, providing a final accounting of the travel and conference-related expenses. Department Head approval is again required if there are any material increases in the actual costs (more than 10% of the approved total costs). All receipts listed on the TR must be attached; this includes the final hotel invoice and reimbursements for car rentals, taxis, tolls, etc.



## Financial Policies

---

### TRANSFER OR DISPOSAL OF FIXED ASSETS

Transfer or disposal of Town assets must be approved by the Administrative Services Director in advance of such a transaction and must be in accordance with Section 3.12.310 through 3.12.340 of the Town's Municipal Code.

### Federal Procurement

When purchasing with federal money, follow the stricter of either Uniform Guidance or Town Policy. The detailed version of Uniform Guidance can be found here: <https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-300>.

The following is a summary of procurement types and rules under Uniform Guidance:

- Check [www.sam.gov](http://www.sam.gov) for vendor disbarment or suspension. Do NOT use vendors who are on this list for projects that are federally funded.
- Local business preference is not allowed when using federal funds.
- Micro Purchases –
  - \$10,000 in aggregate (as of January 2020) - \$2,000 if for construction subject to the Davis-Beacon Act
  - Quotes are not required
  - Equitable distribution among qualified vendors, if possible
- Small Purchases –
  - Single and informal procurement methods
  - Not more than the simplified acquisition method - \$250,000 (as of January 2020)
  - Price and rate quote must be obtained from an adequate number of qualified sources
- Sealed Bids –
  - Above simplified threshold – greater than \$250,000 (as of January 2020)
  - Preferred for construction projects
  - Must be publicly advertised
- Competitive Proposals –
  - Above simplified threshold – greater than \$250,000 (as of January 2020)
  - More than one source for proposal
  - Usually for fixed fee or cost reimbursement type agreements
  - A written method of evaluation and selection must be detailed
  - Award must go to “most advantageous” proposal
- Sole Source –
  - MUST MEET AT LEAST ONE OF THE FOLLOWING CRITERIA
    - 1) Single source availability
    - 2) Public emergency
    - 3) Written request has been made and approved by federal or pass-through entity



## Financial Policies

---

- 4) Competition is determined to be inadequate
- Federally funded contract requirements (if exceeding the “simplified acquisition threshold”; CANNOT be waived by Council)
  - Bid guarantee equal to five percent (5%) of the bid price
  - Performance bond on the part of the contract for 100 percent (100%)
  - Payment bond on the part of the contractor for 100 percent (100%) of the contract price



## Financial Policies

---

### Expenditure Policies (cont'd)

#### Fixed Asset and Infrastructure Capitalization Policy

*Definitions:*

*Capital Expenditure* – funds used to acquire or upgrade the Town’s fixed assets, such as property, plant, equipment, facilities, and/or infrastructure.

*Capital (fixed) Asset* – Any asset used in operations with an estimated useful life in excess of three years, shall be capitalized.

Capitalization Thresholds:

<b>Asset</b>	<b>Capitalization Threshold</b>
Equipment	\$10,000
Vehicles	\$25,000
Buildings & Land	\$50,000
Infrastructure	\$100,000

Capital assets will be depreciated in accordance with GASB guidelines, and asset useful lives will be periodically reassessed. Maintenance costs will be expensed unless they significantly extend an asset's useful life.

Please inform Accounts Payable when a non-vehicle equipment capital asset is purchased. They will issue an asset tag to affix to the asset. That item will be included in the Town’s annual asset inventory review.

When the purchase of an asset comes with a title or deed, the original title and/or deed shall be routed to the Finance Division in a timely manner. Titles shall be stored in finance as an internal control and shall only be released when the item becomes surplus, at the end of its useful life.



## Financial Policies

---

### Expenditure Policies (cont'd)

#### Purchasing Card Policies

A town issued Purchasing Card (PCard) is a privilege and will only be used in a manner that upholds the Town of Truckee values and in compliance with all applicable Town Policies.

