Town of Boonville
June 6, 2017 Public Hearing Minutes
Harvey E. Smith Municipal Building

The Town of Boonville conducted a public hearing for the 2017-2018 Budget Ordinance and the Yard Sale Ordinance update.

The following were in attendance: Mayor Rusty Hunter, Commissioners Devin Carter, Bonnie Lasky, William Paul Baity, and Tony Reece. Also in attendance were Interim Town Administrator Sarah Harris, Police Chief Farron Jester, Finance Officer/Town Clerk Kim Wells, and Public Works Director Jeff Jones.

Mayor Hunter opened the public hearing at 6:30 p.m.

No public comments were voiced.

The public hearing closed at 7:00 p.m.

Russell (Rusty) Hunter, IV, Mayor

Kim Wells

Kim Wells, Finance Officer/Town Clerk

Town of Boonville
June 6, 2017 Regular Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 6/6/17 regular meeting: Mayor Rusty Hunter, Commissioners Devin Carter, Bonnie Lasky, William Paul Baity, and Tony Reece. Also in attendance were Interim Town Administrator Sarah Harris, Police Chief Farron Jester, Finance Officer/Town Clerk Kim Wells, and Public Works Director Jeff Jones.

I. **Call to Order and Welcome:** Mayor Hunter called the 6/6/17 meeting to order at 7:00 p.m.

II. **Conflict of Interest Issues and Approval of Agenda:** Mayor Hunter proposed adding "Budget Amendments" under New Business, item F., and "Purchase Policy" under New Business, item G. Commissioner Baity motioned to adopt the agenda as amended. Commissioner Reece seconded, and the motion passed unanimously.

III. **Adoption of minutes – 3/30 recess, 5/2 regular session, 5/2 closed session, 5/2 recess, 5/11 recess:** Commissioner Lasky motioned to adopt the minutes of the 3/30 recess, 5/2 regular session, 5/2 closed session, 5/2 recess, and 5/11 recess. Commissioner Carter seconded, and the motion passed unanimously.

IV. **Public Comments:** None were voiced.

V. **Old Town Business:**

A. **Update on Water and Sewer Projects:** Public Works Director Jones reported on the sewer tank that had floated out of the ground. He stated that the insurance company had been contacted and the preliminary opinion was that the incident would not be covered under our insurance. He reminded the Board members that this issue was the reason for the installation of the new wells. Mr. Jones stated that Municipal Engineering was unsure of the appropriate next steps.

B. **Howard Street Paving:** Public Works Director Jones reviewed the quotes he had received for the paving on Howard Street and the quote for the grading work. He stated the quote for Carter and Kirk contained an extra binding material that would make the pavement stronger for the dump trucks. Discussion followed. Commissioner Carter motioned to approve Howard Street paving by Carter and Kirk in the amount of $18,300 with an additional $4,500 to Tim Cave as of 7/1/17, charged to 10-5700-7300. Commissioner Lasky seconded, and the motion passed unanimously.

C. **Resolution #2016-12, Surplus 2004 Ford Crown Victoria Police Car:** Finance Officer/Town Clerk Wells stated the resolution was required to accompany the motion made at the last meeting. Commissioner Baity motioned to adopt Resolution #2016-12, Surplus 2004 Ford Crown Victoria Police Car. Commissioner Reece seconded, and the motion passed unanimously.

VI. **New Town Business:**

A. **Yard Sale Ordinance:** Commissioner Baity motioned to amend Code 112.02 (Yard Sale Ordinance) from first weekend in May to the first weekend in October per resident request. Commissioner Carter seconded, and the motion passed unanimously.

B. **2017-2018 Budget Ordinance:** Commissioner Lasky motioned to adopt the 2017-2018 Budget Ordinance and schedule of fees. Commissioner Baity seconded, and motioned unanimously.

C. **Waste Management contract:** Interim Town Administrator Harris reviewed the Town's current Waste Management contract compared to Dobson's Waste Management contract. Discussion followed. Commissioner Reece motioned to remain with Waste Management. Commissioner Carter seconded, and the motion passed unanimously. Discussion followed on the upcoming contract renewal.

D. **Charles Scott, CPA contract:** Finance Officer/Town Clerk Wells presented the contract for Charles Scott. Commissioner Lasky motioned to approve the Charles Scott contract. Commissioner Reece seconded, and the motion passed unanimously.

E. **Internal Control Policy:** Finance Officer/Town Clerk Wells presented an Internal Control Policy that she had drafted and stated the reasons for having the policy. Commissioner Lasky motioned to adopt the Internal Control Policy. Commissioner Baity seconded, and the motion passed unanimously.

F. **Budget Amendments:** Finance Officer/Town Clerk Wells presented budget amendments for the Board members to consider. Commissioner Baity motioned to approve the proposed budget amendments dated 6/6/17. Commissioner Reece seconded, and the motion passed unanimously.

G. **Purchase Policy:** Finance Officer/Town Clerk Wells asked the Board members to review the current Purchase Policy and Procedures and asked the Board members to clarify what steps needed to be changed to Town Administrator from Commissioner. Discussion followed. Commissioner Lasky motioned to amend the Purchase Policy and Procedures as discussed. Commissioner Baity seconded, and the motion passed unanimously.

VII. Reports and announcements:

A. **Mayor's report:** Mayor Hunter reminded the Board members that there would not be a meeting in July because of the holiday.

B. **Interim Town Administrator's report**: Interim Town Administrator Harris reviewed the budget vs. actual report. She reported that she had graduated from the Rural Economic Development Institute. An ice cream truck is interested in coming to Boonville. Top Dog Vapes will be closing. An agreement with Mitch Long is being drafted for the use of his father's property for events. The May Hot Rods & Food Trucks event was successful. She also informed the Board members that the resolution that was adopted to allow her to sign the loan paperwork eliminated the option of the Mayor to sign.

C. **Finance Officer's report:** Finance Officer Wells presented a report to the Board members on what had been received and paid on the loan through May. She reported that she had three more weeks of class, and that the State plans to make the class mandatory for all finance staff. This may impact the Interim Town Administrator and Administrative Assistant who may be required to take the class. Mrs. Wells informed the Board members that she had learned that the Board members needed to have access to all checks processed each month. She told the Board members that she would have documentation with her at each meeting for review if desired. Class members were also highly encouraged to have a Capital Asset Policy. She explained why it was needed and stated that she would draft one for the Board members to review.

D. **Public Works Director's report:** Public Works Director Jones reported on a water leak located on US 601 North. He informed the Board members that while working on the leak, two homes were found to be on one tap. He would like to fix the issue but does not want to cut into the new pavement on US 601 North. Mr. Jones plans to contact DOT and inquire when that section of road might be repaved and plan to fix the tap issue approximately six months prior to repaving. The Board members discussed road patches needed around town. Mr. Jones then reported on the intersection at Woodruff Rd and some drainage issues at a home on East Main Street.

