
AMENDED AGENDA

MARCH 9, 2010

**MEETING TIME SHOULD BE
6:00 P.M. NOT 6:30 P.M.**



It's in your hands ~ "Build a Stronger Community - Shop Locally"

**AMENDED AGENDA
WORK SESSION
MAYOR and COMMON COUNCIL
of the TOWN OF CAMP VERDE
COUNCIL CHAMBERS - 473 S. Main Street, #106
WEDNESDAY, MARCH 9, 2011
6:30 p.m.- 6:00 P.M.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Review of the proposed changes to the Town of Camp Verde Procedures and Operations Guide. The Operations Guide includes the Financial Operations Guide, Risk Management Guide, Agenda Item Preparation Guide, Records Management Guide, the Special Events Procedures Guide, and the Council/Committee Policies and Procedures. This item may include direction to staff.**

Note: If Council elects to include any or all of the proposed items in a Town-wide manual or approve other items, approval will take place at a subsequent meeting that will be properly noticed and in a proper format. Direction to staff may be given during this meeting. Any item that is not discussed may be carried over to another work session.

5. **Adjournment**

Posted by: *D Jones*

Date/Time: *3-7-2011 8:00 a.m.*

Note: Pursuant to A.R.S. §38-431.03.A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



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5. **Adjournment**

Posted by:

C Jones

Date/Time:

3-3-2011

10:45 a.m.

Note: Pursuant to A.R.S. §38-431.03.A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

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**TOWN OF CAMP VERDE
Agenda Action Form**

Meeting Date: March 9, 2011

Meeting Type: Work Session

Consent Agenda Regular Business

Reference Document: Draft Town of Camp Verde Procedures and Operations Guide

Agenda Title (be exact):

Review of the proposed changes to the Town of Camp Verde Procedures and Operations Guide. The Operations Guide includes the Financial Operations Guide, Risk Management Guide, Agenda Item Preparation Guide, Records Management Guide, the Special Events Procedures Guide, and the Council/Committee Policies and Procedures. This item may include direction to staff relative to these items.

Purpose and Background Information:

Council conducted a Work Session on January 7, 2011 to review a proposed Town-wide Procedures and Operations Guide. The attached pages contain Council's proposed changes to the documents.

Recommendation (Suggested Motion):

Review the proposed policies, make changes as needed, and direct staff to include the policies in a Town of Camp Verde Procedures and Operations Guide and to bring the Guide back to Council for approval by Resolution at the earliest possible date.

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund: N/A

Attorney Review: Yes No N/A

Attorney Comments: N/A

Submitting Department: Clerk's Office

Contact Person: Deborah Barber

Action Report prepared by: D. Barber

Risk Management Policies and Procedures and Safety Program List

Policies and Procedures

Risk Management Process Diagram
Accidents/Incidents
Bloodborne Pathogen Exposure Control Plan
Collision Investigations
Contractor Safety
Emergency Plans
Employee Safety (Steering) Committee
Health, Safety and Loss Control Inspections
Insurance Claims
Insurance Requirements
Loss Control
Loss of or Damage to Town Property or Equipment
Private Property Inspections
Regulatory Agency Entry Procedure

Vehicle Accident Procedures
Vehicle Fleet Safety
Work Related Injury or Illness

Safety Program

Blood-borne Pathogen Program
Compressed Gas Safety
Concrete Mixing and Placement
Electrical Safety Program
Fall Prevention Program
Fire Prevention and Protection Program
Forklift and Motorized Pallet Jack Safety Program
Hazard Communications and Chemical Safety Program
Heat Stress Prevention
Ladder Safety Program
Lockout-Tagout (LOTO) Program
Machine Guarding and Tool Safety Program
Permit Entry Confined Space Program
Personal Projective Equipment (PPE)
Respiratory Protection Program
Welding Cutting and Brazing Program

TOWN OF CAMP VERDE

ADMINISTRATIVE REGULATION

BLOODBORNE PATHOGENS EXPOSURE CONTROL PLAN

PURPOSE

The purpose of this plan is to ensure that employees with an occupational exposure to bloodborne pathogens may eliminate or minimize these exposures, as per 29 CFR 1910.1030, Subpart Z, Occupational Exposure to Bloodborne Pathogens.

OBJECTIVES

The objectives of this plan are to establish a written guideline to address the following:

1. Introduction
2. Responsibility
3. Exposure Determination and Assessment Procedure
4. Exposure Procedure
5. Post Exposure Testing and Treatment
6. Universal Precautions and Engineering and Workplace Control
7. Personal Protective Equipment
8. Regulated Waste Disposal
9. Pre-Exposure Hepatitis B Vaccination
10. Training
11. Recordkeeping
12. Definitions

1. INTRODUCTION

The Occupational Exposure to Bloodborne Pathogens Standard, CFR 1910.1030, Subpart Z, deals with occupational exposure to bloodborne pathogens.

This standard requires employers to make a determination as to occupational exposure and to identify, inform and train all affected employees regarding the safe use of universal precautions, proper infection control procedures and protective equipment or devices for use on the job.

2. RESPONSIBILITY

Department Heads Have the Responsibility to:

Implement the bloodborne pathogen exposure control plan by:

1. Directing all supervisors to comply with this policy where there is an occupational exposure risk to bloodborne pathogens.
2. Providing all employees with the occupational exposure risk information, training in the use and care of personal protective equipment and affording of HEP B vaccinations, as indicated, for employee protection and for the protection of others.
3. Ensuring that all necessary personal protective equipment or products are available to comply with this policy.
4. Enforcing compliance with this policy. All employees, presently employed, and new employees, who may have an occupational exposure risk to bloodborne pathogens, must be trained and be responsible for compliance with this policy.¹

Supervisors Have the Responsibility to:

1. Direct employees to comply with this policy where there may be an occupational exposure to bloodborne pathogens and to provide employees with the information, training, equipment and/or vaccination needed to protect themselves in the event of an exposure incident.
2. Inform employees about the bloodborne pathogens policy and how its requirements are applied in their workplace.
3. Assist with the coordination of annual training for affected employees in how to recognize, understand, and use universal precautions, proper infection control procedures and personal protective equipment on the job.
4. Enforce compliance with this policy.

Employees Have the Responsibility to:

1. Understand their assigned tasks relating to this bloodborne pathogens exposure control plan.
2. Comply with the directives of this policy.
3. Advise supervisors immediately of any exposure incident.
4. Wear personal protective equipment, as required.
5. Respond to ~~se~~ of bio-hazardous materials properly.

Human Resources Has the Responsibility to:

1. Assist other departments, upon request, with the determination and control of bloodborne pathogen exposure incidents and appropriate infection control procedures.
2. Offer vaccinations for Hepatitis B to all employees who may have risk for occupational exposure to bloodborne pathogens and provide these employees a Hepatitis B titer (*blood test that determines whether the employee you have adequate immunity*) one to two months following completion of vaccine series. Payment for these vaccinations shall be paid for by the Town, -Human Resources Department.
3. Review exposure incidents (via the attached form) and consult with a competent medical authority, when necessary, to determine what incidents are significant and require further testing, medical evaluation or treatment.
4. Arrange for medical counseling on a pre and post exposure basis for employees who have had an exposure incident in the course of their employment.
5. Control and file all reports of employee exposure incidents and to maintain these records, as required.
6. Coordination of Training.

Risk Management Has the Responsibility to:

1. Assist Human Resources in the coordination of training for the Town's bloodborne pathogens exposure Control plan, for appropriate supervisors and employees who may have an occupational exposure.
2. Report all exposure incidents, as appropriate.

3. EXPOSURE DETERMINATION AND ASSESSMENT PROCEDURE

It is the intent of this safety policy that all departments will, on an ongoing basis, assess and compile data about which employees may be expected to incur an occupational exposure to blood or other potentially infectious materials in the workplace.

However, at this time, based upon a review by competent medical authorities, Appendix A lists all Town job classifications in which it has been determined that there are reasonable risks of an occupational exposure to blood or other potentially infectious materials.

Classification A, includes ALL employees who may have an occupational exposure risk to bloodborne pathogens and classification B, list all job classifications in which SOME employees may have an occupational exposure risk to bloodborne pathogens and other potentially infectious materials.

Employees in both classifications shall receive training and personal protective equipment. However, at this time, employees in classification A are strongly encouraged to receive a Hepatitis B vaccination series, due to their exposure potential. Usually, only one vaccination series is needed for an entire lifetime.

However, Human Resources, also retains the discretion to offer Hepatitis B vaccinations to additional employees should a review of the position by the Human Resources indicate an employee may have an occupational exposure to blood or other potentially infectious materials and require a pre-exposure Hepatitis B vaccination.

4. EXPOSURE PROCEDURE

I. For Employees:

1. For all workplace related exposure incidents, employees are to immediately notify their supervisor, ~~and The employee shall~~ complete the Report of Significant Work Exposure to Bodily Fluids, ~~and the addendum to ICA Report of Significant Work Exposure to Bodily Fluids.~~ (attached). ~~Relative to w~~Work-related injuries, in addition to the exposure incident, ~~employees~~ shall be treated with first aid or emergency medical assistance, ~~as appropriate.~~
2. It is extremely important that ~~forementioned forms notice~~ be provided immediately ~~or as soon as feasible not to exceed 72 hours to~~ Human Resources' following the exposure incident as significant exposures may require the timely administration of preventative measures and/or the testing of the source individual. An example would be Hepatitis B immunoglobulin which must be administered to a non-immune individual as soon as possible and no later than seven days after exposure to Hepatitis B virus.
3. ~~If a suspected Human Resources determines there an is an~~ exposure has occurred the ~~employee incident is determined to be significant by the designated~~ medical provider, the on-duty doctor shall:
 - a. Complete all Workers' Compensation Reporting forms regarding the exposure. (These are not required for non-significant exposure incidents). Also note any personal injury associated with the exposure.
 - b. ~~Request the employee Report to the designated medical care provider, Verde Valley Urgent Care (VVUC) or the Verde Valley Medical Center (after normal business hours)~~ with a copy of the completed Town Exposure Report and the Employee Consent for HBV, HCV and HIV testing release form (attached).
 - c. Employees may choose, instead of 3b, to seek an opinion and treatment from their personal physician, ~~at their own expense.~~ However, the Human Resources/Risk Management division must be kept informed of the status of the exposure incident. Also, when testing and treatment is recommended by the designated medical provider, but not completed by the employee, any future medical condition that may arise and is alleged to have occurred through the exposure incident will be presumed to have resulted from a cause other than the

II. for Supervisor

1. Should employees report a potentially significant exposure to bloodborne pathogens, the supervisor shall immediately contact Human Resources. ~~In addition, the employee should preferably contact VVUC to discuss the exposure. In the alternative, they may contact or~~ their doctor to discuss the exposure.
2. If necessary, VVUC will consult with Human Resources.
3. If an exposure incident is determined to be significant by the designated medical care facility/doctor the Town shall:
 - a. Have the employee treated per bloodborne pathogen exposure guidelines:

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- b. The employee's supervisor, or the Emergency Room Staff, shall promptly contact the source individual or their guardian/representatives and request that the source individual submit to voluntary testing for Hepatitis B (HBV), Hepatitis C (HCV) and HIV, which may be done through any laboratory, or through their private physician. Be sure to send the source individual or their guardian/representatives a ~~Employee~~Citizen-Consent for HBV, HCV and HIV, and Testing Following a Significant Exposure of Blood or Other Potentially Infectious Materials and Release of Information form for their signature, ~~and completion and return to Human Resources.~~
- c. Workers' Compensation shall be responsible for payment of all costs associated with Methicillin-resistant Staphylococcus Aureus (MRSA) and Tuberculosis (TB).
- d. Workers' Compensation will pay for the initial office visit Re: HBV/HCV and HIV. Thereafter, Town of Camp Verde is responsible for post exposure testing of the source individual and the exposed employee.
- e. If the source individual refuses to submit to testing for infectious diseases, and the exposed employee is deemed to fall under ARS section 36-665 of the Arizona Revised Statute which is applicable to police, fire and health care workers, the employees supervisor (or the person within the department, designated as responsible for making contact,) shall contact the Town Attorney's office to petition the Town court for an order mandating that the tests be performed.

5. POST EXPOSURE TESTING AND TREATMENT

All occupational post exposure testing and treatment will be provided according to recommendations of the U.S. Public Health Service current at the time of the exposure incident and during the time follow-up procedures take place.

Occupational post exposure testing and treatment will be performed by or under the supervision of a licensed physician, or by, or under the supervision of another licensed health care professional.

The appropriate signed consent forms must be obtained from the employee prior to testing or treating the employee (attached).

Counseling shall be made available to the employee, upon request.

6. UNIVERSAL PRECAUTION AND ENGINEERING AND WORK PRACTICE CONTROLS

Universal precautions shall be observed by all employees to prevent contact with blood or other potentially infectious materials. All blood or other potentially infectious materials shall be considered infectious regardless of the perceived status of the source individual.

Engineering and work practice controls shall be utilized to eliminate or minimize workplace exposures. Where the potential for occupational exposure remains after implementation of these controls, personal protective equipment shall also be provided.

Hygienic Procedures

All blood or body fluids shall be assumed to be potentially infectious. The procedures below shall be followed and enforced at all times.

Employees shall avoid all contact with any body fluids, if possible. Gloves, bandages, and other disposable protective coverings shall be used when handling potentially infectious materials. Any infectious materials shall be promptly cleaned disinfected and/or properly disposed after use. Disinfectants, disposable materials, and soaps shall be provided by the Town of Camp Verde and be available at all affected facilities.

Hand Washing Guidelines

Hand washing shall be done frequently by employees and shall be required (i.e., before and after food preparation, after use of the toilet, after contact with any body fluids, etc.). The best method of hand washing involves the use of soap and water. Where soap and water are not available, a waterless antiseptic cleanser, or an antiseptic towelette may be used until employee can access hand washing facilities.

Hand washing is the single most important means of preventing the spread of infection. The principle is that of using friction to mechanically remove micro-organisms. Wash hands as follows:

1. Wash hands with soap and running water.
2. Rinse hands under running water.
3. Dry hands well with a paper towel or air dryer.
4. If possible, use paper towel to turn off faucet. All manually controlled faucets should be considered contaminated.
5. Dispose of single use or linen towels in appropriate containers.

Disposable Gloves Guidelines

Disposable gloves shall be worn if the employee has a cut or open lesion on the hands, or where there may be contact with body fluids or infectious materials. Cuts or open lesions shall be covered with a bandage prior to donning gloves.

When removing protective gloves after they have become contaminated, use the following procedure for safe removal:

1. With both hands gloved, peel one glove off from the top to bottom and hold it in the gloved hand.
2. With the exposed hand, peel the second glove from the inside, tucking the first glove inside the second.
3. Dispose of the entire bundle promptly in an appropriate container.
4. Never touch the outside of the glove with your bare skin.
5. Whenever you remove your gloves, wash your hands with soap and water, or waterless disinfectant soap, as soon as possible.