Purchasing cards are issued to Town Employees upon request from a Department Head or as directed by the Administrative Services Director (ASD). All purchases must be made in accordance with the budget and purchasing policies. This includes advance approvals as necessary, in accordance with the purchasing rules. Purchasing cards may not be used for an employee's personal purchases. If the purchasing card is accidentally used for personal expenditure(s), the employee must immediately notify the ASD and reimburse the Town for the charges. Town Division Managers can approve single charges of up to \$1,000 for their Division. Department Heads must approve all purchasing card charges in excess of \$1,000 for their departments.

- Discretionary Process

PCard shall be used for gasoline purchases, travel expenses, training classes/seminars, and may be used for other purchases as set forth in the Purchasing Rules and Regulations. All PCard purchases shall be made by personnel authorized to use the PCard to make purchases within the department approved budgets and all other requirements of the Purchasing Rules and Regulations.

The following are preferred purchasing methods for purchases less than \$10,000:

1. **PCard purchasing card:** purchase of non-service goods at this level.
2. **Direct vendor invoice:** include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Check Request Form to the invoice.
3. **Purchase Orders:** when required by the Vendor, or for on-site service.

- Purchase Cards Limits

Cards will be issued with a base card limit of \$2,500, with the exception as follows:

- Department Head limit at \$5,000
- Police Sergeant limit at \$5,000
- Supervisor limit at \$10,000
- Department Head requests a specific amount for an employee based on purchasing need(s) for the department – either on a temporary or permanent basis
- Specific Department titled cards are intended to be used by staff within that department who do currently do not have a town issued Pcard to be used travel purposes. The card limits for these cards vary based on department needs.



## Financial Policies

---

### Expenditure Policies (cont'd)

#### Unclaimed Check Policy

##### Purpose

The purpose of the unclaimed check policy is to provide the proper mechanism to take possession of long-standing unclaimed checks in accordance with government statutes and to ensure the propriety of the related accounting transactions.

##### Summary of State Law

Money that is not the property of the Town of Truckee that remains unclaimed for a period of more than three (3) years becomes the property of the Town not less than forty-five days nor more than sixty days after an initial public notice is published. (Government Code Secs. 50050 and 50051)

##### Process for Public Notification of Unclaimed Check

At any time after the expiration of the three (3) year period, the Finance Manager of the Town of Truckee will cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the Sierra Sun (Gov. Code Secs. 50050 and 50051).

The notice shall include the following information:

1. The individual or business name as shown on the issued check.
2. The check date, number and the amount of money on the issued check.
3. A statement announcing that the money shall become the property of the Town of Truckee on a date that is not less than forty-five (45) days after the first publication of the notice. (Gov. Code Sec. 50051)

A proof of publication from the newspaper is to be retained in accordance with the Town's records retention policy as proof that the Town published the required notice for two consecutive weeks.

##### Claiming an Unclaimed Check

Upon or prior to publication, a party of interest may file a claim which must include the following information:

1. The claimant's name, address and telephone number.
2. Social Security Number or Federal Employer Identification Number.
3. Proof of identity such as a copy of a driver's license, social security card or birth certificate.
4. The amount of the claim.
5. The grounds on which the claim is founded. (Gov. Code Sec. 50052)

The Finance Manager may release to the depositor of the unclaimed money, their heir, beneficiary, or duly appointed representative, unclaimed money if claimed prior to the date the money becomes



## Financial Policies

---

the property of the Town upon submitting proof satisfactory to the Finance Manager. (Gov. Code Sec. 50052.5)

When the unclaimed funds become the property of the Town of Truckee and are in a Special fund, the Town Council may transfer them by resolution to the General Fund. (Gov. Code Sec. 50053)

.5)

### **Unclaimed Funds of \$15 or less –or–Unknown Depositor**

Any individual check of less than fifteen dollars (\$15), or any amount if the depositor's name is unknown, which remains unclaimed for a period of one (1) year, may be transferred from the funds which the money was originally drawn from by the Town Council to the General Fund without the necessity of publication of a notice in a newspaper. (Gov. Code Sec. 50055)

The responsibilities of the Finance Manager may be delegated by the Finance Manager to the department that maintains the supporting records of the uncleared checks based on the initial receipt or deposit of that money or both. (Gov. Code Sec. 50056)

### **Disbursement and Funds Transfer**

1. Except as otherwise provided in this procedure, the Finance Department (Department) may release to the claimant of an unclaimed check, or its heir, beneficiary, or duly appointed representative, the amount of an unclaimed check if:
  - a. Claim is filed prior to the date the money becomes the property of the Town of Truckee.
  - b. Proof substantiating the claim is conveyed in writing, including all items detailed in the item "E" of this policy.
  - c. After proper documentation is secured, payment request is prepared to release money based upon approved Claim Form.