E. **Police Chief's report:** Police Chief Jester reported on the Memorial Day Click It or Ticket It event. He reported that Officer Rutledge had finished Radar School and that he and Officer Cranford were putting in some extra hours to get Officer Rutledge's practical time completed so he is certified. Chief Jester stated he was in the process of getting all the paperwork together for a hiring a new part-time officer.

F. **Departmental Commissioner's Reports**: There were no reports.

G. **Committee reports as needed:** There were no reports.

VII. Closed Session per NCGS 143-318(a)(5&6): Commissioner Carter motioned to go into closed session per NCGS 143-318(a)(5&6). Commissioner Baity seconded, and the motion passed unanimously at 8:16 pm.

Commissioner Baity motioned to hire Jason Weiss as a part-time police officer, at a rate of $13 per hour effective 6/7/17. Commissioner Reece seconded, and the motion passed unanimously.

Commissioner Carter motioned to pay out Corbett Baker's vacation and holiday pay as he leaves the Boonville Police Department. Commissioner Lasky seconded, and the motion passed unanimously.

Commissioner Lasky motioned to remove "Interim" from the Town Administrator position and hire Sarah Harris (permanently) at a salary of $50,000. Commissioner Reece seconded, and the motion passed unanimously.

The Board members discussed followed the need for a recess meeting for upcoming budget amendments, loan update, and possible closed session per NCGS 143-318(a)(5&6).

VIII. Recess/Adjourn: Commissioner Lasky motioned to recess until June 29 at 6:00 p.m. Commissioner Baity seconded, and the motion passed unanimously. The meeting ended at 9:27 p.m.

Russell (Rusty) Hunter, IV, Mayor

Kim Wells, Finance Officer/Town Clerk

RESOLUTION # 2016 -12

A GREAT LITTLE TOWN

RESOLUTION DECLARING CERTAIN PROPERTY TO BE SURPLUS AND AUTHORIZING THE DISPOSITION OF SAID PROPERTY BY INTERNET AUCTION OR PRIVATE SALE

WHEREAS, G.S. 160a-267 & 270(c), allow the Town to sell personal property by private negotiation and at electronic auction upon adoption of a resolution or order authorizing the appropriate official to dispose of the property; and

WHEREAS, the Town Board of the Town of Boonville, North Carolina, has determined that the Town owns certain personal property that is no longer needed or usable by the Town; and

WHEREAS, the property is described below:

	VIN/SERIAL#
2003 Ford Crown Vic Police Car	2FAFP71W43X110286

NOW, THEREFORE, BE IT RESOLVED by the Boonville Town Board that the Finance Officer/Town Clerk is authorized to sell by private negotiation or at electronic auction @ www.GovDeals.com at the earliest convenience the surplus property described above as per the terms and conditions as specified in the GovDeals Service contract approved by this Council and in accordance with G.S. 160A-267 or 270(c). The terms of the sale shall be net cash. The Finance Officer/Town Clerk is directed to publish at least once not less than ten (10) days before the date of the sale or auction, a copy of this resolution or a notice summarizing its content as required by North Carolina General Statute 160A-267 & 270(c).

Adopted on this the 6th day of June, 2017.

Russell (Rusty) Hunter, IV, Mayor

Attested to:

Kim Wells, Town Clerk

112.02 EXEMPTIONS

This chapter does not apply to any person conducting an incidental sale of up to two separate items when such sale is not part of a yard sale as defined in 112.01.

(Ord. 59, passed 5-1-1988; Ord. passed 7-5-2011)

A Community Yard Sale event is allowed on the first full weekend in ~~May~~ October and will be held Friday and Saturday of that weekend. It is exempt from permits but follow all the other regulations outlined in Chapter 112: Yard Sales. This event will not count towards the annual three yard sale limit stated in section 112.014- Regulations.

Boonville
Crossroads of the Yadkin Valley

Town of Boonville
PO Box 326
110 N. Carolina Avenue
Boonville, North Carolina 27011

June 6th, 2017

To: The Honorable Mayor Hunter and Town Board of Commissioners of the Town of Boonville

In accordance with the North Carolina General Statute 159-11, the Town of Boonville's proposed budget for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018 is hereby submitted for your consideration. This budget represents the Town's commitment to the identified goals and priorities set forth by the Board of Commissioners.

The Town of Boonville is committed to striving for the highest level of public service while preserving, protecting, and enhancing the quality of life in the community. In order to accomplish these goals, we must maintain strong financial health. The priorities that are reflected in the budget include water and sewer infrastructure improvements, economic development, and equipment purchases for the Public Works Department.

As a result of these priorities, the proposed budget does include a minimal increase in water and sewer rates to pay for the water and sewer infrastructure projects. The proposed 2017-2018 fiscal year budget is presented with a minor tax increase, bringing the rate to $0.48 (per one hundred dollars valuation of property). The increase of the rate for property taxes was proposed based on the loss of value of properties in the area which were reported in the reappraisals received from the county. Significant cuts were made throughout each department to offset this decrease in revenue. However, in order to continue providing the same level of service to our residents there was a need for a minimal increase of 2% in property taxes. The budget being presented for your consideration is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The total operating budgets for the two funds are:

Summary:	**Estimated Revenues**	**Estimated Expenditures**	**Fund Balance**
General Revenue	$778,449	$819,825	$41,376
Enterprise Fund	$570,700	$726,660	$155,960
Total:	$1,349,149	$1,546,485	$197,336

Overview of the Budget

The Town's fiscal year begins on July 1 and ends on June 30. The budget is divided into separate funds in order to account for revenue collected and services provided. The following is a list of the funds accounted for in this budget:

- General Fund – this fund is the "typical" government fund, where all the taxes and some user fees are used to provide basic governmental services, such as administration, police, planning, zoning, and street maintenance. Also in the fund is the billing and collecting of sanitation fees.

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In April of fiscal year 2016-2017, the Town surplused multiple items from various departments. Below is the analysis of the April 2017 Surplus Vehicles/Equipment.

Item	Net Pay
2003 Ford Crown Victoria Police Interceptor	$531.88
1999 Ford F-150 WS Reg. Cab Long Bed 4WD	$3,237.50
1982 Case Backhoe- MDL 580-D	$7,400.00
Bobcat Ride Behind Mower 933004	$948.13
John Deere Mower Model# # 1600428563	$439.38
1991 Ford F-350 Reg. Cab DRW 2 WD	$1,803.75
2004 Ford Crown Vic	$763.13
Nortel Phone System	$20.00
Total	$15,143.77

In review, the Town of Boonville had a very successful year with the undertaking of multiple projects that preserved, protected, and enhanced the quality of life in the community.