Other Precautionary Guidelines

All cuts and open wounds shall be covered following basic 1st Aid procedures. Protective coverings, bandages, etc. shall be worn by all employees who may have an "occupational exposure".

Gloves or exposure resistant protective equipment shall be worn over these coverings where there is the possibility of an exposure incident.

The sharing of personal items, such as combs, brushes, toothbrushes, etc., should be avoided. Whenever possible, disposable items should be used and not shared by others.

Disinfectant may be utilized where hand washing is impractical.

Hand soap and disposable towels, tissues or gloves, shall be available to employees who may have an occupational exposure to blood or other potentially infectious materials.

Soiled surfaces with blood or other potentially infectious materials shall be promptly cleaned with disinfectants after use. All items used in cleaning, i.e. rags, sponges, etc., are to be properly disposed of after use.

Vehicle or equipment seats shall be wiped with a disinfectant after use if participants soil seats.

Procedures for Cleaning Up Bodily Fluids Spills

Wear disposable gloves which shall be discarded following cleanup. When disposable gloves are not available or unanticipated contact occurs, hands and other affected areas shall be washed with soap and water immediately after contact.

Clean and disinfect soiled area immediately using paper towels, soap and water.

Disinfect area with "Cavicide" or a solution of 10 percent household bleach (about one and three fourths cup of liquid sodium hypochlorite to one gallon of water).

It is also acceptable to use a solution of 90 percent isopropyl alcohol. However, never mix the bleach solution with the alcohol.

Clothing soaked with another's blood or body fluids shall be isolated and washed separate from other clothing in a 10% household bleach solution.

Following exposure to blood or other potentially infectious materials, visibly contaminated paper towels and disposable gloves shall be placed in a red plastic bag, secured and disposed of in a designated regulated waste disposal site for removal by the Town's designated vendor.

Procedure for the Cleaning of Equipment/Facilities

Housekeeping workers shall wear appropriate personal protective equipment (PPE) including general purpose utility gloves during all cleaning of blood or other potentially infectious materials and during decontamination procedures.

Initial clean-up of blood or other potentially infectious materials shall be followed with the use of an approved hospital disinfectant chemical germicide that is tuberculocidal for tuberculosis, or a solution of 10 percent household bleach (about one and three fourths cup of liquid sodium hypochlorite to one gallon of water). ~~The Town approved disinfectant is "Cavicide".~~

It is, also acceptable to use a solution of 90 percent isopropyl alcohol. However, never mix the bleach solution with the alcohol.

Use a disinfectant solution to clean equipment or facilities as soon as possible when there is an overt contamination, or after any spill of blood or other potentially infectious materials, and at the end of the work shift if the surface may have become contaminated since the last cleaning.

Procedure For Needles and Other Sharps

Contaminated needles and other contaminated sharps shall not be bent, recapped, removed, sheared or purposely broken. If this is necessitated by a medical procedure, then the recapping or removal of the needle must be done by use of a mechanical device, or by a one-handed technique.

Sharps containers shall be available to all employees who may come into contact with needles or other sharps as an occupational exposure. Sharps containers shall be closeable, constructed to contain all contents and prevent leakage of fluids during handling; labeled and color-coded and be closed prior to removal to prevent spillage and protrusion of contents during handling.

Never pickup any needles by hand. Use pliers or other tool to prevent accidental punctures to your skin or glove.

Human Bites

In case of human bites, take the following actions:

materials. The storage bag should be placed in a properly designated area, until removed by the Town's designated regulated waste hauler, as contracted by the Town's Departments.

9. PRE EXPOSURE HEPATITIS B VACCINATION

For all employees identified in Appendix A, under Classification A, (Job classifications in which ALL employees may have an occupational exposure to blood or other potentially infectious materials), employees shall be offered a Hepatitis B vaccination series and following completion of the vaccine series a Hepatitis B titer at no cost.

Within 10 working days of the initial assignment, this vaccination series shall be offered to new employees who may have an occupational exposure, unless the employee has previously received the vaccine and wishes to submit to antibody testing to document immunity, or the employee may provide official medical records that document having received the full series of Hepatitis B vaccinations, or unless the employee chooses to decline the vaccine or the vaccine is contra-indicated by a licensed medical care provider.

All employees may have an occupational exposure to blood or other potentially infectious materials. Therefore, employees shall receive required annual training, and personal protective equipment and the Hepatitis B series vaccinations, if desired. The Town's Hepatitis B Vaccination form attached shall be used to document Hepatitis B waiver. It is a requirement that this form be given to every employee.

10. TRAINING

All affected employees shall be trained annually during working hours per OSHA General Industry Standards, 29 CFR 1910.1030, Subpart Z, Occupational Exposure to Bloodborne Pathogens.

11. RECORDKEEPING

12. Annual Training Record

Human Resources, for 3 years from the date on which the training occurred, shall maintain annual bloodborne training records.

Training records shall include the following information:

- a. The contents or summary of the training sessions;
- b. The names and qualifications of persons conducting the training; and
- c. The names and job titles of all persons attending the training sessions. An accurate record for each employee with occupational exposure shall be established and maintained, in accordance with 29 CFR 1910.1020, Subpart Z

An accurate record for each employee with occupational exposure shall be established and maintained, in accordance with 29 CFR 1910.1020, Subpart Z

This record shall include:

1. The name and identifying number of the employee; and
2. A copy of the employee's hepatitis B vaccination status, including the dates of all hepatitis B vaccinations and any medical records relative to the employee's ability to receive vaccination; and
3. A copy of all results and examinations, medical testing, and follow-up procedures related to occupational exposure; ~~and~~ -
4. A copy of the completed Town Exposure Report Form; and
5. A copy of all written information and instructions provided by the employee related to the occupational exposure; and
6. All records related to employee occupational exposure are kept confidential and not disclosed or reported without the employees' written consent to any person

within or outside the workplace except the required OSHA Occupational Exposure to Bloodborne Pathogens Standard, CFR 1910.1030, Subpart Z, or as may be required by law.

These records shall be maintained for at least the duration of employment plus 30 years in accordance with CFR 1910.1020.

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12. DEFINITIONS

Bloodborne Pathogens - pathogenic microorganisms that are present in human blood and can cause disease in humans. These pathogens include, but are not limited to, hepatitis B virus (HBV) and human immunodeficiency virus (HIV).

Contaminated - the presence or the reasonably anticipated presence, of blood or other potentially infectious materials on an item or surface.

Exposure Incident (or other significant exposure) - a specific eye, mouth or other mucous membrane, non-intact skin, or parenteral contact with blood or other potentially infectious materials that result from performance of an employee's duties.

HCV - Hepatitis C virus.

HBV - Hepatitis B virus.

Hepatitis B Titer - a blood test used to determine a persons' immunity to Hepatitis B virus infection.

Occupational Exposure - reasonably anticipated skin, eye, mucous membrane or parenteral contact with blood or other potentially infectious materials that may result from the performance of an employees' duty.

Other Potentially Infectious Materials - 1. The following human body fluids: semen, vaginal secretions, cerebrospinal, synovial, pleural, pericardial, amniotic, saliva in dental procedures, any body fluid that is visibly contaminated with blood, and all body fluids in situations where it is difficult or impossible to differentiate between body fluids; and, 2. Any unfixed tissue or organ (other than intact skin) from a human, living or dead; and, 3. HIV containing cell or tissue cultures, organ cultures and HIV, HBV and HCV containing culture medium or other solutions and blood, organs or other tissues from experimental animals infected with HIV, HBV and/or HCV.

Parenteral - a piercing of mucous membranes or skin barrier by means of a needle stick, human bite, cut and/or abrasion.

Regulated Waste - a liquid or semi-liquid blood or potentially infectious materials, contaminated items that would release blood or other potentially infectious materials in a liquid or semi-liquid state if compressed, items that are caked with blood or other potentially infectious materials that are capable of releasing these materials during handling, contaminated sharps, and pathological and microbial wastes containing blood and other potentially infectious materials.

Source Individual - any individual, living or dead, whose blood or other potentially infectious materials may be a source of occupational exposure to the employee.

Universal Precautions - is an approach to infection control that requires that all human blood and certain other human body fluids be treated as if known to be infectious for HIV, HBV, HCV and other bloodborne pathogens.

INSURANCE REQUIREMENTS

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THE NEXT SECTION ESTABLISHES STANDARDS FOR INSURANCE REQUIREMENTS AND HAS BEEN REVIEWED BY THE AMRRP PROGRAM ADMINISTRATOR. HOWEVER, THE FOLLOWING WAIVER IS A NECESSARY ELEMENT OF THE DISCUSSION WHEN CONSIDERING THIS SECTION:

WAIVER

In any industry there are various products, equipment and supplies. The same holds true for insurance.

Depending on the circumstances relative to a project, purchase or sponsored event, it may be necessary to require several different types of insurance, higher insurance limits, or a lower AM Best rating than we would for a standard service contract. In the alternative, the Town may not require any insurance from a group that who is are utilizing Town facilities for a book reading session. Therefore, contracts and other situations need to be evaluated on a case by case basis relative to the insurance coverage, and monetary limits/thresholds and A.M. Best rating.

The Town Attorney has agreed to help staff evaluate insurance requirements that should be included in each agreement or contract since as he reviews all legal documents. In addition, Southwest Risk Service's (SWRS) staff is another knowledgeable resource available to the Town.

To that end, the Town Manager (in consultation with the Risk Manager and/or Town Attorney or SWRS staff) reserves the right to waive, increase or decrease insurance requirements should it be in the best interest of the Town.

Example of a Waiving a Requirement to Provide Insurance: Someone distributing information about a college or school.

Examples of the Need for Additional Types of Insurance or Increased Limits: Activities such as the purchase of hazardous commodity/materials, environmental services, unique construction projects, purchase of highly valued equipment or machinery in which the scope of services will generally include the installation of the equipment.

Example of a Decrease in Insurance Requirements: *December 17, 2008 motion to allow Vendors participating in Town events* to secure and maintain at their own expense commercial general liability insurance with general liability limits in the minimum amount of:
\$1,000,000 per occurrence/\$1,000,000 per Aggregate v.
\$1,000,000 per occurrence/\$2,000,000 per Aggregate

'Per occurrence' definition: —isT+the maximum amount of coverage for one particular claim during a policy period. For example: If the coverage per occurrence is 1 million and there are two judgments in favor of the plaintiffs, 1 million each (total 2 million), for the same occurrence in that policy year, only 1 million maximum will be paid for the occurrence. The insured will pay for the remaining 1 million.

'An annual aggregate limit' definition — places a maximum on the amount of coverage an insurer must pay in any one policy period, no matter how many claims have occurred under that policy. For Example: If the 'annual aggregate limit' is 2 million and there are 3 different occurrences and 3 different judgments in favor of the plaintiffs, 1 million each (total 3 million), then only 2 million would be paid. The insured would have to pay the remaining 1 million.

TOWN OF CAMP VERDE

ADMINISTRATIVE REGULATION

INSURANCE REQUIREMENTS

PURPOSE

This regulation establishes insurance requirements for contractors, consultants (professional services), event sponsors and co-sponsors and volunteer organizations that use Town-owned facilities. It is in the Town's best interest to minimize its exposures and to transfer risks by requiring others to possess the appropriate types and monetary limits of insurance coverage.

SCOPE

This regulation applies to all Town departments and divisions which negotiate contracts or agreements with contractors, consultants (professional services), event sponsors and event co-sponsors, volunteer organizations and others. Questions regarding this matter should be directed to the Risk Manager.

DEFINITIONS

Professional Liability Insurance: Protects against losses that occur when a "Professional" fails to practice his or her art to the usual and customary standards of that profession. Therefore, there can be risks to the Town of Camp Verde associated with errors (or allegations of errors) in the professional's work product or judgment.

In order to determine if professional liability insurance should be required, ask yourself:

- a. **Is the professional licensed or certified (e.g. attorneys, engineers, accountants, appraisers, auditors and etc.)**
- b. **Will the information developed by the professional be used in a decision-making process within the Town that could create liability (e.g. prepares documentation used to complete an EPA permit).**

If the answer is yes to either a. or b. above, then professional liability insurance should be required.

The types of losses that can occur in such circumstances are often excluded under general liability policies. They can be covered through separate professional liability insurance policies, also known as "errors and omission" (E & O) liability insurance.

Because professional liability insurance is almost always written on a claims-made basis, there is a concern about coverage for latent defects or design errors that may result in claims after the contract has been completed. One solution to this problem is to require the

contractor to maintain coverage for a specified period after the project has been completed or to purchase an extended reporting period, otherwise known as "tail coverage".

Engineering Contracts:

The Town may enter into a contract where the scope includes construction of new facilities or remodeling of current facilities. Contractors used to accomplish the building programs can be either:

- A General Contractor; or
- A Trade Contractor acting as the "Prime Contract" on the job.

Either of these two contractors accomplishes their work by frequently using subcontractors and in some cases sub-subcontractors. To ensure that the Indemnity Agreement is properly financed by insurance the Contractor used must obtain verification of proper insurance coverage from each subcontractor used.

To ensure that the Indemnity Agreement and insurance requirements are met, the Town will require the General or Prime Contractor to have a contract and Indemnity Agreement with each subcontractor on the project and obtain a ~~Certificate of Insurance~~Certificate of Insurance (with corresponding endorsement) for each subcontractor.

Engineering contracts will require higher limits of liability and property coverage for new construction, remodeling or installation of equipment.

Standard Service Contracts: Do not present any unique exposures to the Town and are not considered "professional services" by insurance definitions. Therefore, the Town's standard insurance requirements (\$1,000,000 per occurrence/\$2,000,000 per Aggregate) would be appropriate for use in most general service contracts.

Vehicles used to Perform Services: Certain contracted services may or may not involve the use of contractor vehicles in order to perform the scope of services. Automobile liability should be required if the contract involves the contractor's use of a vehicle as part of the services being provided. Such use means vehicle operation beyond a commute (a trip from contractor's home to the Town). Examples of such services include delivery services, transportation of persons or property to the Town. The insurance requirement (for auto) assumes the Contractor **does** use vehicle(s) in the delivery of services under the contract and therefore includes the requirement for automobile liability insurance.

Purchase and Installation of Equipment:

In contracts where the Town is purchasing highly valued equipment or machinery (i.e. compressors, air conditioning units, generators, etc.) the scope of services will usually include the installation of the equipment. The contract has now become more than just a standard commodity purchase agreement and falls under the category of a 'service contract'.

In addition to the standard general liability, automobile liability and Workers' Compensation **insurance requirements** contained in most service agreements, and purchase and installation of equipment contracts should also require the vendor to carry an "installation floater" for contract cost.

An installation floater is an inland marine-type coverage that can be defined as insurance purchased by contractors to cover not only their own property, but also property of others that is to be installed into a building or structure. This floater covers the risk of loss while in transit and in the process of rigging, often with some limitations. An example of rigging is transporting of equipment via a helicopter or other aircraft.

POLICY

The following insurance requirements establish standards that should be used in any formal competitive bidding procedures involving contractors, any proposed contracts with professional service consultants, and any negotiated relationships with event sponsors, co-sponsors and volunteer organizations.