### **Remedies for Rejection of Depositor's Claim**

Upon rejection of said depositor's claim by the Department, the depositor may file a verified complaint seeking to recover all, or a designated part, of the money in a court within Nevada County. The Department shall be served with a copy of the complaint and summons which must be served within thirty (30) days of receiving notice that the claim was rejected. The Department shall withhold the release of the portion of unclaimed money for which a court action has been filed until a decision is rendered by the court.

Unclaimed checks of less than fifteen dollars (\$15) that are more than twelve (12) months old will be transferred to the General Fund by the Town Council without publication of a notice in a newspaper.

### **Accounting Transactions**

If an unclaimed check is claimed prior to the date designated in the Public Notice, the Finance Manager will verify the claimant's supporting information and obtain an approval to stop payment



## Financial Policies

---

of the claimed check for checks over \$1,000. If the claimant satisfies all conditions required under this procedure, the Town will void the old check and issue a new check for the claimed amount to the claimant.

Upon the close of business on the forty-fifth day after the initial notice is published, the remaining unclaimed checks with face amounts of fifteen dollars (\$15) or more will revert to the Town. The amounts of such checks will be transferred to a miscellaneous General Fund revenue account upon Town Council approval.

Upon close of business on the forty-fifth (45) day after publication of the first notice, the unclaimed check amounts revert to the Town of Truckee. When the unclaimed checks become the property of the Town of Truckee and are in a special fund, the Town Council may transfer them to the General Fund.

- Accounts payable checks will be voided, changing the account number from original to non-departmental Unclaimed Funds revenue account 101.20.41. This way the transaction will Debit Cash and Credit the above revenue account without changing the original Expense or Revenue account.
- Payroll checks will be canceled in the accounting system to remove them from the outstanding checks list. In addition, a journal entry will be prepared to Debit the original expense account and Credit the Unclaimed Funds revenue account 101.20.41.
- The records of voided checks must be retained by the Administrative Services Department in accordance with the Town's records retention policy.

All outstanding checks of less than fifteen dollars (\$15) from Accounts Payable and Payroll will be checked to determine those checks that have issue dates over twelve (12) months. These amounts will then be set into a resolution for the Town Council to approve, transferring these amounts to the General Fund miscellaneous revenue account. Follow steps a,b, and c above.

### **Policy Review**

This policy shall be reviewed at least biannually.



## Financial Policies

---

### Sample of Public Notice

#### Public Notice

NOTICE IS HEREBY GIVEN THAT, the Administrative Services Department of the Town of Truckee, County of Nevada, State of California, declares that the following monetary sums have been held by the Town of Truckee and have remained unclaimed in the funds hereafter indicated for a period of over three (3) years and will become the property of the Town of Truckee on the xx the day of the Month, Year, a date not less than forty-five (45) days after the first publication of this Notice.

Any party of interest may, prior to the date designated herein above, file a claim with the Town's Administrative Services Department which includes the claimant's name, address and telephone number, Social Security Number or Federal Employer Identification number, amount of claim, the grounds on which the claim is founded. The Unclaimed Money Claim Form can be obtained from the Town's Administrative Services office at 10183 Truckee Airport Road, Truckee, or from the Town's website at <https://www.townoftruckee.gov/231/Finance>. Proof of identity such as a copy of a driver's license, social security card or birth certificate must be provided before funds are released. With any questions, please contact the Town of Truckee, Administrative Services Department at (530) 582-2907 or (530) 582-2479.

This notice and its contents are in accordance with California Government Code Sections 50050-50056.

Name \_\_\_\_\_

Title \_\_\_\_\_

Check Date

Check Number

Payee Name

Check Amount

Fund Held In