General Fund

The recommended General Fund budget for FY 2017-2018 is $819,825. This is $11,961 or 1.44 less than the FY 2016-2017 amended budget. When compared to the original starting FY 2016-2017 budget, the FY 2017-2018 recommended budget is $74,145 or 8.3% less.

Revenues

- The proposed tax rate of $.48 per $100 valuation. This is an increase of 2% from the last fiscal year. Our ad valorem revenues are based on a tax valuation of $68,529,741.00 calculated at an approximate collection rate of 96.66%. FY 2016-2017 tax valuation was higher at $69,334,149.00. The tax neutral rate is .4816. Please note that this collection rate is in accordance with same sized towns across the State of North Carolina per the Town's auditor.

- The local option sales tax is projected at $170,000. This is an increase of 5.9%.

- Powell Bill funding has not been published for FY 2017-2018. We are anticipating it will be the same amount as seen in previous years, $38,595.00.

- Tipping fees (trash) are being charged at the Town's actual cost to Waste Management. Costs not being supported by revenues are the trash services for the Town operated facilities, the Boonville Community Public Library, and the Boonville Volunteer Fire Department.

- Sales tax revenues were recorded at actual per the Town's receivable accounts.

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Revenues

Minimal increases of water and sewer rates have been proposed to improve water and sewer infrastructure. The anticipated rates will slowly increase for this fiscal year so the debt service of the loan does not impact residents all at one time. Projected rate increases are as follows:

	FY17-18
Water Inside Base	$20.00
Water Outside Base	$35.30
Sewer Inside Base	$20.00
Sewer Outside Base	$35.30
Inside Water Cost/1000	$ 3.75
Outside Water Cost/1000	$ 7.50
Inside Sewer Cost/1000	$ 8.75
Outside Sewer Cost/1000	$17.50

Once these rates are set at the FY 2018-2019 levels, it is recommended that the rates be adjusted annually based on the annual cost-of-living (COL) index.

Expenditures

- Salaries will be increased in this year's budget at 2% for COLA (Cost of Living Allowance). Group Insurance cost increase by 2.79%.
- Phase I payment of the Water Loan of $24,566.50 is expected to be paid in May of 2018. Anticipated Phase II payment not yet released.
- Phase I payment of the Sewer Loan of $18,918.35 for the Hurt Creek Outfall line is due in May of 2018. Anticipated Sewer Plant payment of $42,803.75 is due May of 2019.

Conclusion

The Town of Boonville is committed to striving for the highest level of public service while preserving, protecting, and enhancing the quality of life in the community. In order to accomplish these goals, we must maintain strong financial health. The priorities that are reflected in the budget include water and sewer infrastructure improvements, economic development, and equipment purchases for the Public Works Department.

I want to extend my appreciation to all staff members, Mayor Hunter and the Board of Commissioners who have worked in preparation of this budget document. The preparation of this document would not have been possible without the dedication and commitment of the Town staff members and the Town Board. The document before you is the work of a cooperative team planning effort for a high level of service to our community while preserving, protecting, and enhancing the quality of life.

TOWN OF BOONVILLE
2017-2018 BUDGET ORDINANCE

BE IT ORDAINED by the Governing Board of the Town of Boonville, North Carolina that the FY 2017-2018 Budget Ordinance be hereby adopted as follows:

Section 1: The following amounts are hereby appropriated in the General Fund for the operation of town government and its activities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this Town:

Governing Body	$42,600
Administrative Department	111,820
Law Enforcement	335,495
Street Department	132,075
Powell Bill	64,500
Sanitation	105,035
Non-Departmental	27,500
Zoning	800
Total	**$819,825**

Section 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018.

Taxes Advalorem – Current Year	$317,956
Taxes Advalorem – 1st Prior Year	3,000
Taxes Advalorem – 2nd Prior Year	500
Taxes Advalorem – 3rd Prior Year	500
Taxes Advalorem – 4th Prior & Older	1,000
DMV Collections – Current Year	32,243
DMV Collections – 1st Prior Year	100
DMV Collections – 2nd Prior & Older	100
DMV Collections – 3rd Prior & Older	100
DMV Collections – 4th Prior & Older	100
Tax Discounts	(3,800)
DMV Discounts	(1,600)
Yadkin County Tax Discount	(5,800)
Tax Penalties & Interest	2,000
Interest on Investments	500
Court Officer Fees	400
Miscellaneous Revenue	1,000
Parks and Rec Fees	1,000
Parks and Rec Donations	1,000
Zoning Fees	750
Utility Franchise Tax	115,000
Alcohol/Beverage Tax	5,500
Powell Bill Allocation	39,000
Local Option Sales Tax	170,000

Solid Waste Disposal Tax	800
Landfill Tipping Fees	70,000
Sales Tax Refund	1,600
Hold Harmless	0
Cable TV Franchise Tax	0
Beginning Fund Balance – Powell Bill	25,500
Beginning Fund Balance – General Fund	41,376
Total	**819,825**

Section 3: There is hereby levied a tax at the rate of forty-eight cents (.48) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2017, for the purpose of raising the revenue listed as "Taxes Advalorem – Current Year" in the General Fund in Section 2 of this ordinance.

This rate is based on a total valuation of property for the purposes of taxation of $68,529,741 and an estimated rate of collection of 96.66%. The estimated rate of collections is based on the anticipated fiscal 2016-2017 collection rate of 96.66%.

Section 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore approved for the Town:

Water Department	$339,167
Sewer Department	272,768
Sewer Plant Department	114,725
Total	**$726,660**

Section 5: It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Interest on Investments	$200
Miscellaneous Revenue	200
Sales Tax Refund	2,200
Charges for Utilities - Water	220,400
Charges for Utilities - Sewer	323,700
Taps and Connection Fees	5,000
Penalties	12,000
Reconnection Fees	7,000
Beginning Fund Balance	155,960
Total	**$ 726,660**

Section 6: The Town of Boonville Fee Schedule, dated July 1, 2017, as attached, is hereby incorporated into this annual budget ordinance, and such fees shall become effective on July 1, 2017.

Section 7: Town employees shall be given a COLA. The increases will be 2% and shall begin with the first full pay period in the new fiscal year.

Section 8: The Finance Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

a. He/She may transfer amounts between line item expenditures within a department without limitations and without a report being required. These changes should not result in increases in recurring obligations such as salaries.

b. He/She may transfer amounts up to $1,000 between departments, including contingency appropriations, within the same fund. He/She must make an official report on such transfers at the next regular meeting of the Governing Board.

c. He/She may not transfer any appropriated amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

Section 9: The Finance Officer may make cash advances between funds for periods not to exceed 60 days without reporting to the Governing Board. Any advances that extend beyond 60 days must be reported to the Governing Board.