Minimum Insurance Requirements

A. Contractors/Construction Projects:

1. General Liability and Property Insurance: The contractor shall secure and maintain, at his or her own expense, until completion of the contract, general liability and property insurance as shall protect the contractor and the Town from claims for -- bodily injury, personal injury, and property damage which may arise out of the nature of the work or from operations under this contract.

The contractor shall have general liability coverage on a per project basis, per occurrence, and in comprehensive form. General liability coverage shall include items such as Products/Completed Operations, Explosion, Underground and Collapse Hazard, Premises, Operations, Contractual, Independent Contractors, Broad Form Property Damage and Personal Injury.

At a minimum, the contractor shall provide general liability and excess general liability coverage in the following amounts:

a. Projects less than \$1,000,000:

Contractor shall have total limits of insurance to include primary \$1,000,000 per occurrence/**\$2,000,000 per Aggregate** and excess coverage in an amount not less than \$2,000,000. For example: coverage may include \$1,000,000 primary and \$1,000,000 excess.

b. Projects greater than \$1,000,000: Contractor shall provide total limits of insurance to include primary \$1,000,000 per occurrence/**\$2,000,000 per**

Aggregate and excess coverage in an amount not less than \$5,000,000. For example: coverage may include \$1,000,000 primary and \$4,000,000 excess.

Recommended Limits For Commercial Umbrella or Excess Liability:

Engineering Contracts -	Each Occurrence	\$4,000,000
Environmental Contract -	Each Occurrence	\$4,000,000
Use of dynamite -	Each Occurrence	\$5,000,000 or more

Section 3-3-7 of the Town Code Requires Contractor obtain a Performance and Payment Bonds

The purchasing director shall have the authority to require a performance bond, in such amount as the purchasing director may deem sufficient for contracts other than contracts for construction, and the purchasing director shall require performance and payment bonds for contracts for construction as required by law. In all cases of construction to which state law applies, any requirement for a bond shall be incorporated into the contract.

2. Automobile Liability: The contractor shall secure, and maintain, at his or her own expense, until the completion of the contract, coverage for any auto, including non-owned and hired autos, with a combined single limit of \$1,000,000 per occurrence.
3. Workers' Compensation Insurance (Statutory): Before beginning work, the contractor shall furnish to the Town with satisfactory proof that he or she has, for the period covered under the Contract, full Workers' Compensation coverage for all persons whom the contractor may employ directly, or through subcontractors, in carrying out the work contemplated under the contract, and shall hold the Town free and harmless for all personal injuries of all persons whom the contractor may employ directly or through subcontractors. **Exception:** For Sole proprietors/Independent Contractors that do not have employees they may execute a waiver relative to Workers' Compensation Insurance (attached).
4. Property Insurance: The contractor/consultant shall have property insurance for protection from claims or damages because of damage to or destruction of property including loss of use resulting therefrom in an amount not less than \$500,000. The Town shall be held harmless for any damage to the contractor's/consultant's property and/or equipment during the course of executing the contract.
5. ****Certificate(s) of Insurance and corresponding endorsement(s).**

The contractor is responsible for obtaining Certificates of Insurance and corresponding endorsement(s)—establishing that the contractor and all subcontractors have complied with insurance requirements previously stated. Copies of Certificate(s) of Insurance and corresponding endorsement(s)—shall be forwarded to the Risk Manager.

6. Indemnification & Hold Harmless Clause: The contract shall contain an Article which indemnifies and holds harmless the Town of Camp Verde and its respective officers, agents, and employees.

Recommended Indemnification & Hold Harmless Language: To the fullest extent permitted by law, the contractor shall defend, indemnify and hold harmless the Town of Camp Verde and its respective officers, agents, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of or alleged to have resulted from the acts, errors, mistakes, omissions, work or service of the contractor, its agents or employees or any tier of Contractor's subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the Town of Camp Verde, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to, impairment or destruction of tangible property including the loss of use resulting therefrom; caused in whole or in part by the contractor's acts, errors, mistakes, omissions, work or services in the performance of this contract, including any employee of the Contractor, any tier of Contractor's subcontractors or any other person for whose acts, errors, mistakes omission, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

B. Consultants/Professional Service Contracts:

1. Errors and Omissions Insurance (Professional Liability): The contractor/consultant shall have Errors and Omissions coverage in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 in aggregate (THESE LIMITS ARE RECOMMENDED BY SOUTHWEST RISK SERVICES; HOWEVER, THE \$2,000,000 v. a \$1,000,000 aggregate would have cost a consultant an extra \$1,200 for said level of insurance. The consultant shall maintain coverage for a specified period after the project has been completed or to purchase an extended reporting period, otherwise known as "tail coverage". **Recommendation:** The aggregate shall be in effect for the entire period of the project and for a minimum of one year after completion of said project.
2. Workers' Compensation Insurance (Statutory): Before beginning work, the contractor/consultant shall furnish to the Town satisfactory proof (certificates and corresponding endorsement(s)) that the contractor has, for the period covered under the contract, full Workers' Compensation coverage for all persons whom the contract/consultant may employ directly, or through subcontractors, in carrying out the work contemplated under the contract, and shall hold the Town free and harmless for all personal injuries of all persons whom the contractor may employ directly or through subcontractors. **Exception:** For Sole proprietors/Independent Contractors that do not have employees they may execute a waiver relative to Workers' Compensation Insurance (attached).
3. Property Insurance: The contractor/consultant shall have property insurance for protection from claims or damages because of damage to or destruction of property

including loss of use resulting therefrom in an amount not less than \$500,000. The Town shall be held harmless for any damage to the contractor's/consultant's property and/or equipment during the course of executing the contract.

4. General Liability: The contractor/consultant shall have general liability coverage in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 Aggregate.
5. Automobile Liability: If the contractor/consultant is utilizing their vehicle(s) for Town use (more than just commuting to the Town) they shall have automobile insurance including coverage for non-owned and hired autos with a combined single limit of not less than \$1,000,000 per occurrence.
6. Indemnification & Hold Harmless Clause: The contract shall contain an Article which indemnifies and holds harmless the Town of Camp Verde and its respective officers, agents and employees.

Recommended Indemnification & Hold Harmless Language: To the fullest extent permitted by law, the contractor shall defend, indemnify and hold harmless the Town of Camp Verde and its respective officers, agents, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of or alleged to have resulted from the acts, errors, mistakes, omissions, work or service of the contractor, its agents or employees or any tier of Consultants in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the Town of Camp Verde, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to, impairment or destruction of tangible property including the loss of use resulting therefrom; caused in whole or in part by the contractor's acts, errors, mistakes, omissions, work or services in the performance of this contract, including any employee of the Contractor, any tier of Contractor's subcontractors or any other person for whose acts, errors, mistakes omission, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

7. Certificate(s) of Insurance and corresponding endorsement(s).

Special Event Sponsors, Co-sponsors and Volunteer Organizations:

1. Commercial General Liability: Special event sponsors, co-sponsors and volunteer organizations who use Town-owned property or a right-of-way shall secure and maintain at their own expense commercial general liability insurance with liability limits in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 per Aggregate.

Vendors participating in Town events shall secure and maintain at their own expense commercial general liability insurance with liability limits in the minimum amount of \$1,000,000 per occurrence/\$1,000,000 per Aggregate (per Council's December 17, 2008 motion).

Currently, casual vendors (i.e. teachers, facility users, etc.) shall secure and maintain at their own expense commercial general liability insurance with liability limits in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 per Aggregate.

Please note:

Relative to casual vendors (v. event vendors)- no action was taken at the February 17, 2010 Council meeting to reduce the general liability insurance- for casual vendors

From: 1 million per occurrence and **2 million aggregate**

To: 1 million per occurrence and **1 million aggregate.**

The Tenant Users Liability Insurance Policy (TULIP) became available in 2008 for the public as another option to provide reasonably priced insurance for event vendors and casual vendors.

The TULIP program was designed to give vendors that do not pose a huge a risk access to reasonable insurance at a reasonable price. For example: an event with liquor would cost about \$175 with TULIP and probably \$600 - \$800 if they have to go to a local agent.

The TULIP Insurance provides a \$1,000,000 policy with \$1,000,000 aggregate.

To that end, casual vendors could not use the TULIP option as the Town currently requires the general liability insurance limits for casual vendors to be \$1,000,000 per occurrence/**\$2,000,000 per Aggregate.** *AMRRP Program Administrator ED Bantel recommends that casual vendors' insurance requirements be reduced to \$1,000,000 policy with \$1,000,000 aggregate.*

2. Automobile Insurance: Special event sponsors, co-sponsors and volunteer organizations who use Town-owned property or right-of-way shall secure and maintain at their own expense automobile insurance with a minimum combined single limit of \$1,000,000 per occurrence. **Please note:** This insurance requirement has not been previously required by the Town for event sponsors, co-sponsors and volunteer organizations, but many municipalities require this coverage.
3. Liquor Liability Insurance: The sponsor, co-sponsor or volunteer organization shall have insurance in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 aggregate, if alcoholic beverages are sold (*per Council motion February 2009*). Wineries or breweries serving alcohol at sponsored events on Town premises are required to have their own individual liquor liability insurance of \$1,000,000 per occurrence.

4. Blanket Insurance Policy: The sponsor of a special event may utilize the option to secure and maintain at their own expense a Master (Blanket) Insurance Policy that will cover a certain number of vendors on said policy (*approved by Council August 18, 2010*).

5. Indemnification & Hold Harmless Clause: The event application will include the following or similar statement:
I/We _____, its officers, employees and members shall through the signing of this Agreement by an authorized party or agent, indemnify, hold harmless and defend the Town of Camp Verde and its agents and employees from all suits and actions, including reasonable attorneys' fees and all costs of litigation and judgment of every name and description against the Town of Camp Verde as a result of loss, damage or injury to person or property by reason of any action or omission by the Town of Camp Verde, its agents or employees for the use of Town facilities, fields and recreational facilities.

6. ~~Certificate of Insurance~~Certificate of Insurance (with corresponding endorsement)

7. Workers' Compensation: Special event sponsors, co-sponsors and volunteer organizations should be advised to secure Workers' Compensation Insurance and seek Waivers of Liability from volunteers or participants when applicable.

**** Certificate(s) of Insurance: (sample only – attached)**

A Certificate of Insurance is a standard form issued by an insurance company to evidence a policyholder's coverage. An endorsement should accompany a Certificate of Insurance.

The contractor, consultant, sponsor, co-sponsor or volunteer organization is responsible for obtaining Certificates of Insurance establishing that they have complied with insurance requirements previously stated.

All Certificates of Insurance and endorsements shall be submitted (with the executed Contract or application) to the Risk Manager in order that the Certificate and corresponding Endorsement can be approved by the Risk Manager (or Town Manager in the Risk Manager's absence) prior to distribution to the Town Clerk and work, projects or events commencing under each contract, subcontract or event.

It is the responsibility of the department to work with the Town Attorney relative to the types and limits of insurance in the contract language

If a Certificate of Insurance with the corresponding endorsement is not provided to the Town in a timely manner the Town Manager or his/her designee has the authority to:

1. Halt the progress of a job; or
2. Hold payment to the contractor; or

3. Relative to a vendor - halt an event until said COI/endorsement is delivered with the required information.

The Certificate of Insurance must include the following

1. Issue Date
2. Producer - Name of Agent/Insurance Company providing coverage/issues certificate
3. Full name and address of Insured – the vendor, contractor, or entity that you are dealing with.
4. Insurers (Carriers) Affording the coverage - these are the insurance companies that actually provide the coverage, that will defend and pay the claim.
5. *Carriers should possess an “A-” or better A.M. Best rating. In some situations a “B++” (good & secure) would be acceptable

A.M. Best's ratings (opinions) are derived from an evaluation of a company's balance sheet strength, operating performance and business profile as compared with Best's quantitative and qualitative standards. The Town's objective in determining the A.M. Best rating of an insurer is to provide an opinion as to an insurer's financial strength and ability to meet ongoing obligations.

The table below clarifies what the various “A” A.M. Best rating represent:

<u>Rating</u>	<u>Meaning</u>
A++ and A+	Superior
A and A-	Excellent
B++	Good & Secure

If Risk Management is uncertain of the rating they should contact Southwest Risk Services or obtain the information from the Internet.

6. Policy number - this is simply the policy number of the insurance policy
7. Effective date – the date the policy is in effect
8. Description of operation; there should be an accurate description (no ambiguity) of the event or service for what the certificate of insurance covers *unless it is blatantly clear from the name of the business what services they are performing.*
 - a. Ensure the policy is in effect for the event or the project! If the policy expires during the event or project, the department must request a new certificate of insurance prior to expiration of the most recent date listed on the Certificate.
 - b. Town of Camp Verde named as additionally insured: ***the insured is just indemnifying the Town not insuring the Town.***
9. Authorized Representative: Either a signature or a signature stamp must be located in this box.
10. Certificate Holder: Town of Camp Verde, 473 South Main Street, Ste. 102, Camp Verde, AZ 86322

99% of the time The Town of Camp Verde must be listed as the certificate holder NOT Parks and Recreation or the Marshals office.

The exception: Certificate holder can be a sponsor with the Town listed as additional insured.

11. All Certificates (with corresponding endorsement) should can be mailed or delivered to the Town of Camp Verde, 473 South Main Street, Suite 102, Camp Verde, AZ 86322 with the fully executed contract or event application.
12. Cancellation Notice or Material Change of Coverage: Contractors, Sponsors, co-sponsors, and volunteer organizations shall immediately notify the Town if insurance noted previously, is canceled, reduced, not renewed, or otherwise materially altered during the period for which it is intended.

TOWN OF CAMP VERDE

ADMINISTRATIVE REGULATION

REGULATORY Agency ENTRY PROCEDURE

PURPOSE

Certain regulatory agencies of federal, state and local government have the right to enter and inspect Town property with respect to areas of their specific jurisdiction. However, they do not have authority to do this without limit. This procedure is intended to define the Town's approach to assist the regulatory agency personnel in the performance of their responsibility while preserving the confidentiality of our business.

RESPONSIBILITY

The Town Manager (in consultation with the Risk Manager/Safety Officer) is responsible for all facets of this program and has full authority to make necessary decisions to ensure success of the program.

CONTENTS

1. Written Program
2. Point of Entry Procedure
3. Designated Contact Pre-facilities Visit Responsibility
4. Facilities Visit Responsibilities
5. Facilities Visit Debriefing
6. Post-inspection Responsibilities
7. Follow-up
8. Referenced Forms
9. Responsibility, Effectivity, and Approval

POLICY

1. Written Program: The Town of Camp Verde shall review and evaluate this workplace health and safety procedure when facility operational changes occur that prompt revision of this document.

2. Point of Entry Procedure (Receptionist). When regulatory inspection personnel request unscheduled entry the following steps shall be taken:

2.1 Ask the agency personnel to identify themselves with formal proof of their function. All regulatory personnel are required to carry such information (e.g. badge or ID).

2.2 Ask the inspector(s) to sign the entry log.

2.3 Notify the Town's designated contact (Primary: Risk Manager/Safety Officer, Alternates: Town Manager, Town Clerk)

2.4 Provide the inspector(s) with facility safety rules for review. Make sure they initial the rules.

2.5 A reasonable wait, up to 20 minutes, is expected for the designated contact to respond to an unannounced inspection. However, if the inspector(s) insists entry is an emergency have them indicate so in a signed note and attempt to provide an escort as soon as possible.

2.6 When the inspector(s) leaves, he/she must sign the entry log indicating the time of their departure.

3. Designated Contact Pre-facilities Visit Responsibility

3.1 The designated contact must be knowledgeable with respect to facility operations and basic safety and environmental regulations.

3.2 Upon notice from the receptionist of an inspector arrival, every effort should be made to respond as soon as possible.

3.3 Introduce yourself to the inspector(s). Invite them to a conference room and inquire as to the purpose of the visit.

3.4 As a minimum request and record:

3.4.1. Specific purpose of the visit.

- a) Is the inspection normal?
- b) What specific issues are involved?
- c) Is the inspection pursuant to a specific regulation(s)?
- d) Is the inspection a result of a complaint?
- e) What areas are going to be visited?
- f) Are samples going to be requested?
- g) Are photos going to be taken?

3.5 There may be a request for specific operating or permit records.

3.5.1 Records that are kept as a permit condition or a legal requirement can be reviewed by the inspector(s) at any time.

3.5.2 Other records, especially business records, can only be supplied after a formal records request via the Town Clerk's office and review by the Town's General Counsel.

4. Facility Visit Responsibilities

4.1 The inspector(s) must be accompanied at all times (**except in the item referenced in 4.2 below**).

4.2 Inspectors do have the right to question individual employees pertaining to working conditions, standards, and training received without the presence of the escort.

4.3 Stick to the tour route agreed upon in the pre-facility visit meeting.

4.4 If any types of samples are taken, a copy must be provided to the escort as well as specific information:

- 1) Purpose of the sample.
- 2) Elements to be analyzed.
- 3) Lab to be used.
- 4) Expected date of results.

4.5 If possible, the escort should take photographs of everything the inspector is photographing.

5. Facility Visit Debriefing

5.1 A pre-departure meeting shall be held with the inspector(s) to facilitate report preparation. This should be held in a conference room. The following specific information should be requested:

5.1.1 Determine if the inspector's objectives were achieved.

5.1.2 Determine if any problems were noted.

5.1.3 Determine what, if any, follow-up is expected by the Town.

6. Post-inspection Responsibilities

6.1 A copy of any report generated by the regulatory inspection personnel shall be submitted to the Town Manager. The escort shall provide the Town Manager with the following information:

6.1.1 Notes of the pre-inspection meeting (if any).

6.1.2 Detailed description of the inspection including comments of the inspector and his or her attitude.

6.1.3 Notes of post inspection meeting (if any).

6.1.4 Escort's overall impression.

7. Follow-up

7.1 Follow-up shall be as recommended by the escort, legal or facility management and as pertinent to the facts disclosed. Prompt response to any problem areas noted by the inspector must be made.

8. Referenced Forms(s)

- Regulatory Entry and Exit Log

9. Responsibility, Effectivity, and Approval

9.1 Safety Officer and Human Resources are responsible for implementing this procedure.

9.2 This policy shall be effective immediately upon approval.

TOWN OF CAMP VERDE

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ADMINISTRATIVE REGULATION

VEHICLE ACCIDENTS PROCEDURES

PURPOSE

This regulation establishes policy guidelines relative to What to Do in Case of A Vehicle Accident involving Town vehicles or privately-owned vehicles while the driver thereof is actively engaged in official Town business.

POLICY

Immediately after the accident:

1. Move to a safe place (avoid obstructing traffic) and stop your car before exiting the vehicle. Place emergency flags or flares if possible.
2. Ensure no one is injured.
3. Aid the injured and see that they obtain medical attention, if necessary by calling 911. Do not move the seriously injured.
4. Immediately call the local police department if you have not called 911.
5. Call your supervisor for additional instructions.
6. Remain at the Scene: The employee shall request that all parties and properties concerned remain at the scene of the accident if possible until a law enforcement representative has released them.
7. Provide only basic information to other parties involved or to a law enforcement officer:
 - a. Name
 - b. Address
 - c. Registration Number
 - d. Upon request, Driver's License Number
 - e. Upon request, your proof of vehicle insurance
8. Make no admission of guilt to anyone
9. If the accident involves a fixed object or unattended vehicle:
 - a. Take reasonable steps to locate owner
 - b. If unable to locate owner leave a note with your name, address and telephone number
10. Accident Report Form Kit (attached)
 - a. Complete all sections prior to leaving the scene
 - b. Return this information to your supervisor
11. Per the Town Personnel Manual 7.5.4

Any time a post-accident drug or alcohol test is required, it must be performed as soon as possible following the accident. If no alcohol test can be made within 8 hours, attempts to perform an alcohol test shall cease. If no urine collection can be obtained for purposes of post-accident drug testing within 32 hours, attempts to make such collection shall cease.

b.

12. Supervisors

- a. Review the accident report information with the driver to assure completeness and accuracy.
- b. Give the information to your Supervisor. He or she shall complete a claim form (attached) and to the Claims Department at Southwest Risk Services.

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OFFICE OF THE TOWN CLERK
GUIDE FOR PREPARATION OF
BUSINESS AGENDA ITEMS
To be determined January 2011

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make the presentation to the Mayor and Council. This decision should be made by the department head or elected official.

Agenda Title – In order to inform the public, the title should adequately describe the action to be taken by the Mayor and Council. For example do NOT say “Discussion and possible action on the Community Park”, but rather, “Discussion, consideration, and possible direction to staff relative to determining the location of the ingress/egress to the Community Park.” This alerts the public to the exact action that the Mayor and Council are anticipated to take as it relates to this item.

Presentation Time - This only applies to decision agenda items and is intended to be an estimate of the amount of time you expect that it will take you to make your presentation of the agenda item to the Mayor and Council. Note: The Mayor and Council have voted to end their meetings as close to 10:00 p.m. as possible. The estimated times assist in planning the agenda, as well as lessens the probability that you will sit through an entire meeting only to have your item delayed to another meeting.

Discussion Time - This only applies to decision agenda items. This is the time you anticipate may be necessary for the Mayor and Council to discuss the item with you and any interested members of the public. If you know that your issue is a rather routine or non-controversial matter, discussion will be typically 5 minutes or less. If, however, you know that constituents have an interest in the item and will be attending the meeting, help the Mayor and Council anticipate this by building in discussion time. Remember that these times are intended to be estimates, not hard and fast periods, so if you estimate 10 minutes for discussion and it takes longer, that is not a problem.

Review by Town Attorney - the Town Attorney must review most contracts, intergovernmental agreements and other legally binding documents to be signed by the Mayor prior to placement on the Mayor and Council's business agenda. As noted above, the Town Attorney's office should be given *at least two weeks* to review the contract or document. If it is a complex matter involving a number of parties, a longer lead-time should be provided to the Town Attorney. Even if you are entering into the same contract or intergovernmental agreement that was approved a few years ago, you should still obtain Town attorney review. Why? Because laws and circumstances change year to year, and contract language that was appropriate in the past may not necessarily properly protect the Town today. In addition, sometimes contracts involve partnerships and policy issues rather than money. The Town Attorney should review such contracts. (See exceptions below.) Failure to obtain Town Attorney approval of an item will result in the item being pulled from the agenda. Note: Attorney Comments MUST be included on the Agenda Item Submission Form. In addition if a statute is referred to in the AIS and/or the supporting documentation, the statutory language should also be included.

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There are a couple of exceptions:

- ✓ If you are using standard form contracts that have been pre-approved by the Town Attorney, your specific contract does not need additional review.
- ✓ If you are dealing with a standard form contract of a state or federal agency, contracts must be approved as to form by the Town Attorney, and usually do not require review. However, if they are not monetary and involve policy matters or partnerships, they should be reviewed by the Town Attorney.

If you are in doubt about whether an item requires Town Attorney review, please check with the Town Manager or your Department Head.

Department Head Approval - If staff is preparing the agenda item, it will require review and initials or signature of the Department Head on the form *prior to submission to the Town Clerk*.

Finance Director Approval - If there are budget or financial implications related to the agenda item, it will also require the review, comments, and initials of the Finance Director on the form *prior to submission to the Town Clerk*.

Fiscal Impact - This section identifies in detail the budget implications of the proposed action. For example, it should specify what costs may be associated with the proposed action, what funding (if any) has been included in the budget

specific instruction to the Clerk includes the correct number of copies to present to the Mayor for signature and that any other special instructions are noted in the Instructions to the Clerk Section, as well

More often than not, grants require some kind of match, either in-kind services and/or cash match. Your grant application agenda item should be specific and identify what match, if any, is involved and whether or not the money exists within the current department budget to fund the match. If money does not exist within the approved budget, that should be noted in the agenda item. If the grant is ultimately awarded, a **Budget Change/Appropriation Form** will need to be presented as an agenda item for the Mayor and Council's formal consideration and approval. The reason the form is not done at the time of application is that it would be an unnecessary transfer of funds if the grant were not actually awarded.

A Recommended Action statement concerning a grant might read: "Approve the grant application in the amount of \$10,000 to the State of Arizona for the Trail Development Program with signature authority for the Mayor (or Town Manager as the case may be) of the grant contract, if awarded". Note: Check your grant instructions carefully to see whose signature is required. Sometimes contracts specifically require the Mayor's signature, so make sure that the granting agency allows someone else (i.e., the Town Manager) to sign the grant documents before requesting signature authority for someone other than the Mayor in the motion.

Grant Contract - Once a grant has been awarded, the Town will be required to execute a grant contract. If you have included a signature authorization in your grant application agenda item as suggested above, you would not need to present the grant documents again through the agenda process. However, if you did not, the grant contracts will need to appear on the Mayor and Council's agenda for approval. **The Finance Director must review all grant contracts prior to signature, even if you have previously received signature authority.** Remember also to check with the Finance Department as to whether a Budget Change/Appropriation Form to supplement your budget is required at this point.

B. Resolutions and Ordinances

The Mayor and Council can only take actions that are authorized by state statute. Oftentimes those actions occur through the adoption of a resolution or ordinance. To obtain a resolution or ordinance number, please contact the Clerk's Office. Resolutions do not usually have special noticing requirements, but there are specific statutory procedures that must be followed concerning ordinances that include posting requirements. Be sure to consult the Arizona Revised Statutes to ensure that you are following the statutory procedures for any ordinances with which you may become involved.

The Town of Camp Verde Town Code is a compilation of all Town ordinances that have the effect of law. For example, a resolution proclaiming Tuesday as National Groundhog Day is not a law and would not be codified. An ordinance establishing dog at large regulations would be, and indeed is, codified. Any ordinance that will amend or add new language to the Town Code should be so referenced in the body of the resolution. For assistance in constructing the resolution language, please consult the Town Attorney. Some resolutions may and all ordinances require consultation with the Town Attorney. However, staff should discuss this with the Department Head before engaging the Town Attorney's assistance.

C. Award of Bid

Pursuant to the Under the Town Procurement Code Financial Operations Guide, both informal and formal bid processes are used to award contracts for goods and services. The Mayor and Council must award all bids when:

1. The amount of the award exceeds \$10,000, the amounts as authorized by the Financial Operations Guide; and/or
2. The low responsive and responsible bidder is not recommended; and/or
3. The project cost exceeds the budgeted amount.

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Bid Award Recommendation Form – Used to fully inform Council of the process used, standing of the vendor/contractor, references checked, etc.

V Reports

Reports from Mayor and Council that do not require action on the part of the Mayor and Council are taken up during the Informational Reports sections of the Mayor and Council's agenda. From time to time, reports might be made by an outside agency that wishes to brief the Mayor and Council on a topical matter. Note: Reports and discussion from outside agencies/groups/persons are limited to 10 minutes.

Staff Reports will usually accompany and immediately follow the AIS Form in the agenda packet. While an AIS form describes the 'business' of a decision, the Staff Report fully discloses how you arrived at your recommendation. A thorough and complete Staff Report provides a full briefing in a clear and concise manner; is written to avoid confusions or misunderstandings; and can save a significant amount of time for the Council and yourself. See Exhibit E – Staff Report Guidelines

VI Special Announcements and Presentations

The special announcements and presentations section of the agenda is intended as an opportunity for the Mayor and Council to:

- Recognize special awards or accomplishments that staff may have received from other agencies or from the Town itself;
- Adopt ceremonial proclamations such as those honoring October as breast cancer awareness month (requires Mayor and Council action); or
- Bestow awards on people or agencies.

In this case, an AIS form should be prepared explaining the reason for the special announcement or presentation in the background section. Department Heads and Elected Officials are encouraged to utilize this portion of the agenda to recognize good work by their employees and to draw attention to distinctions that the department may receive from other agencies. The Mayor and Council welcome the opportunity to publicly honor employees and others in this way during the business meetings.

VII Helpful Hints

Making changes to an existing document? - If you are making changes to policies, codes or some previously existing document, the Mayor and Council require a red-lined (track changes) copy that highlights additions and strike-out deletions, along with a clean copy of the new document. This helps the Mayor and Council easily recognize what the changes are.

Signatures - Please note that, as the staff resource, it is *your responsibility* to obtain all the necessary signatures on your forms, such as the Finance Director, Town Attorney, etc. *prior to submission of the agenda item to the Clerk.* Please remember to also obtain signatures from any external entities or individuals when necessary. When a form appears in the Mayor and Council's packet without signatures, the Mayor and Council often have questions about whether or not the item has obtained the proper approvals.

In-house Resources - Remember that you have considerable assistance at your disposal to help you construct quality agenda items. The names and numbers of staff who can assist you are listed below:

Debbie Barber, Town Clerk	Ext. 107
Virginia Jones, Deputy Clerk	Ext. 105
Admin Asst Clerk	Ext. 100
Carol Brown, Assistant to Town Manager	Ext. 106
Finance Department Lisa Elliott, Senior Accountant	Ext. 109

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Staff recommended changes



Town of Camp Verde
Agenda Item Submission Form – Section I

Meeting Date:

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Meeting Type:

Consent Agenda – Special Announcements Regular Business Work or Special Session

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Reference Document

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Agenda Title (be exact):

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Purpose and Background Information:

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Recommendation (Suggested Motion):

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Finance Review: Budgeted Unbudgeted N/A

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Finance Director Comments/Fund:

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Attorney Review: Yes No N/A

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Attorney Comments:

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Submitting Department:

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Contact Person:

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Supporting Documents attached: Yes No N/A (If yes, list detail below)

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2) _____ # of pages _____

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3) _____ # of pages _____

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4) _____ # of pages _____

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5) _____ # of pages _____

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Instructions to Clerk:

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Action Report prepared by:

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Submitter's Signature: _____ Date: _____

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Recipient (Clerk's Office) Signature: _____ Date: _____

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TOWN OF CAMP VERDE
Records Management Policy
To Be Determined 2011

Town of Camp Verde Records Management Policy

All records received or generated by officials, employees, or representatives of the Town of Camp Verde in the performance of their duties shall be maintained in accordance with the provisions set forth in this policy.