Section 10: This Ordinance and Budget Document shall be the basis for the financial plan for the Town of Boonville during the 2017-2018 fiscal year. The Finance Officer shall administer the budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The accounting section shall establish record which is in consonance with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

ADOPTED THIS THE 6th DAY OF JUNE, 2017 AT BOONVILLE, N.C.

Russell (Rusty) Hunter, IV, Mayor

Kim Wells, Finance Officer/Town Clerk

Schedule of Fees
July 2017

The Town Board shall have the authority to set any fee not otherwise listed and shall have the authority to make changes to these fees throughout the year.

Administration

Copies (per page)	$0.10
Late Fee – Taxes	2% January; .75% February-December
Late Fee – Utilities	10%
Reconnect Fee***	$30.00
Return Check Fee **	$25.00
Tax Advertising Fee	$5.00
Tax Discount (paid in August)	2%
Tax Rate	0.48/$100 assessed value

Public Works Sanitation Division

Trash fee (monthly)	
- Residential - $11.27	
- Commercial - $15.44	
- Out of Town (optional) - $18.00	
Recycling (monthly)	
- Residential – included with monthly trash fee	
Truck Rental Fee (if truck is available)	$25.00 plus landfill cost

Public Works Street Division

Mowing of private lots	$75.00/hour; minimum cost of $150.00

Public Works Water/Sewer Division

Deposit:	
In Town Owner	$50.00
Out of Town Owner	$60.00
All Renters	$150.00

All Businesses	$60.00

Water & Sewer Rates (based off actual consumption):		
In Town Pricing		
Gallons	Water Fee	Sewer Fee
0-2000	20.00	20.00
Next 2000	3.75/1000	8.75/1000
Next 2000	3.75/1000	8.75/1000
Next 2000	3.75/1000	8.75/1000
Next 2000	3.75/1000	8.75/1000
Next 10000	3.75/1000	8.75/1000
Next 30000	3.75/1000	8.75/1000
Next 50000	3.75/1000	8.75/1000

Out of Town Pricing		
Gallons	Water	Sewer
0-2000	35.30	35.30
Next 2000	7.50/1000	17.50/1000
Next 2000	7.50/1000	17.50/1000
Next 2000	7.50/1000	17.50/1000
Next 2000	7.50/1000	17.50/1000
Next 10000	7.50/1000	17.50/1000
Next 30000	7.50/1000	17.50/1000
Next 50000	7.50/1000	17.50/1000

Taps:	
Water	
In Town	$2,000.00 (¾ " – 1")
Out of Town	$2,500.00 (¾ " – 1")
Any taps over 1" is at cost	
Sewer	
In Town (only)	$2,200.00 (up to 7')
Any taps over 7' is at cost	
Boring Fee	$800.00 (¾ ")
Any bores over ¾" is at cost	
Rock Blasting	Cost plus 10%
Extension of Service Water Line	Cost plus tap fee
Meter Set Fee	$360.00
Reconnect Fee - Administration Fee***	$30.00

Zoning

Administrative Appeal	$175
Rezoning Request	$175
Special Use Permit	$175
Subdivision:	
Minor	$50.00
Major	$150.00
Variance	$175.00
Zoning Permit	$20.00

Miscellaneous

Business License Permits	$5.00 annually
Peddler Permit for 3 days – limit to 1 per year	$10.00
Yardsale Permit for 2 days – limit 3 per year	$10.00

* **THE TOWN OF BOONVILLE DOES NOT ACCEPT TWO PARTY CHECKS.**

** **RETURN CHECK POLICY**

Beginning 1/2/2001, the Town of Boonville will not accept checks for a period of 24 months from an individual/business who has had two checks returned to us for NSF.

*****ADMINISTRATIVE FEE (RECONNECT FEE)**

ALL previous month balances are due by the 14th at 5PM. For payments made after 5PM, there is automatically an Administrative fee assigned to those accounts and water WILL be disconnected on the 15th for non-payment.

SERVICE (ADMINSTRATIVE) FEE FOR RETURNED CHECKS

If a check is returned for any reason to the Town of Boonville and the payment was for reconnection of water service, the water will be cut off again and another service (administrative) fee will be accessed if the return check is not taken care of in a timely manner.

CHARLES E. SCOTT CPA, P.A.
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P. O. BOX 595
YADKINVILLE, NORTH CAROLINA 27055

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ARLES E. SCOTT, CPA
KEITH E. SCOTT, CPA

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

May 11, 2017

Town of Boonville
P O Box 326
Boonville, NC 27011

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services as of June 30, 2017:

1. We will assist you in preparing the trial balance and any necessary adjustments in preparation for your audit.

2. We will assist you with the preparation of certain schedules in preparation for your audit.

3. We will assist you in drafting your financial statements for presentation to your auditors.

You are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our engagement cannot be relied on to disclose errors, fraud, or illegal acts that may exist. However we will inform you of any material errors and any evidence or information that comes to our attention during the performance of our services that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsible to identify and communicate deficiencies in your internal control.

Our fee will be at $71.50 per hour and will be billed upon completion of our services.

Boonville
Crossroads of the Yadkin Valley

Internal Control Policies and Procedures

Purpose:

The purpose of the Internal Control Policy is to establish proper procedures to safeguard the Town of Boonville's assets. This policy applies to all assets whether they are monetary or physical. Strong Internal Controls aid in the prevention of fraud and the detection of accidental errors in the accounting process.

The Town Board, Town Administrator, Finance Officer/Town Clerk and all future staff and department heads must use resources efficiently. By optimal use of those resources placed under our control, and effective management of these resources, the Town can achieve its goals, ensure compliance with all applicable laws and regulations and ensure reliability in financial reporting.

Because of the small size of the Administrative staff, active participation by the Town Board is a key function to maintain good Internal Controls.

Roles:

Town Board Sets the standards for the control environment; maintains ultimate accountability for internal control and for risk management; supports the Town's control and risk management activities.

Town Administrator Is directly responsible and accountable for operations. Is responsible for the effectiveness of internal controls and how they relate to the Town's employees.
Shall periodically assess risks and the control environment
Develops and implements action plans for improvement.

Finance Officer Monitors the financial implications of policy to determine its adequacy to accomplish the stated purpose.
Provides support for risks and control assessment activities
Monitors exposure and makes recommendations
Validates adequacy and effectiveness of controls

Employees	Will have the ability to communicate information without fear of negative repercussions Will have regular and direct communication with management

Elements:

The essential elements of an effective internal control structure include environment, accounting system, and control policies and procedures. Controls can be preventative in nature, detective, automated, and manual. The Town's internal controls need to be defined, managed, measureable, repeatable, and ongoing. The town's controls should be designed to remove as many elements from the fraud triangle as reasonable. All controls need to be reviewed periodically.