INTRODUCTION

State law (A.R.S. § 41-1346) requires every municipality to establish and maintain an active, continuing program for the economical and efficient management of records, and to appoint an individual to manage the program in accordance with all applicable statutes. The designated individual oversees the program to ensure that accurate Records Retention and Disposition Schedules are maintained and adhered to, and that all reporting requirements are met. Town Code, Section 3-2-2.B Establishes that the Town Clerk keeps a true and correct record of all business transacted.

The Town Records Manager, under authority of the Town Clerk or designee, is responsible for the day-to-day oversight of the Town of Camp Verde's Records Management Program to ensure compliance with State law. Through an ongoing Records Management Program, the Town Records Manager provides assistance and support to departments and offices of the Town of Camp Verde to ensure that schedules are followed and destructions are properly documented and reported. The Town Records Manager advises the Records Management Coordinators in each department or office on conducting records inventories and preparing Records Retention and Disposition Schedules. The Town Records Manager also serves as the liaison to the Arizona State Library, Archives and Public Records (State Library).

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This manual was prepared by the Town Clerk's Office to provide written procedures for complying with State law and the Town's records management policies and procedures.

The manual includes:

- **Quick Start Guide – Three Basic Steps of Records Management**
- **Overview of the Town of Camp Verde Records Management Program**
- Operating Procedures and Guidelines for Complying with State Law and Town Policies for Managing Public Records:
 - Section 1: Records Retention and Disposition Schedule
 - Section 2: Records Retention and Storage
 - Section 3: Records Destruction
 - Section 4: Electronic Records
 - Section 5: Electronic Messages (E-Mail and Voice Mail)
 - Section 6: Social Networking Utilities
 - Section 7: Records Requests
 - Frequently Asked Questions
- Supplemental Information, including:
 - Links to Online Records Management Forms (Appendix A)
 - Instructions for Transferring Records to Storage (Appendix B)
 - Document Standards (Appendix C)
 - Essential Records Protection and Recovery Plan (Appendix D)
 - Historic Records Preservation (Appendix E)

3.3 Executive Sessions

- A. The Town Council may hold an Executive Session pursuant to A.R.S. §§ 38-431.01. Boards, commissions, and committees may also hold Executive Sessions pursuant to A.R.S. §§ 38-431.01 with prior Council authorization.
- B. All information distributed and all discussions during an executive session shall remain confidential indefinitely and are not to be divulged or provided to or discussed with persons who were not parties to the executive session or members of the Council or Board, Commission or Committee, except as permitted or required by A.R.S. § 38-431.03 or a court order.

3.4 Work Sessions

The Town Council or Board, Commission or Committee may schedule work or study sessions for the purpose of presentations and discussions on such issues that require more in-depth consideration by the Town Council or Board, Commission or Committee than may be possible at a Regular Meeting. No formal action may be taken by the Town Council or Board, Commission or Committee at such meetings, other than a general consensus or conveying direction to Town Staff for further action.

3.5 Emergency Meetings

As provided for in ARS § 38-431.02(D) and (E), ~~Special Emergency Meetings, including a Special Emergency Executive Session, may be called to discuss or take action on an unforeseen issue where time is of the essence and there is not sufficient time for posting of a meeting notice 24-hours or more before the meeting.~~ In such event, the meeting shall be held upon such notice as is appropriate or practicable to the circumstances. A Notice of an Emergency Meeting will be posted within 24-hours following the holding of an Emergency Meeting. The Notice will include the Agenda and a brief and complete description of the nature of the emergency.

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3.6 Adjourned Meetings

Any meeting may be adjourned to a time, place, and date certain, but not beyond the next Regular Meeting. Once adjourned, the meeting may not be reconvened except at the time, date, and place provided for in the motion.

3.7 Meetings to be Open to the Public

- A. Pursuant to the Arizona Open Meeting Law, with the exception of Executive Sessions, all Regular Meetings, Special Meetings, Work Sessions, and Emergency Meetings shall be open to the public.
- B. All public meetings may be recorded or photographed by means of audio, video, or photographic equipment; provided however, that there is no interference with the orderly conduct of the meeting and the equipment is placed in non-hazardous locations as designated by Town Staff.

3.8 Conduct and Decorum

- A. Members:
 - 1. Any Member desiring to speak shall address the Presiding Officer and upon recognition by the Presiding Officer, may speak. The Presiding Officer shall not unreasonably withhold such recognition. However, the Presiding Officer may call for a vote as to whether to continue a repetitive discussion or motion.

2. When two or more Members wish to speak, the Presiding Officer shall determine the order of speaking and recognize the first speaker.
3. While a Member is speaking, no other Member shall interrupt except to make a point of order or point of personal privilege. A point of order is raised when a Member raises a question of whether there has been a breach of the procedures. A point of privilege is raised when a disturbance occurs or when anything affecting the rights of the Members occurs and a Member states the problem; the Presiding Officer decides the question.
4. When a motion is made and seconded, the Presiding Officer shall ensure that the debate is confined to the motion.
6. The Town Council will not tolerate harassment, personal attacks, or discrimination against each other or by members of appointed Boards, Commissions, or Committees. Any Town Council appointee who violates this provision will be subject to removal by a majority vote. Elected Officials who violate this section may be subject to the provisions of Section 15.11 Sanctions.
7. If a Member acts in violation of these rules, the Presiding Officer shall, or any Member may, call that Member to order. The Member so called shall immediately cease speaking, but may appeal to the Town Council or Board, Commission or Committee, as applicable. Any such appeal shall be decided by a majority vote without debate. See Section 1.3.

B. Town Staff:

Town Staff and employees of the Town shall observe the same rules of procedure and decorum as the members of the Town Council.

C. Public:

Members of the public attending meetings shall observe the same rules of order and decorum applicable to the Town Council. Unauthorized remarks or demonstrations from the audience, such as applause, stamping of feet, whistles, boos, yells, and/or other demonstrations shall not be permitted. The Presiding Officer, or the Council or Board, Commission or Committee as applicable, by majority vote may, after issuing a verbal warning to persons causing such disturbances, direct a police officer to remove such offender(s) from the meeting.

Section 4 Meeting Agendas and Notices

4.1 Agenda Item Submittal for Council Regular and Special Meetings and Work Sessions

- A. Items may be placed on a Regular, Special, ~~Emergency Meeting Agenda~~, or Work Session Agenda for Town Council discussion and possible action by any Council member and Town staff pursuant to procedures as outlined in the Town Code.
- B. Contracts, ordinances, resolutions and other documents requiring review by the Town Attorney shall be provided to the Town Attorney prior to placing the item on the Agenda and in sufficient time for legal review.
- C. Any item placed on an agenda must be accompanied by supporting documents and an Agenda Action Form that contains, at a minimum, the following information:
 1. Background information on the item;
 2. Financial impact if approved; and
 3. Proposed action.

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The documents and Agenda Action Form must be submitted to the Clerk's Office sufficiently in advance to be included in the council packet, but no later than noon on the Monday Wednesday prior to the regularly scheduled meetings. If the agenda item is requested by a Council member, it will be noted on the agenda and the requesting member should sign an Agenda Action Form.

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4.2 Agenda Item Submittal for Executive Sessions

Items may be placed on the Agenda for a Town Council Executive Session for discussion if in compliance with the Town Code, these Rules of Procedure, and applicable provisions of the Arizona Revised Statutes, by the following process:

- A. Items may be placed on an Agenda for Executive Session discussion by Council members, Town Staff, and the Town Attorney.
- B. The Town Attorney may review items submitted for Executive Session discussion prior to placement on the Agenda to ensure that the item is legally permissible to be discussed in Executive Session pursuant to A.R.S. § 38-431.03.

4.3 Council Packets

- A. Town Council packets contain the Agenda, unapproved Minutes of previous Town Council Meetings, Town Council communications, and any ordinances, agreements, or resolutions to be acted upon including Agenda Action Forms, and other documentation that may be attached to support items contained on a Town Council Agenda for all noticed meetings of the Town Council.
- B. Full packets for all noticed Town Council Meetings (except Executive Session documentation) are placed in the Council member's box. Every effort will be made to distribute full packets by the Thursday Friday prior to each Regular Town Council Meeting, but and not less than 24 hours prior to any Special Session.
- C. Material that is not received in a timely manner to include in the Council packets will be distributed to Council members with a bright green sheet attached, noting the agenda item number to which the document applies. These green sheets are used only in connection with agenda items to alert Council members that there is additional meeting information.

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4.4 Preparation of Agenda

- A. An Agenda is the formal description of items to be considered by the Town Council at a noticed meeting of the Town Council. Complete agenda items, the Agenda Action Form, and all supporting documentation must be submitted to the Clerk's Office no later than noon the Monday Wednesday before the meeting. Incomplete agenda requests and/or late agenda items will be returned to the submitting department.
- B. The Town Clerk shall prepare the agendas for all meetings of the Town Council based on the Agenda Action Forms that are submitted to the Clerk's Office. The Town Clerk may prepare an addendum to the Agenda for items that have emerged after the Agenda has already been distributed with the approval of the Town Manager AND the Mayor.

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Addenda will be prepared on bright-green colored paper to catch the attention of Council members. Bright-green colored paper is reserved for agenda matters only and shall not be used by other Town staff.

- C. Agenda Meetings are held no later than the Wednesday before the Council meetings at a time set by the Mayor and Manager. Agenda Meetings are attended by the Mayor, Manager, Town Clerk, and no more than

two (2) interested Council members for the purpose of reviewing the agenda for appropriateness, comprehensiveness, and order only. The Agenda Meeting will not be used for discussion or deliberation of the proposed agenda items. **Note: to avoid potential violations of Open Meeting Laws, no more than two Council members, in addition to the Mayor, may attend Agenda Meetings.** To avoid a possible quorum in attendance at an Agenda Meeting, interested members must notify the Town Clerk prior to an Agenda Meeting that he or she plans to attend.

Incomplete or inaccurate items and/or the timeliness of items shall cause them be removed from the agenda and returned to the appropriate department with a request to resubmit the item(s) upon resolution of the issue.

Special Session agendas are usually reviewed by the Manager and the Mayor only.

- D. The final Agenda must be posted by Thursday Friday at 5:00 p.m. noon prior to the Town Council's regular meetings. To meet this requirement, the packets are prepared no later than 2:00 p.m. 4:00 a.m. on Thursdays Friday mornings. Special, Executive, and Work Session agendas must be posted no later than 24-hours prior to the meeting.

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4.5 Amended Agendas

The Town Clerk may amend a published Agenda, but not less than twenty-four (24) hours prior to the designated Meeting and only upon approval from the Mayor and the Town Manager. The Town Clerk may amend the agenda to correct minor errors upon notification to the Manager and/or Mayor. Subsequent amended Agendas will indicate the sequential number of the amendment and the date amended.

4.6 Preparation and Posting of Meeting Notices

Council Agendas are posted at each of the following locations at least 24 hours before each meeting:

1. The bulletin board on the wall outside Town Hall
2. The bulletin board at Basha's, and
3. The bulletin board at the Post Office, and
4. on the Town's Website.

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Commission agendas are posted at the Town Hall Bulletin Board and on the Town's webpage.

4.7 Distribution of Agendas and Notices

- A. The Town Clerk shall ensure that the Mayor and Town Council members receive copies of all Town Council Meeting Notices and Agendas, and any documentation provided for said Meeting, not less than twenty-four (24) hours prior to the Meeting.
- B. The Town Clerk shall ensure that the Town Council Meeting Notices, Agendas, and documentation, as deemed necessary, are distributed to the Town Manager and the Town Attorney and necessary Town Staff, and posted to the Town's website.

Section 5 Order of Business for Town Council Meetings

5.1 Order of Business

The Order of Business of each meeting of the Town Council shall be as contained in the Agenda as prepared by the Town Clerk and approved by the Mayor and Manager. The Agenda shall be sequentially numbered by topic and list

B. At the conclusion of all citizen comments, the Mayor or any Councilmember may take any or all of the following actions:

1. Ask Town Staff to review the matter.
2. Ask that the matter be put on a future Agenda.
3. Thank the citizens for their comments.

If a citizen has criticized one or more members of the Council, the Council may respond to such criticism, but only at the conclusion of the Call to the Public.

5.10 Presentations

This section of the Agenda is for allowing the Mayor, Council members, Town Staff, and invited interested parties to make informational presentations to the Town Council and the public. Presentations are limited to no more than ten minutes for the presentation and discussion. Such informational items may only be discussed if specifically listed on the Agenda. No action may be taken on Presentation items unless properly agendized. The Mayor or the Chair will monitor this.

5.11 Consent Agenda

- A. The Consent Agenda includes items that (i) are of such a nature that discussion may not be needed or required or (ii) have been previously studied by the Town Council. These items may be adopted by a single motion, second, and affirmative vote of a majority (4) Council members. All routine, administrative-type items, such as contract awards and approvals, etc. shall be placed on the Consent Agenda.
- B. Consent Agenda items will NOT be read aloud, except for resolution and ordinance titles and proclamations.
- C. There is no discussion on items listed under the Consent Agenda beyond asking questions for simple clarification, unless a Council member requests that an item be removed for discussion.
- D. If an item is pulled from the Consent Agenda for discussion, public input may be allowed on that item.

5.12 Business

- A. The Presiding Officer or designee will introduce each Business item by reading its title or description from the Agenda. Consent Agenda items, except Resolutions and Ordinances will NOT be read aloud. Formatted: Highlight
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- B. If a public hearing is required for a business item, the following sequence of events will generally be followed: Appropriate Town Staff will present its report and recommendation (if any). Council members will then have an opportunity to question Town Staff. The Presiding Officer will then open the public hearing. The first speaker will be the applicant (if any), who will have an opportunity to present comments, testimony, or arguments to the Town Council. The Presiding Officer will then ask for public comment. The applicant will then be afforded an opportunity for rebuttal and concluding comments. The public hearing will then close and no further public comments will be taken. The Town Council will then deliberate and take action.
- C. Those speaking before the Town Council, other than the applicant, will be allowed three (3) minutes to address the Town Council, but time limits may be waived upon consensus of the Town Council.

5.13 Adjournment

The open public meeting of the Town Council may be adjourned by a motion, a second, and an affirmative majority vote.

7.9 Division of Question

If the question or motion contains two or more propositions that could be divided, the Presiding Officer may, upon his or her own initiative or upon the request of a Member, divide the question or motion into multiple questions or motions for separate consideration and action.

Section 8 Voting Procedure

8.1 Casting a Vote

- A. In acting upon every motion, the vote shall be taken by casting an affirmative ("yes" or "aye") or negative ("no" or "nay") voice, roll call, or other vote method as determined by the Presiding Officer from which the vote of each Member **can be clearly ascertained.**
- B. The vote on each motion shall be entered into the Record by number of and the names of Members casting votes for and against, if called for by voice, roll call, or other method.
- C. If a Member has declared a Conflict of Interest and is absent during the roll call vote, the Town Clerk shall include "Absent for the vote due to declared conflict of interest" in the Official Minutes as part of the results of the vote.

8.2 Abstention and Recusal

- A. If a Member has a conflict of interest on a matter before the Council or Board, Commission or Committee, he or she shall declare a conflict of interest pursuant to Section 10 and recuse him or her from voting on a particular Agenda item on grounds of a declared conflict of interest.
- B. Sometimes a Member may have a reason other than a statutory or non-statutory conflict of interest that he or she believes hinders, compromises, or impairs his or her ability to cast a vote for or against a particular Agenda item. In such event, the Member may abstain from voting.

8.3 Tie Votes

When there is a tie vote on a motion requiring a majority vote (4 votes) for adoption or approval, the motion shall be deemed defeated.

8.4 Reconsideration

A reconsideration is a method used to temporarily suspend an action taken during a meeting. Any Member who voted with the majority may, **at the same meeting**, move for reconsideration of any action taken at that meeting. If the motion receives a second from either side (prevailing or nonprevailing), no further discussion can occur and no vote is required. The item will be placed on the next available agenda for reconsideration and action. This method suspends all discussion to allow for appropriate and adequate public notice that Council might or might not change their decision at a future meeting. A request may be made at a subsequent meeting to have the item be placed on the next available Agenda for **reconsideration and action**. Thus, reconsideration provides ample opportunity for staff and Council to further research the matter.

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After a motion for reconsideration has been acted upon, no other motion for reconsideration thereof shall be made without the unanimous consent of the Town Council or Board, Commission or Committee.

For the purposes of this section, discussion of items that Council addressed at previous meetings are not to be considered a 'reconsideration' unless, the motion for reconsideration was made and seconded as described above.

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Matters that were voted upon at a previous meeting must follow procedures as outlined in the Town Code relative to placing items on the agenda.

Comment [db1]: The 3 Council members that remained at the work session requested clarification of this section. This section refers the reader to the Town Code for clarification.

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8.5 Appointments by the Town Council of Board, Commission and Committee Members

A nomination that does not receive a second fails. Four votes are required for appointment of Board and Commission members.

Section 9 Meeting Records: Minutes

9.1 Meeting Records

The official record of each Town Council Meeting shall consist of any legal actions formally adopted or approved by the Town Council during the Meeting, including any attachments or exhibits thereto, and the final approved Minutes of the Meeting. The record shall also include any documents or other tangible matter submitted to the Town Council, Board, Commission or Committee or the Town Clerk for inclusion in the record by persons addressing the Council or Board, Commission or Committee in connection with agenda items during the Meeting. These records shall be maintained and preserved by the Town Clerk as the official custodian of records for the Town.

9.2 Minutes

- A. The Town Clerk's office shall provide staff support at all Council meetings to include Regular, Special, and Emergency Meetings and Work and Executive Sessions for the purpose of taking notes and/or audio recordation of the Meeting or Session, as appropriate.
- B. For Regular, Special, and Emergency Meetings, written action Minutes instead of verbatim Minutes shall be taken so that a brief accounting of the issues discussed and actions taken is compiled and entered into the permanent Minute Book of the Town and kept on file and of record in the Office of the Town Clerk. The Minutes shall reflect Member attendance for the entire meeting (including notations indicating when a Member arrives late or leaves early). Audio or video recordings of meetings will be retained ~~90 days after being transcribed or in~~ accordance with the current State of Arizona approved Records Retention and Disposition Schedules.
- C. Executive Session Minutes shall be confidential. Executive Session Minutes shall be taken in summary form and shall be restricted to indicating the topic discussed, the speakers, and a brief summary of what was said by each speaker. Executive Session Minutes shall be kept in a separate secure confidential file in the Office of the Town Clerk. Executive Session Minutes may be accessed only as provided by the Arizona Revised Statutes or court order.
- D. All Minutes of Meetings are Public Records under the Arizona Public Records Law (A.R.S. §§ 39-121 *et seq.*, as amended), with the exception of Executive Session Minutes. Audiotapes and videotapes of public Meetings are also Public Records.

Section 10 Conflict of Interest

10.1 Arizona Conflict of Interest Law -- Introduction

Sometimes a member of the Town Council or Board, Commission or Committee may face a situation which requires that Member not to participate in a discussion and voting on an agenda item. This situation exists when the member has a pecuniary or proprietary interest in the outcome of the vote. (*This results in a "conflict of interest" as defined by the Arizona conflict of interest law, A.R.S. §§ 38-501, et seq.*) This law establishes minimum standards for the

- C. Persons applying for the vacant seats must fill out and submit the Town application form to the Town Clerk.
- D. After reviewing the completed applications, the Town Clerk shall place selection of the new Board, Commission, or Committee members on the next available Regular Meeting Agenda. The Council Packet for the meeting shall include copies of all applications that meet eligibility requirements that are received for the vacant seats.
- E. All applicants shall be notified of the time and date of the public meeting for selection of the new Board, Commission, or Committee members and shall be invited to attend so that they may answer questions by the Town Council. The public will not be able to ask questions of the applicants.
- F. At the conclusion of the question and answer session, the Council members shall vote to fill each vacancy by casting a vote in favor of one of the applicants.

The applicant receiving the lowest number of votes will be dropped, and the Council will continue to vote until one applicant receives a majority of four (4) votes.

- G. Each vacancy will be voted on separately. In the event that there are an equal number of applicants for the vacant seats, Council may make one motion to appoint a certain number or all of the applicants.

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11.3 Qualifications for Appointment

- A. All members of Boards, Commissions, and Committees shall meet the following minimum qualifications upon their appointment, unless the Town Council by a majority vote waives or alters the requirement:
 1. At least eighteen years of age.
 2. A full-time resident of the Town of Camp Verde for at least one year. Residency will be determined in the same manner as residency is determined for purposes of voting in Town elections.
- B. Town employees or appointed officers shall not be eligible for appointment to any Board, Commission, or Committee, but may be requested to provide support thereto. Council members may serve on Committees or as a liaison to a Board or Commission, unless provided otherwise.

11.4 Term, Vacancies, and Removal

- A. All members of the Town's Boards, Commissions, and Committees shall serve at the pleasure of the Council and any Board, Commission, or Committee member may be removed by the Town Council.
- B. A vacancy on a Board, Commission, or Committee shall be deemed to have occurred upon the following:
 1. Death or resignation of a member of a Board, Commission, or Committee.
 2. A member ceasing to be a Town of Camp Verde resident.
 3. Three consecutive unexcused absences by a member from Board, Commission, or Committee meetings. Unexcused absences are those in which a member has failed to provide sufficient notice to the Department Head (at least three days if not an emergency). Such notice allows staff to determine if a quorum will be present.
 4. Failure to attend mandatory meetings as set by Council (i.e. work sessions, Quarterly Report meetings, or the Annual Training meeting for all Boards and Commissions).

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C. If a Member is no longer eligible to serve and does not resign voluntarily, the Department Head shall notify the Town Manager that a vacancy has occurred. The Manager shall place the matter on the next available agenda for Council consideration.

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11.5 Applicability of Arizona's Open Meeting Law and Conflict of Interest Law

All Boards, Commissions, and Committees are subject to the Arizona Open Meeting Law and Conflict of Interest Law.

Section 12 Council and Candidate Relations with Town Staff

12.1 Use of Town Staff

No Councilmember shall request any staff project without first seeking approval of the Town Manager.

Section 3-2-1.E of the Town Code: Council to Act through Manager: Except for the purpose of inquiry, the council and its members shall deal with the administrative branch solely through the manager, and neither the council nor any member thereof shall give orders or instructions to any subordinate of the manager either publicly or privately. The Town Manager shall take his orders and instructions from the Council only when sitting in a duly convened meeting of the Council and no individual Council member shall give orders or instructions to the Town Manager.

12.2 Information Provided to All Candidates

- A. For purposes of these Rules of Procedure, Town Council "candidates" shall be those who qualify as candidates when the nominating period closes. For purposes of these Rules of Procedure, the time period between when nominations close and the final election shall be known as the "Campaign Period."
- B. Once the candidates, including incumbents running for re-election, have been identified, all candidates shall receive Council Packets for each Town Council Meeting that is scheduled during the Campaign Period.
- C. During the Campaign Period, when one candidate submits a public information request to the Town, all of the other candidates shall be notified that the request has been made and, if the information is provided to the requestor, shall be afforded the opportunity to request and obtain the same information.

12.3 Staff Communications through Town Manager

At all times, all formal communications by Town Council members to Town Staff shall be made through the Town Manager or the appropriate department head.

12.4 Staff Communications through Town Clerk

During the Campaign Period, all communications to Town staff regarding the pending election by Town Council members running for re-election and candidates to Town Staff shall be made through the Town Clerk, and the Clerk shall notify all other candidates of each communication. This provision shall not preclude a Councilmember speaking directly to the Town Manager regarding any matter related to Town business.

12.5 Prohibition against Using Town Resources for Election

Pursuant to A.R.S. § 9-500.14, no Town Council member or other representative of the Town may use Town personnel, equipment, materials, buildings or other resources for the purpose of influencing the outcome of an election. In addition, copies of candidate filings will not be provided free of charge. This rule applies to all candidates, including incumbents.

Section 13 Correspondence Policies and Use of Personal Computers and Personal Electronic Devices for Town Business

13.1 Definitions

- A. Personal Computers (PCs) means: home, business, and lap top computers not owned by the Town.
- B. Personal Electronic Devices or (PEDs) means cell phones, palm pilots, and any other equipment capable of sending or receiving electronic messages.
- C. E-Mail means messages and communications sent to or received by others through any type of technological device concerning Town business and/or matters that are or could be a future agenda item.
- D. Legal Opinion means a written opinion given by the Attorney.
- E. Incidental Correspondence means routine items that do not set policy.
- F. Policy Correspondence means that which purports to set or explain official Town policy.
- G. Implementation Correspondence means that which implements a policy or a position that is already established by Council.
- H. Citizen Complaint Correspondence means a written complaint form that has been filed by a citizen.
- I. Mail Distribution means incoming mail that is distributed by Clerk's Office staff to the appropriate party.

13.2 Public Access and Storage of E-Mail

- A. The Town cannot guarantee that PCs and PEDs used by Town Council members in conducting Town business will be protected from public access. All public records are subject to public records requests. In addition, e-mails, and other documents related to Town business not otherwise classified as public records may be subject to discovery orders in litigation. Thus, all e-mails or other correspondence pertaining to Town business that is received or sent by a Council member should be copied to the Town Clerk for the public record.
- B. Town Council members who send or receive e-mails related to Town business from PCs or PEDs shall copy the e-mail to the Town Clerk at the townclerk@ovaz.org e-mail address each time an e-mail is sent or received. ~~The copies will be distributed either electronically or hard copied to all Council members.~~
- C. The Town shall maintain a repository for all e-mails that are received or sent by Town Council members for the time prescribed by law. The repository will be subject to public records, discovery, and other lawful requests. The Town does not have resources to delete personal comments from e-mails. Town Council members shall have no expectation of privacy with respect to the contents of e-mails copied to or forwarded to the repository.
- D. E-mails and documents related to Town business shall be retained on PCs and PEDs only for such time as needed and may be deleted from PCs and PEDs after they have been copied to or forwarded to the Camp Verde e-mail address.

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The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

2. Be aware of the lack of security of written notes, voicemail messages, and e-mail

Technology allows words written or said without much forethought to be distributed wide and far. Would you feel comfortable to have this note faxed to others? How would you feel if this voicemail message were played on a speakerphone in a full office? What would happen if this e-mail message were forwarded to others? Written notes, voicemail messages and e-mail should be treated as potentially "public" communication.

3. Even private conversations can have a public presence

Elected officials are always on display – their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations will be eavesdropped upon, parking lot debates will be watched, and casual comments between individuals before and after public meetings noted. Remember the open meeting law prohibits conversations of four or more council members or the "linking" together through a common source of four or more individual conversations.

4. Other Town Public Officials

The foregoing guidelines concerning "Conduct with One Another" shall be followed not only by Council Members but also by other Town Public Officials.

15.5 Council Conduct with Town Staff

Governance of a Town relies on the cooperative efforts of elected officials, who set policy, and Town staff, who implements and administers the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

A. Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Inappropriate behavior towards staff is not acceptable.

B. Limit contact to specific Town staff

Consequently, remember Town staff is accountable to their supervisors. Tasks performed by staff that come from outside the normal chain of supervision could cause staff confusion, inadequate work product and inefficient performance. Questions of Town staff and/or requests for additional background information should be directed only to through the Town Manager, Town Clerk or Department Heads, or the Department Head's designee. The Town Manager should be copied on any request. In accordance with Town Code Section 3-2-1-E, no Council Member shall give orders or instructions to any subordinate of the Town Manager other than instructions for the purpose of inquiry without the consent of the Town Manager.

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Requests for follow up questions to staff should be made only through or with the consent of the Town Manager. When in doubt about what staff contact is appropriate, Council Members should ask the Town Manager for direction. Materials supplied to a Council Member in response to a request will be made available to all members of the Council so that all have equal access to information.

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C. Do not disrupt Town staff from their jobs

Council Members should not disrupt Town staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met.

D. Never publicly criticize an individual employee

Council should never express concerns about the performance of a Town employee in public, to the employee directly, or to the employee's manager. Misdirected comments could violate the Town's personnel



To All Event Planners/Coordinators:

As Town staff works to develop a more efficient and effective local government, departments are focusing on streamlining processes to ensure accuracy and compliance, but most importantly, to ensure that we are meeting the needs of those we serve, our citizens. Part of this process included the development of policies and procedures for conducting events that are held within our Town limits and that are open to the general public. The result of this effort is this Special Event Permit Handbook (Handbook).

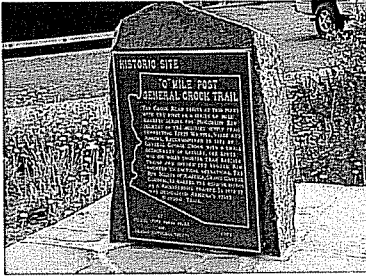
The Handbook serves a two-fold purpose. The first purpose is that it is a contract between you and the Town and secondly, it serves as a guide to assist event planners in every aspect as they plan and produce an event. The Handbook contains valuable information relative to when and how to file various applications for permits and licenses, as well as Master Forms for the Town and Sample Forms from other agencies. The Handbook also provides information about insurance requirements, clean-up, street closures, sales tax, contact names, checklists, and much more.

The guidelines and procedures listed in the Handbook apply to ALL events that are open to the public and that are held within the incorporated limits of the Town of Camp Verde, including those that are held on Town-owned properties. Failure to abide by these guidelines could result in a violation of various sections of the Town Code. Please note that private events held on private property are excluded from these requirements. However, events on private property (non-Town-owned property) that are open to the general public must file a Notice of Special Event with the Town Clerk.

We hope that you find the Handbook helpful to you as you plan and conduct your event and as always, your comments and input are important to the process. Please feel free to contact us with suggestions or comments that might improve our procedures. Your event contributes greatly to the spirit and economy of the Town of Camp Verde and we are grateful for all that you do to make Camp Verde the best place to live, work, and play!