Internal Controls for Revenues and Collections:

The Town's billing system should be designed and maintained such that the wrong person or account is not billed, that incorrect amounts are not billed and that the billing is recorded correctly ensuring reliable data for financial reporting.

Any cash receipts must be recorded timely, accurately and be allocated correctly. This includes posting to the general ledger and subsidiary ledgers where applicable, and daily deposits.

Specific Controls

- Cash is secured at all times, locked in fire-proof cabinet.
- Cash deposits are not counted at the receptionist area or in front of the public.
- Cash is counted and deposited daily, as well as any checks, etc.
- Deposits shall be taken to the bank by someone other than the person who prepared the deposit.
- Deposit slips should be initialed by the person verifying the deposit slip to the Daily Collection Report.
- Deposits shall be compared to receipts, and bank statement reconciled to the general ledger monthly.
- Any questionable indicators will be researched and reconciled in a timely manner.
- All petty cash funds should be subject to a surprise cash audit from time to time.
- The Town is taking actions to ensure to the greatest extent possible a segregation of duties between the collections, billing and receivable functions.
- All delinquent accounts should be periodically reviewed by an appropriate official outside of the collection function.
- Meter reader assignments will be periodically rotated on a surprise basis.

Internal Controls for Purchasing and Accounts Payable:

The Town's purchasing and accounts payable system is designed and maintained so the that wrong person or account is not paid(vendor and invoice paid matches goods delivered), and so that incorrect amounts are not paid; the purchasing and accounts payable activity is recorded in such a way to ensure reliability data for financial reporting.

The Town of Boonville's Board and Staff shall design, implement and maintain safeguards to insure that all purchases are properly recorded and paid in a timely manner, after verification that the goods or services have been supplied. Additional safeguards shall be in place to ensure that all transactions are accurate and complete.

Specific Controls

- Before ANY purchase is made, there must be proper authorization given to Purchaser (See Purchase Policies and Procedures for Pre-audit certification and Purchase Order policy) per G.S. 159-28.
- It is determined prior to purchase that sufficient budget is available.
- The requisitioning of supplies and services will be initiated in such a manner as to take advantage of discounts for volume, timing, shipping discounts, etc.
- The Finance employee will record the purchase order in the correct period and for the correct amount.
- All expenditures shall be reflected in the proper line items.
- The payment amount will match the invoice and purchase order amounts.
- All expenditures will be charged to the correct fund or account.
- All invoices will contain sufficient information to identify the payee's existence and for verification of the occurrence of the expense.
- All invoices will be approved by the Finance Officer for payment.
- Purchaser shall verify that goods or services were received and in correct order before passing all invoices to Finance to get paid.
- Purchaser shall compare invoice, to items received and to purchase order.
- New vendors or vendor updates will be done by someone other than the person processing checks.
- Invoices shall be paid from an original invoice only, not from a copy or statement.
- Town Administrator and Finance Officer shall monitor all grant funds to ensure that all purchases and payments are in grant compliance to avoid ineligible expenses.
- Checks will be pre-numbered and locked up at all times.
- Voided checks will be maintained on file in numerical order.
- Blank checks will never be signed in advance.
- Checks shall be matched to invoice and purchase order before being signed.
- All checks require two signatures (G.S. 159-29) and authorization for same is determined by the Town Board and designated via bank signature cards.
- Checks will be mailed or distributed by someone other than the person who prepared the checks.
- All funds remaining unclaimed after one year should be escheated to the State (G.S. Chapter 116B).
- The Finance Officer must be bonded for at least $50,000 (G.S. 159-29).
- Employees who handle public money or have access to inventories must be bonded either individually or under a blanket bond (G.S. 159-29).

Internal Controls for General Ledger:

The Town's General Ledger system is designed and maintained so that activity is accurate and complete, ensuring reliable data for financial reporting. The General Ledger accounts shall be reconciled monthly and match the subsidiary systems.

Specific Controls

- The Finance Officer will be responsible for keying all General Entries and approved by the Administrator or Commissioner before posting.
- All accounts will be reconciled monthly and verified to subsidiary ledgers or third party records.
- The budget vs. actual report will be prepared by the Administrator (or Finance Officer in Administrator's absence) for the Town Board on a monthly basis.
- The bank reconciliation will be reviewed by an individual, appointed by the Board, to see if there are any unexpected differences between cash reported by the bank and the unit's accounting records.
- An annual physical inventory of equipment and fixed assets will be completed and compared to the accounting records. Any unaccounted differences will be reported to the Town Administrator.

Internal Controls for Payroll:

The Town's payroll system should be designed and maintained such that the wrong person is not paid nor paid the wrong amount; that terminated employees are not paid, and that changes to the system should be recorded correctly to ensure reliable data for financial reporting.

The Finance Officer shall insure that all pay calculations are correct and all transactions are accurate and complete; and, that all payroll expenditures are allocated to the correct fund and line item.

Specific Controls

- All salary increases must be properly authorized by the Town Board.
- All payroll documentation including timesheets and overtime must be properly approved by the employee's supervisory prior to payroll preparation.
- There will be a separation of duties so that no one individual can control an electronic activity (ACH transaction for Direct Deposit) from start to finish.
- All non-emergency overtime MUST be pre-approved in writing before work occurs.
- All payroll and personnel records should be properly designed so that changes in salaries and wages are properly documented in personnel file by a Town Personnel Action form.
- All payroll and personnel records will be secure.
- All regular payroll payments (excluding Board checks) will be by direct deposit. Board motioned payouts of Vacation and Holiday time, plus any Employee Education Assistance will be made by printed check.

- There will be a segregation of incompatible duties ensuring that the allocation of wages and salaries is accurate.
- Periodic verifications of payroll will include payroll calculations checked by a second employee and eligibility for fringe benefits verified.

Internal Controls for Personnel:

Specific Controls

- All applicants will complete a Town of Boonville application, which will be checked for completeness and reasonableness.
- All positions will have a job description.
- Job descriptions should be designed such that areas of responsibilities and authority are clearly defined and understood.
- A background check will be completed on all potential employees along with a driver's license check and a drug test.
- The Town of Boonville will only hire qualified applicants who have demonstrated evidence of integrity and ethical behavior.
- All employees will remain on probation for 6 months. At this time an evaluation is done to see if employee is released from probation or if the probationary period needs to be extended for 6 more months. No raises will be given to the employee until they are released from probation.
- The Town of Boonville shall provide and/or allow employees the opportunity of ongoing and relevant training.
- The Town will take appropriate disciplinary action for deviating from policies.
- The Town has a zero tolerance for unethical or dishonest behavior.
- There will be equal treatment for all employees regardless of position or title.

This policy shall apply to all Town officials and employees referenced herein, and is applicable upon the day of adoption by the Town Board.

Adopted by the Town Board, Town of Boonville, this the 6 day of June, 2017.

ATTEST:

Russell Hunter IV, Mayor

Kim Wells, Town Clerk

Boonville
Crossroads of the Yadkin Valley

Internal Control Policies and Procedures

Appendix A
Division of Duties between Staff Members

Cash Receipts

Task	Performed By
Prepare deposit slip	Town Administrator
Prepare Daily Collection Report	Town Administrator
Take deposit to the bank	Administrative Assistant
Compare activity listed on the deposit slip to Daily Collection Report. Slips need to be Initialed.	Finance Officer
Post Transactions	Town Administrator
Properly secure any undeposited funds	Finance Officer

Financial Institutions

Task	Performed By
Maintain Signature Cards	Finance Officer
Receive notifications of any unusual items or transactions	Mayor/Commissioner
Reconcile/sign general bank statement to General Ledger and Cash Receipt Reports	Finance Officer
Review /sign general bank statement	Mayor/Commissioner
Reconcile other bank statements	Mayor/Commissioner

Petty Cash

Task	Performed By
Maintain control and responsibility over the fund	Finance Officer
Perform a surprise cash audit	Mayor/Commissioner

Revenue/Billing

Task	Performed By
Performs automated meter reading	Administrative Assistant
Prepare monthly utility billing	Administrative Assistant
Reviews and approves monthly billing	Town Administrator
Mail bills	Finance Officer
Collect Payments	Administrative Assistant Finance Officer
Periodically review delinquent accounts	Mayor/Commissioner
Does surprise meter reading periodically	Public Works Director

Cash Disbursement (Non-Payroll)

Task	Performed By
Prepare purchase order	Finance Officer
Review and approve purchase order and sign pre-audit certification	Finance Officer
Match copy of the purchase order to the invoice	Department Head
Keys in new vendor or does update to vendor Maintenance	Administrative Assistant
Approves invoices and Processes checks	Finance Officer
Review documentation, prepare and sign check	Finance Officer
Second check signer reviews documentation and signs check	Commissioner
Mail or distribute check	Administrative Assistant

Cash Disbursement (Payroll)

Task	Performed By
Maintain personnel files and update as necessary	Finance Officer
Review and approve timesheets	Supervisor
Prepare Payroll	Finance Officer
Compare Payroll Register to timesheets and sign report prior to finalizing payroll	Town Administrator
Processes Payroll – prints check stubs and submits ACH file to bank	Finance Officer

Reviews Prior signed Payroll Register to final reports and verifies to the ACH file was accurate. Then signs check register.	Mayor/Commissioner
Review documentation for printed checks, prepare and sign check	Finance Officer
Second check signer reviews documentation for printed checks and signs check	Mayor/Commissioner
Mail or distribute printed check	Administrative Assistant
Periodically reviews check register to PA's to make sure employees' wages are being paid accurately	Mayor/Commissioner

General Ledger

Task	Performed By
Prepares Journal Entries	Finance Officer
Prepares Manual Cash Receipts and Cash Disbursements	Finance Officer
Prepares Budget Amendments	Finance Officer
Approves all Journal Entries, Manual Cash Receipts, Manual Cash Disbursements	Town Administrator

Proposed Budget Amendments -June 6, 2017

By Kim Wells, Finance Officer

	Account Number	Description	Current Budget $	Amendment	Ending Budget $	
General Fund						
Revenues						
	10 - 3010 - 0000	Taxes ADV - Current year	315,000	1,600	316,600	To tie to actual - does not include funds for May and June
	10- - 3350 - 0000	MISC REVENUE	2,500	200	2,700	To budget in anticipated revenue
	10 - 3380 - 0000	Alchol/Beverage Tax	5,500	4	5,504	To tie to actual
	10 - 3991 - 0000	Beginning Fund Balance	65,356.00	(1,444)	63,912.00	To balance budget
				360		
Expenses						
Governing Body	10 - 4100 - 1500	M&R Bldg & Grounds	2,400	360	2,760	Increase to account for water run in from storm
Administration	10 - 4200 - 0500	FICA	5,160	(105)	5,055	To account for 10 days at end of Fiscal Year
	10 - 4200 - 0800	401K Employer	2,515	(100)	2,415	To account for 10 days at end of Fiscal Year
	10 - 4200 - 5300	Dues & Subscriptions	500	75	575	To move funds for actual expense amount
	10 - 4200 - 7500	Computer Expense	3,120	130	3,250	To move funds for actual expense amount
Police	10 - 5100 - 0200	Salaries and Wages	211,500	4,494	215,994	To account for C.Baker Payout and extra days at end of Fiscal Year
	10 - 5100 - 0201	Salaries and Wage- Part time	2,000	1,185	3,185	To budget PT to fill in for vacant position in June
	10 - 5100 - 1500	M&R Bldg & Grounds	2,300	1,150	3,450	Increase to account for water run in from storm
	10 - 5100 - 3300	Supplies	900	250	1,150	To move funds for actual expense amount
	10 - 5100 - 3400	Equipment	4,200	(3,800)	400	To move funds for actual expense amount
	10 - 5100 - 5800	Unemployement	2,000	(2,000)	-	To move funds for actual expense amount
	10 - 5100 - 7400	Capital Outlay	10,000	(1,404)	8,596	To move funds for actual expense amount
	10 - 5100 - 7500	Computer Expense	4,500	125	4,625	To move funds for actual expense amount
Street	10 - 5600 - 0200	Salaries and Wages	44,000	700	44,700	To account for 10 days at end of Fiscal Year
	10 - 5600 - 0500	Fica	3,350	12	3,362	To account for 10 days at end of Fiscal Year
	10 - 5600 - 0700	Retirement	3,200	75	3,275	To account for 10 days at end of Fiscal Year
	10 - 5600 - 0800	401K Employer	2,500	(87)	2,413	To account for 10 days at end of Fiscal Year
	10 - 5600 - 3300	Supplies	4,800	800	5,600	To move funds for actual expense amount
	10 - 5600 - 5800	Unemployement	275	(65)	210	Move funds to help cover sanitation
	10 - 5600 - 7460	Street Signage	2,000	(1,500)	500	To move funds for actual expense amount
Sanitation	10 - 5800 - 0200	Salaries and Wages	13,750	160	13,910	To account for 10 days at end of Fiscal Year
	10 - 5800 - 0500	Fica	1,050	15	1,065	To move funds for actual expense amount
	10 - 5800 - 0700	Retirement	1,000	15	1,015	To move funds for actual expense amount
	10 - 5800 - 3100	Gas Oil & Tires	200	50	250	To move funds for actual expense amount
	10 - 5800 - 3300	Supplies	300	(100)	200	To move funds for actual expense amount
	10 - 5800 - 5800	Unemployement	75	(75)	-	To move funds for actual expense amount
				360		
Water/Sewer Fund						
Revenues	30 - 3710 - 0000	Charges for Utilities - Water	225,000	33,000	258,000	To budget anticipated reveues (includes 24 days in June and all of July revenues)
	30 - 3710 - 0500	Charges for Utilities - Sewer	240,000	54,000	294,000	To budget anticipated reveues (includes 24 days in June and all of July revenues)
	30 - 3730 - 0000	Taps & connection fees	5,000	2,800	7,800	To budget to actual
	30 - 3991 - 0000	Beginning Fund Balance	159,098	(89,800)	69,298	To balance budget
				-		
Expenses						
Water	30 - 8100 - 0200	Salaries and Wages	70,250	(140)	70,110	To move extra funds to cover overages
	30 - 8100 - 5300	Dues & Subscriptions	4,800	140	4,940	To cover actual expense
Sewer	30 - 8200 - 0200	Salaries and Wages	59,000	2,200	61,200	To account for 10 days at end of Fiscal Year
	30 - 8200 - 0225	Overtime	3,000	(870)	2,130	To account for 10 days at end of Fiscal Year
	30 - 8200 - 0500	FICA	4,700	190	4,890	To account for 10 days at end of Fiscal Year
	30 - 8100 - 0700	Retirement	4,500	190	4,690	To account for 10 days at end of Fiscal Year
	30 - 8100 - 1450	Education Assistance	1,250	(1,250)	-	To account for 10 days at end of Fiscal Year
	30 - 8100 - 5700	M[illegible]laneous	200	(60)	140	To account for 10 days at end of Fiscal Year
	30 - 8100 - 5800	[illegible]loyement	400	(400)	-	To account for 10 days at end of Fiscal Year
				-		