Respectfully,

Deborah Barber, MMC
Town Clerk



Frequently Asked Questions and Other Important Points of Information

What is a Special Event?

A Special Event is any activity that is open to the general public. Examples include, but are not limited to festivals, parades, concerts, races, rodeos, carnivals, auctions, exhibits, etc.

Who must apply for a Special Event permit?

Individuals, groups, and organizations who plan to host a festival, exhibit, parade, concert, race, or any other public gathering that will be held within the incorporated boundaries of the Town of Camp Verde must have a Special Event permit or file a Notice of Special Event with the Town Clerk.

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What is the process for applying for a Special Event permit?

You must complete the application and appropriate forms that are in the Special Event Permit Handbook. A suggested timeline is included for your convenience. The process varies depending upon the type of event. For example, if you plan to sell or consume alcohol at the event, you must submit a Special Event Liquor License Permit application and appropriate fees in addition to your Special Event Permit.

All events require agency and departmental reviews. Your application will be distributed at minimum to the Marshal's Office, Planning & Zoning, Building & Safety, Public Works, Risk Management, Town Manager, and the Camp Verde Fire District. If your event will have food vendors, you must provide copies of the Yavapai County Health Services Food Handler's Certificate(s) to the Town.

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Who issues the Special Event permit?

3-3-2.B of the Town Code provides that the Town Clerk shall issue all licenses that may be prescribed by state statute, Town ordinance, or the Town Code.

Who has the ability to deny my Special Event permit and for what reasons?

The Town Clerk has the authority to deny your permit application based on a variety of reasons. For example, failure to submit required documentation or fees will result in denial of a permit, as will recommendations for denial that come from other departments and/or outside agencies. Violations of the procedures and/or failure to provide required reports from prior events will also affect your ability to have permits approved for subsequent events.

Please note that this list is not all-inclusive. If your permit is denied, you will be given the reasons in writing.

What recourse do I have if my permit is denied?

You may appeal your decision to the Town Manager. The Town Manager will meet with the Town Clerk to discuss the matter, review the material, and provide you with a written response. The Town Manager’s decision is final.

Can my permit be revoked prior to or during an event?

Absolutely. Failure to abide by the rules and procedures that are covered in the Handbook and/or unsafe conditions may result in immediate closure of the event and revocation of your permit. CVMO Deputies have the authority to close events.

Who is responsible for ensuring that my event meets its obligations?

You must provide at least one contact person that is available during the entire event and who has the authority to take swift and immediate action. This person will be responsible for everything connected to the event, including licensing and reporting. You should provide the name, address, home, business, and cell phone number(s) for the responsible party. This information will be provided to the deputies or staff members during the event.

Are the vendors who are participating in my event required to get a license?

In most cases, Yes. Vendors must apply for and receive a Special Event License from the Clerk’s Office for all events. In addition, you must supply a list of participating vendors to the Clerk’s Office prior to the event that includes the business name, contact person, address, and telephone number. The vendors must display the license during the entire event. Failure to display a current license for the event will result in immediate closure of that vendor’s activities. However, the following are excluded from the licensing requirement, but not excluded from the insurance requirements:

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- 1. activities required by statute or by order of any court;
- 2. bona fide auction sales pursuant to arizona law;
- 3. religious, political, or nonprofit organizations, as recognized by internal revenue service (must provide documentation);
- 4. school and youth activities (i.e. boy scouts, girl scouts, church clubs, youth sports groups, etc.);
- 5. fund raising activities intended to provide financial assistance to the gravely ill, to assist the victims of crimes, disasters, or the less fortunate, for the construction of a community facility, etc.;
- 6. governing agencies;
- 7. activities intended to increase to public awareness of public programs;
- 8. outdoor sales or activities being conducted on a property directly related to the primary sales of a business located on the same property (though, activity may be subject to zoning compliance)
- 9. any business that is subject to other federal, state, or local licensing, registration, or permit requirements (i.e. professional, medical, technical, real estate, etc.);
- 10. any business or vendor that is participating in a community-wide special event activity that is sponsored by the town or a private organization. however, a vendor who does not have a permanent camp verde business license must obtain a temporary business license for special events pursuant to the town of camp verde special event policy;
- 11. producer of farm products on agricultural lands, farms, and gardens.

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Can I be held responsible for the failure of a participating vendor to abide by the contract terms?

Yes. You must ensure that all terms of the contract are implemented. Failure to do so may result in the immediate closure of the event, forfeiture of your fees, and denial or future event permits.

How much are the fees?

The Mayor and Council set appropriate fees by resolution on an annual basis. The fees cover the actual costs to the taxpayer. In part, this includes staff salaries and employee-related expenses, utilities, materials, etc.

The fees will depend on your event, where it is held, and the amount of time and materials required from the Town. In some cases, fees, such as license fees and equipment rental fees may be waived. For example, Town Code Section 9-1-4 stipulates that no fees will be required from any *resident* selling farm or orchard products that are actually produced by that resident. Further, Section 9-1-5 states that there is no fee for charitable, religious, or civic organizations for the use of Town equipment or facilities. However, this section does NOT exempt licensing fees. (See definitions to determine if your organization is eligible for waiver of fees.)

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In all cases, your fees will be determined after your application has been submitted to the appropriate departments who will indicate their fee amount(s). For your convenience, a fee schedule is included in the Handbook. NOTE: Fees are subject to change on an annual basis. The fee schedule that is in place when your application is approved is the schedule that will apply to your event. Be sure to request the most current Fee Schedule.

Who determines if the fees can be waived?

Section 9-1-5 allows for the Town Clerk to determine if the organization is a charitable, religious, or civic organization and that the individual making the application is a member of that organization.

Can I appeal the Town Clerk's determination?

Yes. The Town Clerk's determination may be appealed to the Town Manager, which may at his discretion decide such appeal OR refer it to the Council.

Must my license/permit be posted?

Yes. Failure to post a license/permit can result in the immediate closure of the event and/or vendor.

Must I have a Special Event Vendor License if I hold a current registered business license in the Town of Camp Verde?

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No. Your business license allows licensed retail business to conduct *occasional* off-site sales events such as car and recreational vehicle shows and home shows. Note that this does not obviate the requirement for a Special Event Permit and further, off-site sales may also require zoning clearance.

If you are the Promoter or a participating vendor in a Special Event, you can either display your current business license or contact the Clerk's Office for a temporary copy that will cover the dates of your event.

What Town official has the authority to close an event or a vendor?

Camp Verde Marshal's Office, Code Enforcement Officer, Town Clerk, the Town Manager, and the Camp Verde Fire District have the authority to close an event or a vendor.

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The Camp Verde Fire District will conduct inspections for fire and life safety purposes. A CVMO Deputy may inspect vendor booths for the display of appropriate licenses during your event. The Town Clerk will ensure that all vendors have been issued appropriate licenses/permits and will advise the Camp Verde Marshal's Office. The Maintenance staff and/or the Camp Verde Fire District will determine if the weather poses a risk.

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The Event Coordinator/Promoter is required to close down a vendor for non-compliance.

Whom do I contact if I experience problems during an event?

If your event is held on Town property, contact the Maintenance Supervisor, for maintenance issues at 567-6631, ext 136. You may contact the Camp Verde Marshal's Office at 567-6621 for other problems unrelated to maintenance. If you have alcohol at your event, you will have a deputy onsite to assist you.

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After-hours cell numbers of staff will be provided to you at the time the permit is issued. Note that calling staff out after hours may result in additional fees.

What sort of inspections must be done?

1. Safety inspections
2. Health inspections
3. Permit inspections
4. Fire & Life Safety inspections
5. Liquor Compliance inspections

Who performs these inspections?

Some of the departments and/or agencies that may inspect your event include the Town's Zoning Compliance & Building Official, Camp Verde Marshal's Office, Public Works Department, Parks & Recreation Department, Yavapai County Health Services Department, Arizona Department of Liquor, and the Camp Verde Fire District. In addition, the Town requires a copy of the most recent certified inspection(s) for activities such as carnival and amusement rides.

The Step-by-Step Permitting Process

1. At least 90 days before your event date, call the Clerk's Office at 567-6631 ext. 100 to schedule a Planning Meeting. Let the Clerk know what type of event you wish to hold and where you would like to hold it. This will allow staff to determine who should attend the Planning Meeting.
2. Gather all your information and put your questions down on paper to discuss during the Planning Meeting. Various staff members will attend the meeting to get a clear understanding of your proposal and to explain what needs to be done.
3. If your event is to be held on Town property, reserve the facility with the Parks and Recreation Department at 567-6631 ext. 134.
4. Complete your application packet and include all required forms, fees, deposits, etc. and submit to the Clerk's Office at 473 S. Main, Ste. 102. Note: incomplete packets will NOT be processed and will be returned.
5. If you need to close a public thoroughfare, such as you would do in a neighborhood Block Party, request a Street Closure Permit from Public Works at 385 S. Main, telephone number 567-6631 ext. 137.
6. If you plan to sell alcohol, submit a separate Liquor License application to the Clerk's Office at least 60 days before your event. This requires Council approval, so plan to attend a Council meeting to answer questions. Council meetings are held on the first and third Wednesdays of each month at 6:30 p.m. at 473 S. Main, Ste. 106. Liquor License application fees are due at the time of submission of your application.
7. After receiving Council approval, submit your Liquor License application to the State Department of Liquor Licenses and Control. Sample forms are included as an exhibit in this Handbook.

8. The Clerk's Office will review your application packet and notify you if it is incomplete. After review, the application will be forwarded to the appropriate departments and the Camp Verde Fire District for review and comment.
9. The reviewing departments will make comments, note requirements, and calculate fees. Upon completion, each department will forward their information to the Clerk's Office. This process may take up to ten (10) working days, excluding holidays.
10. Upon receipt of Department Review, the Clerk's Office will tabulate the fees, note additional requirements and contact you that your permit is approved contingent upon payment of fees and the completing of the agreement. In some cases, fees may be waived. Be sure to bring proper documentation to the Planning Meeting if you plan to request a fee waiver. This document will then become part of your contract with the Town.
11. After you sign your contract and pay your fees, you will receive your permit. You should then follow the remaining steps of the Event Planning Checklist to ensure that you do not miss a step.

SUMMARY

Planning is critical to a successful event. Though staff is here to serve, be aware that there is a process to complete that cannot be rushed even if it means that your event will have to be cancelled or postponed.

Event Planning Checklist

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This is a recommended timeline only to ensure that everything is in place prior to your event.

90 Days prior to your Event:

- Contact Clerk's Office at 567-6631 ext. 100 to schedule a Planning Meeting. Describe the proposed event fully so that the staff will know which departments to contact to attend the meeting.
- Check the availability of Town facilities that you might need to use for your event. Call 567-6631 ext. 134 to tentatively reserve for your event.
- After the Planning Meeting, submit your completed Special Event Permit application packed with fees and deposits.
- Request a Street Closure Permit if you plan to close streets, sidewalks, or other Town Rights-of-way.

60 Days prior to your Event:

- Submit a complete and detailed Liquor License Application with accompanying fees to the Clerk's Office to place on the next available Council agenda.
- Attend the Council meeting to answer questions.

45 Days prior to your Event:

- Submit Health Department Event Coordinator form to the Yavapai County Health Department. A sample form is included in the Handbook.
- Advise your vendor(s) that they must submit an application for a Special Event License and fees to the Clerk's Office no later than 10 working days prior to the event.

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30 Days prior to your Event:

- Submit your Certificate(s) of Insurance to the Clerk's Office.
- Submit a legible, computer-generated list of participating vendors to the Clerk's Office. The list shall include Name of Business, Name of Owner, Address, Telephone number, and Special Event License Number.
- If you plan to sell alcohol at your event, you must submit a legible, computer-generated list of your Server's names to the Clerk's Office. The list shall include the names, addresses, and telephone numbers of the qualified servers who have received alcohol training. You must have at least one qualified server on each shift.
- Submit a legible, computer-generated list of driver(s) that will be available to provide transportation for those who have consumed alcohol and are unable to drive. The list shall include name, address, and telephone number. Drivers shall also provide proof of insurance.

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- Submit Certificate(s) of Insurances from your participating vendor(s). The Town of Camp Verde participates in the TULIP program that offers easy access and lower insurance rates to users. See Exhibit D in this packet.

1 Day prior to your Event (Set-up Day):

- Notify the Clerk's Office of the set-up completion to schedule a Final Inspection. All vendors must have their Special Event License and Health Permits CLEARLY displayed. The Clerk's Office will provide you with staff contact numbers for after-hours needs at that time. Note: **If your event is held on a weekend, the event set-up must be ready for inspection before the close of business on Friday before the event.** If not, you may be invoiced for overtime payment for Town staff.

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5 Days after your Event:

- Submit your Final Participating Vendor Report to the Clerk's Office. NOTE: Failure to submit this report may result in the denial of future Special Event permits.
- Submit your Final Participating Vendor Report to the Arizona Department of Revenue.

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INSURANCE REQUIREMENTS

Insurance requirements are set forth in the Town of Camp Verde Procedures and Operations Guide, Risk Management Section.

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~~You must provide a Certificate of Insurance (COI) for General Liability Insurance of at least \$1,000,000 per occurrence and \$2,000,000 aggregate for claims for bodily injury, death, and property damage. The Certificate of Insurance (COI) MUST name the Town of Camp Verde as Additional Insured.~~

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If liquor is to be sold and/or consumed at the event, an **additional \$1,000,000 liquor liability policy** is also required, again naming the Town of Camp Verde as Additional Insured.

~~All food and craft vendors participating in your event must also provide a COI for General Liability Insurance of at least \$1,000,000 per occurrence and \$2,000,000 aggregate for claims for bodily injury, death, and property damage. The COI MUST name the Town of Camp Verde as Additional Insured.~~

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Certificates of Insurance must be submitted to the Clerk's Office at least **30 10 days** prior to the opening date of your event. Failure to submit the certificates shall result in the immediate revocation of your permit. Certificates of Insurance must specifically name the Town of Camp Verde, 473 S. Main Street, Camp Verde, Arizona 86322, as additional insured and must also include the name and date(s) of your event. **Certificates without this information will not be accepted.**

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Insurance is available through the Tenant User Liability Insurance Program (TULIP). See Exhibit D.

Alcoholic Beverages

Town Code, Section 11-1-6 permits alcoholic beverages at the following events only:

1. Ft. Verde Days (beer only) in one location
2. Crawdad Festival (beer only) in one location
3. Pecan, Wine & Antique Festival (wine only) in one location

If you plan to sell alcoholic beverages, you must submit a Special Event Liquor License application from the Arizona Department of Liquor & Control to the Clerk's Office. The Council **MUST** approve this application in a duly convened Council meeting. You can obtain the license application at www.azliquor.gov or call (602) 542-5141. See Exhibit F

Sixty days prior to your event, submit the completed Special Event Liquor License application and payment of the fees to the Clerk's Office at 473 S. Main, Ste. 102, Camp Verde, AZ 86322. You must also submit a copy of this application to the Camp Verde Fire Department located at 26 W. Salt Mine Road. The Town Clerk **CANNOT** schedule your permit for Council approval without clearance from the Camp Verde Fire Department. You will be notified of the meeting date at the time you submit your completed application to the Clerk's Office.