Boonville
Crossroads of the Yadkin Valley

Purchase Policies and Procedures

Purpose:
To implement procedures to encourage and promote responsible, efficient, ethical, and legal utilization of all Town purchases.

According to GS 159-28(a), there is no threshold amount to trigger the pre-audit requirements. Pre-audit applies to: Purchase Orders (PO), purchases below PO threshold, service contracts, construction contracts, phone/internet orders, credit/procurement/fuel card payments, employment agreements, etc. To comply with GS 159-28(a), the Finance Officer (or a Deputy Finance Officer) must affix a stamp that states, "This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act" and sign the document before any purchase can be made.

All Town purchases over certain threshold amounts are subject to NC General Statute bidding requirements and contractual obligations.

Procedure:
Purchasing Procedure Steps:

A. Purchases for $.01 through $499.99

1. Department Head must seek in writing a formal statement from the Finance Officer (or Deputy Finance Officer) stating the purchase was pre-audited.
2. Department Head (or designee) is to give information to vendor to properly identify all invoices for department and account to charge.
3. Department Head (or designee) is to sign the invoice for all merchandise or service which is picked up or ordered in person.
4. Invoices picked up at the time of purchase or received in the mail, must be approved by the appropriate Department Head and coded to the proper account and turned in to the Finance Officer within three working days of receipt. Any written pre-audited statement must accompany invoices. A Federal tax identification number and vendor information must be submitted for any new vendor.

B. Purchases for $500.00 through $1,999.99

1. Purchase requisitions must be completed prior to purchase and show all information indicating vendor, description of item to be purchased, estimated

cost, department, and any other required information per the Town's Purchase Policies and Procedures.
2. Purchase requisitions are to be completed by the Department Head, approved by Town Administrator (or Mayor in Town Administrator's absence), and given to the Finance Officer for processing.
3. Finance Officer will verify account number and availability of funds for the purchase.
4. Finance Officer will prepare and issue a Purchase Order, which will generate an encumbrance in the General Ledger.
5. Finance Officer will distribute the purchase order as follows:
    Copy 1- Department Head (for vendor to file)
    Copy 2 –Finance Officer (to be matched with invoice)
    Copy 3- Finance Officer (numeric purchase order file)
6. Finance Officer will forward all invoices to the appropriate Department Head for payment approval. It is the Department Head's responsibility to hold all invoices until products have been received or services have been rendered.
7. Once approved by the Department Head, the invoices are to be returned to the Finance Officer. The Finance Officer will match invoices to Purchase Orders.
8. Approved invoices will be entered for payment each week and checks printed every Thursday. In order for invoices to be processed weekly, they must be received by the Finance Officer by12:00 p.m. each Wednesday.
9. If purchase orders are to be given over the telephone (in emergency cases only), the Department Head should notify the Finance Officer in advance if possible, and a requisition prepared immediately.
10. All purchase orders are affixed a pre-audit statement that is signed by the Finance Officer to fulfill the requirement of GS 159-28(a).

C. Purchases for $2,000 and up
1. If the cost of the purchase is $2,000 or above, the requisition is to be approved by the Town Board members.
2. If the purchase falls within the informal or formal bid range, required bidding documentation must be attached to the requisition before it is given to the Finance Officer.
3. Statutory regulations must be followed for all purchases of goods and services which are anticipated to fall within the formal and informal bidding ranges. See General Statues for dollar thresholds.

Formal bidding requires a minimum time of 7 days, not to include the advertising day or bid opening day. Ad must list the date, time, and location of bid opening; identify where specifications may be obtained, and contain a statement that the Board reserves the right to reject any or all bids. Ads must be published in the newspaper.

If the statue requires 3 bids and the Town is unable to acquire the required 3 bids, the Town must re-advertise. After the 2nd opening, the Town can continue to pursue with any number of bids.

Sealed bids are to be opened in public and not before the advertised opening date without permission of the bidder. Once opened, sealed bids are public record.

Exceptions to the competitive bidding requirements are as follows:

- Purchases from other governments per G.S. 143-129(e)(1)
- Emergencies per G.S. 143-129(e)(2)
- Competitive group purchasing programs per G.S. 143-129(e)(3)
- Change order work per G.S. 143-129(e)(4)
- Gasoline, fuel, or oil per G.S. 143-129(e)(5)
- Sole sources per G.S. 143-129(e)(6)
- State and Federal contract purchases per G.S. 143-129(e)(9) and 143-129(e)(9a)
- Used apparatus, supplies, materials, or equipment per G.S. 143-129(e)(10)
- Previously bid contracts ("piggybacking") per G.S. 143-129(g)
- Force account work per G.S. 143-135
- Alternative procedures
    - IT services and products per G.S. 143-129.8
    - Guaranteed energy savings contracts per G.S. 143-129(e)(8)
    - Solid waste and sludge management facilities per G.S. 143-129.2

D. Emergencies

1. In case of an emergency when a purchase order cannot be obtained prior to the purchase, the Department Head is to give a requisition to the Finance Officer no later than the next working day.

E. Blanket Purchases Orders

1. Blanket Purchase Orders will be issued at the beginning of the budget year to cover invoices received regularly each month.
2. Blanket Purchase Orders can be issued to a department for a particular company each month. These Blanket Purchase Orders are to be used for daily items needed for the normal operations of the Town. They are not to exceed $1,000. Purchase Requisitions must be signed by the Town Administrator for all Blanket Purchase Orders.

F. Credit Card Purchases

Town authorized credit cards are to be used for travel purposes and when a check or payment on account is not available.

1. Individual must seek in writing a formal statement from the Finance Officer (or deputy Finance Officer) stating the purchase was pre-audited.
2. Purchase requisition procedures apply to all credit card purchases $500.00 and over and must be completed before purchase is made.
3. The credit card may not be used for purchases that can be made on account or paid by check.

4. The Department Head will be responsible for the credit card when used in their department.
5. A receipt must be kept for all credit card purchases. Employee may be personally liable for purchases not having a receipt.
6. All receipts must be coded, approved, and submitted with the credit card immediately after its use. Department Heads who do not submit receipts to the Finance Officer in time for payment may be required to absorb late fees.
7. Failure to comply with these procedures will result in the loss of the Department's use of the credit card and possibly disciplinary action.
8. No personal expenditures are allowed by employees with credit cards even if the intent is to re-pay the Town in the future. Any non-approved purchase which is made contrary to the credit card policy shall be charged to the individual who made the purchase, and the individual shall be liable for the non-approved purchase and shall re-pay the Town for such charges and any service charges which may accrue within 3 business days upon their return to work. Any charges that must be returned to the Town by the employee may, at the option of the Town, be done through payroll deduction.
9. Any employee who is issued a credit card shall immediately notify the Finance Officer (or designee) if such card is lost, stolen, or suspected of identity theft.
10. Whenever a credit card is misused or the policies and procedure violated, the appropriate disciplinary action(s), up to and including termination will be taken depending on the nature of the incident.
11. An employee or official who is issued a credit card shall return the credit card to Town Hall immediately upon termination of his or her employment. Credit cards have been issued to the 3 Department Heads and one at Town Hall for other employees or Town Board members usage.

G. <u>Contracts & Contractors</u>

Signatures:

1. The signature of the Finance Officer is required on all agreements involving expenditures.
2. Project agreements are to be signed by the Mayor or his designee.
3. All required signatures of the contractor being engaged.
4. Work is not to be performed until a fully executed agreement is on file with the Town.

Certificates of Insurance:

1. Prior to performing any work on town "premises," each independent contractor must submit a Certificate of Insurance to be filed in the Town Clerk's Office.
2. "Premises" includes public buildings, parking lots, parks, streets, sidewalks, and any other town location where work is performed under contact with the Town.

3. Work requiring insurance certification includes, but is not limited to, professional service, consultant work, labor and service work, construction work.
4. It is the Department Heads responsibility to make sure the Town has a current Certificate of Insurance before they contract any service with that vendor.

Record keeping:
1. An original of ongoing contacts or agreements (i.e. lease, long-term maintenance agreements, project contracts, etc.) are to be filed by the Finance Officer.
2. Short-term contracts or agreements are to be filed with the paid invoices. Short-term contracts or agreements are those that are completed in the fiscal year in which they are budgeted.

Purchase Requisitions

<u>Purpose:</u>
To implement procedures to encourage and promote responsible, efficient, ethical and legal utilization of Purchase Requisitions.

A Purchase Requisition should be used when a department/employee is requesting the purchase of an item of $500 or more. A Purchase Order is completed by the Finance Officer or Deputy Finance Officer from the information given on the Purchase Requisition. Any item ($500 or more) cannot be purchase until the Purchase Order is signed by the Finance Officer.

<u>Procedure:</u>
Steps for completing a Purchase Requisition.
1. ALL NEW VENDORS require a Federal Tax Identification Number Information Sheet to be attached to the Purchase Requisition.
2. Enter the Department making the request.
3. Vendor/Address: Enter the vendor's name and the location in which the item will be purchased. The more information you provide will be helpful.
4. Enter the description of the item(s) requested and the quantity, price and account number to be expensed. Finance will verify there are funds available to purchase the items requested prior to issuing a purchase order. If funds are not available the requisition will be returned to the respective department indicating funds not available. When this occurs a Budget Amendment can be requested through the Finance Officer and once approved Department Head may resubmit the requisition.
5. Employee making the request should sign the requisition and turn in to their department head.
6. The Department Head signs for authorization of the request, gets Town Administrator signature, and submits to the Finance Officer.

7. The Finance Officer will verify the funds available and ensure that vendor is in the system before processing. For requisitions $2,000 or more the Finance Officer will present to Board for approval at the next Board meeting.
8. Once the requisition is approved and processed a Purchase Order is issued. One copy of the Purchase Order is given to the requesting department with a copy of the Purchase Requisition and the purchase can be made.
9. When the invoices arrive from the purchase, the Purchase Number should be entered on the invoice when that department authorizes it for payment.
10. Purchase Requisitions are processed on Tuesday and Thursday each week.

Invoice Processing

Purpose:
To implement procedures to encourage and promote responsible, efficient, ethical and legal utilization of Processing Invoices.

Each department is responsible for coding, approving and returning all invoices to the Finance Officer in a timely manner so that payment can be made prior to the due date.

Procedure:
Steps for processing an invoice:
1. All invoices are opened and date stamped "received" by the Finance Officer and distributed to the respective departments.
2. Invoices should be processed for coding, approval and returned to Finance Officer
3. Invoices that are employee benefit related or reoccurring monthly, the Finance Officer will code.
4. Invoices are paid every Thursday. Invoices to be paid this Thursday must be in Finance no later than Wednesday at noon. Please notice on each invoice, the due date and take into consideration the Date to be Paid is enough in advance for the vendor to receive payment before the due date.
5. Sales tax should be broken out separately on the Account Distribution lines by the Finance Officer. Sales Tax on items such as utility bills, telephone bills, or expense reports are not reimbursable according to NC General Statutes and will not be distributed. Same applies to items purchased by individuals who seek reimbursement.
6. Only for emergency situations will a check be printed outside of a normal process.
7. Checks cannot be held after they are written. Please make sure if they are not to be mailed that pick up or delivery of checks will be made on the check date.

Petty Cash

Purpose:
To implement procedures to encourage and promote responsible, efficient, ethical and legal utilization of Petty Cash.

Petty Cash cannot be used in purchase situations.

The Town maintains a $200 petty cash balance for change purposes only.

This Administrative Rule, upon approval by the Town Board, shall be applicable to all employees and departments. All procedures detailed in this policy shall remain in effect until such time that it is altered, modified, or rescinded by the Town Board.

End of Administrative Rule

Approved by the Town Council, Town of Boonville, this the 6TH day of June, 2017.

ATTEST:

Russell Hunter IV, Mayor

Kim Wells, Town Clerk