It is important that you attend the Council meeting. Council meetings are held on the first and third Wednesdays of each month at 6:30 p.m.

If your liquor license application is approved, you must obtain additional liquor liability insurance and you will be required to hire security through the Camp Verde Marshal's Office.

Mandatory Stipulations for the Sale and/or Consumption of Alcoholic Beverages

Summary:

1. All alcohol sales and consumption will be in a confined area designated by the Town.
2. One (1) beer garden site is allowed per event.
3. Beer gardens must be enclosed by an approved barrier.
4. Entrances and exits must be clearly marked.
5. Entrances and exits must be staffed with security personnel at all times.
6. Only those age 21 or over are allowed in the beer garden.
7. Permit must be prominently displayed.
8. You must have at least two (2) servers per shift
 - a. You must provide a list of server's names to the Clerk's Office.
 - b. At least one server per shift must have training from the Arizona Department of Liquor Licenses and Control. You must provide copies of their certificates to the Clerk's Office.
9. You must provide a list of names and contact numbers for your security personnel.
10. You must prohibit servers, security personnel, and event workers from consuming alcohol while working.
11. You may not permit more than two (2) alcoholic drinks per purchase per person.
12. You must provide safe transportation options and present the plan and names to the Clerk's Office.
13. You must require a photo I.D. from all purchasers.
14. "Last Call" promotions are strictly prohibited.

Note: If infractions occur, CVMO Deputies have authority to demand immediate correction and/or to shut down the event, and to recommend revocation of your privileges to hold future events.

Set-up Requirements:

Fort Verde Days: The beer garden will be set up on the upper parking lot located next to Town Hall and will be no larger than 30' x 60'. No consumption is permitted outside the Beer Garden.

Crawdad Festival: The beer garden will be set up on the Community Center Soccer Field and will be no larger than 30' x 60'. No consumption is permitted outside the Beer Garden.

Pecan, Wine, and Antique Festival: All Wine must be kept inside the Camp Verde Community Center (Gym). Absolutely no wine is allowed outside this area. There are three (3) entrances leading into the Gym. Each entrance is to be staffed with security personnel at all times.

Site Map

You must attach a Site Map with your Special Event Application. The map should define the event area and include, at minimum, the following information:

1. Location of all tents and temporary structures that will be erected. (i.e. beer garden, inflatable items, small carnival games, etc.) Note: the Beer Garden must be set up in the Town Hall Parking Lot.
2. Location of utility services
3. Location of all vendors
4. Location of all dumpsters and trash receptacles
5. Location and layout of tables, chairs, picnic tables, etc.
6. Location of stages
7. Entrances and exits

Special Event License

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You and your vendors are required to have a Special Event license. See Exhibit C.

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Each participating vendor must submit an application with original signatures and associated fees to the Clerk's Office. In addition, the certificate must be prominently displayed throughout the event. Local business with existing business licenses are not required to purchase Special Event Licenses. However, you should contact the Clerk's Office for a copy that you can put on display during your event.

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Just prior to the opening of your event, Town staff will make an on-site inspection. Any vendor who does not have a license on display in a conspicuous place will not be allowed to open their booth.

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STATE TPT NUMBER AND SALES TAX

All vendors who sell taxable items at your event are required to collect and pay applicable sales tax. It is your responsibility to provide a list of vendors to the Arizona Department of Revenue and the Clerk's Office within five (5) days following your event. The list shall include the vendor's name, business name, mailing address, and telephone number.

Note: Failure to file reports shall result in the denial of future permits.

Contact Information:

Arizona Department of Revenue
License Compliance Officer
Phone: 480-545-3534
Fax: 480-545-3596

Town of Camp Verde
Clerk's Office
473 S. Main St., Ste. 102
Phone: 928-567-6631 ext. 100
Fax: 928-567-9061

STREET CLOSURE/BARRICADE

Proper barricades and signage are required if your event will close streets or a public right-of-way (ROW). At least 90 days prior to your event, you must submit an application with a detailed site map to the Public Works Street Division indicating where barricades and signs will be placed. Street and ROW closings will be reviewed, evaluated, and approved on a case-by-case basis.

The Town of Camp Verde will be responsible for the placement and removal of all barricades and signage before and following your event to ensure compliance with the Manual of Uniform Traffic Control Devices. There is a fee for this service that includes at minimum staff time and costs relative to rental, insurance, and transportation of the barricades and signage. If the Public Works Department and Marshal's Office determine that additional staffing is required for traffic control, there will be additional charges for staff time.

You may elect to provide your own barricades. If so, a licensed barricade company must be used. The contractor must submit a traffic control plan to the Public Works Street Division that includes compliance with the Manual of Uniform Traffic Control Devices and evidence of insurance.

The Town of Camp Verde may request that you notify affected businesses and/or residents that might be affected by the closure, as well as a requirement to issue a press release and camera-ready site map to all media at least two weeks before your event. You will also be required to notify the Camp Verde Fire Department.

Required Forms

Certificate of Insurance

Public Works Street Division Traffic and Safety Permit

Important Contact Information

Public Works Department

Ron Long, Director

Deborah Ranney, Admin Asst.

395 S. Main Street

928-567-0534 ext. 137

Camp Verde Fire Department

Barbara Rice, Inspector

Fire and Life Safety

26 W. Salt Mine Road

928-567-9401

Camp Verde Marshal's Office

Lt. Earl Huff

646 S. First Street

928-567-6621 ext. 407

Clean-up Plan

You must submit a Clean-up Plan for events held on Town property with your event application. The Plan must include at minimum, the following information:

1. The site map of the event area showing the types and locations of dumpsters, individual trash receptacles, and recycle containers. (The Town requires the use of recycle containers at all events held on Town property.)
2. The names and contact information of individuals and/or groups who will provide cleaning services both during and after an event.

Remember, YOU are the person who is responsible for prompt cleaning of Town property, restrooms, parking lots, streets, rights-of-way, sidewalks, etc. during and after your event. If you fail to clean adequately or cause damage to the Town's property or facilities, your deposit will be forfeited. You will be invoiced for any costs related to clean and/or repair damaged property over the deposit, and your insurance company will be contacted.

NOTE: The Town's dumpsters are not available for your use. You will need to provide adequate dumpsters and/or waste receptacles. If you use Town dumpsters, disposal fees will be deducted from your deposit.

Waste Contractors that service our area:

North American Waste 928-567-0250	Waste Management 800-762-9708	Taylor Waste 928-649-2662
Arid Waste 928-567-0213	SWS 928-634-6275	Taylor & Sons Hauling 928-649-8335

SECURITY

It is your responsibility to provide adequate security for your event. The type and location of the event, presence of alcoholic beverages, crowd size, and other factors determine the amount and type of security that you are required to have. If your event is held on Town property, security must be obtained through the Camp Verde Marshal's Office (CVMO). CVMO will review your application and determine the number of officers that are required. All fees for the off-duty officers must be paid at least 30 days prior to your event. **Off-duty officer fees are: \$50.00 per hour, with a minimum of two officers per event.**

NOTE: CVMO deputies are authorized to issue citations, cease and desist orders, and to order a vendor or an event to close.

HEALTH DEPARTMENT PERMITS

If you plan to sell food or drinks or to have food vendors that sell food or drinks, you are required to submit an Event Coordinator form to the Yavapai County Health Department at least 45 days before your event. The County also requires a vendor list and site map. Each vendor must have a food handler's certificate prominently displayed if they sell food or drinks. Yavapai County Health Department usually conducts on-site inspections of food booths prior to and during events.

Contact the Yavapai County Health Department at 928-639-8138 for further information, instructions, or questions.

FIRE & LIFE SAFETY REQUIREMENTS

You are required to follow the Camp Verde Fire District's (CVFD) "Fire Safety Standards". See Exhibit H. It is your responsibility to contact the CVFD to discuss your event and set times for inspections. CVFD will inspect all structures, including but not limited to tents, overhangs, barriers, amusement rides, circus tents for fire safety and life safety compliance. The Town's Code Enforcement Officer will inspect electrical connections and compliance with building and safety codes. Contact CVFD Inspector Barbara Rice at 928-567-9401 for further information, instructions, or questions.

TENTS, TEMPORARY STRUCTURES, AMUSEMENT RIDES, AND VEHICLE USE ON PARKLANDS

Tents, canopies, temporary structures, amusement rides, etc. must meet the requirements of the Fire Safety Standards and Life Safety Standards as provided by the Camp Verde Fire District. CVFD Inspector will inspect each structure for compliance. See Exhibit H.

Some notable requirements include, but are not limited to

- fire extinguishers
- the site must provide for emergency access at all times
- the site must provide for reasonable and safe distance between vendor booths
- electrical lines must meet safety requirements and be placed in a fashion that the public and/or workers cannot be harmed
- all amusement rides, including 'blow-up' structures must be inspected for life safety and fire safety compliance
 - In addition to a Certificate of Insurance, amusement ride vendors must provide the CVFD and the Town of Camp Verde with their most current Certificate of Mechanical Inspection for all rides. Failure to provide the certificate(s) will preclude the vendor from opening or operating amusement rides during your event.

~~If stakes are used, you must repair the ground and replace the grass during the clean up of your event.~~ Use of vehicles on park land is strongly discouraged. However, if you must use a vehicle contact the Parks & Recreation Maintenance Division at 567-6631 ext. 133 to schedule an appointment to have sprinkler heads and underground lines marked. NOTE: damage that occurs due to your use or your participating vendor's use of stakes or vehicles is your responsibility and you will be invoiced for damages that exceed your deposit and your insurance company contacted.

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APPLICATION
&
AGREEMENT

**TOWN OF CAMP VERDE
SPECIAL EVENT PERMIT APPLICATION**

General Information

Sponsoring Organization _____

Contact Person(s) (Responsible Party) _____

Home Phone: _____ Work: _____ Cell: _____

Mailing Address: _____

Event Name: _____

Date(s) of Event: _____

Day 1 Start Time: _____ AM/PM End Time: _____ AM/PM

Day 2 Start Time: _____ AM/PM End Time: _____ AM/PM

Say 3 Start Time: _____ AM/PM End Time: _____ AM/PM

Set-up Date: _____

Start Time: _____ AM/PM

Time set for final inspection: _____ AM/PM

Note: if event is held on Town property and you plan a weekend event, you must be ready for the final inspection prior to close of business on the Friday before your event.

EVENT DESCRIPTION

Provide a detailed description of your event (attach additional sheets of paper if needed):

Event Location(s) (list all facilities to be used including parking lots, buildings, streets, parks, etc: _____

Anticipated Attendance: _____

Admission Charge Amount: _____

Describe type of entertainment that will perform at your event: _____

Describe type of Town equipment to be used (i.e. tents, sound equipment, amplifiers, stages, arenas, etc.):

Will you have food and beverage vendors? Yes No

Will you have craft vendors? Yes No

Will you need Town utility connections? Yes No

If yes, describe: _____

Will alcohol be served at this event? Yes No

*Note: alcohol sales and consumption on Town-owned facilities is allowed at three (3) specific events – Fort Verde Days, Crawdad Festive, and the Pecan, Wine & Antique Festival.

Will you require street closure? Yes No

If yes, describe: _____

SPONSORS

Is your organization a non-profit or civic organization? Yes No

If yes, describe: _____

If non-profit, provide your 501(c)3 number: _____

Describe how your event will benefit the community and/or your organization's mission:

Your Checklist

Have you included all of your paperwork with your application?

- | | |
|---|--|
| <input type="checkbox"/> Special Event Application | <input type="checkbox"/> Event Agreement |
| <input type="checkbox"/> Site Map | <input type="checkbox"/> Street Closure Application |
| <input type="checkbox"/> Certificates of Insurance | <input type="checkbox"/> Certificates of Mechanical Inspection |
| <input type="checkbox"/> Liquor License Application | <input type="checkbox"/> Clean-up Plan |
| <input type="checkbox"/> CVFD Special Event Permit | <input type="checkbox"/> Banner Application |
| <input type="checkbox"/> Deposit(s) | <input type="checkbox"/> Health Department Certificates |
| <input type="checkbox"/> Miscellaneous | |

AGREEMENT FOR EVENT SERVICES

PARTIES: The TOWN OF CAMP VERDE, a municipal body (hereinafter referred to as "the Town");
and _____ with a business address _____
_____ as an
independent PROMOTER (hereinafter referred to as "PROMOTER').

AGREEMENT

I

The Town desires to permit the PROMOTER to use Town property, and PROMOTER desires to provide services to the Town in the form of a Special Event in his/her capacity as an independent contractor, upon the terms and conditions set forth in this Agreement and the Special Events Permit Handbook.

II

PROMOTER shall provide those services set forth herein and under the following terms and conditions included herein.

III

The term of the Agreement shall commence on _____ and shall continue for _____ hours/days unless earlier terminated by either party. The TOWN may terminate this Agreement with or without cause immediately upon giving verbal and/or written notice to the PROMOTER. If this Agreement is terminated, the TOWN shall have no further obligation to the PROMOTER.

IV

The TOWN agrees to allow the PROMOTER reasonable access to Town facilities during the _____ Event for a fee in the amount of \$ _____.

V

For all purposes under the terms of this Contract, PROMOTER shall be an independent contractor, and not an employee of the TOWN. The TOWN shall provide no employee benefits, including but not limited to Worker's Compensation coverage, regularly afforded to staff, administrative or professional employees. PROMOTER shall provide whatever employees, tools, equipment, vehicles, and supplies PROMOTER may determine to be necessary in performance of services hereunder.

VI

The conduct and control of work under this Contract lies solely with PROMOTER and the TOWN is interested only in the healthy, safety, and welfare of the public who will attend the Event

VII

PROMOTER shall provide a written report summarizing the results of the Event to include a Participating Vendor List and a written description of the outcome of the event, (i.e. number in estimated attendance and impact on local merchants). The report shall also contain information as to unanticipated problems, calls for assistance, and citations written.

VIII

All reports and other work products produced by PROMOTER, as a part of the services rendered under this agreement shall be provided to and be the sole property of the TOWN. The Town may use this information to determine support for future events.

IX

The PROMOTER agrees to abide by all rules, regulations, recommendations, and stipulations outlined in the Camp Verde Town Code and the Special Event Permit Handbook.

X

The PROMOTER agrees to accept full responsibility for actions of their Participating Vendors.

XI

The parties agree that should damage occur during the event, the PROMOTER shall forfeit the deposit and contact their insurance company for payment to the Town.

XII

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SPECIAL CONSIDERATIONS/REQUIREMENTS:

Four horizontal lines for handwritten notes.

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IN WITNESS HEREOF, the parties have executed this Agreement on the respective date under each signature.

TOWN OF CAMP VERDE

Town Manager

Promoter

ATTEST:

Deborah Barber, Town Clerk

Date

This section will be completed by Town staff and included as part of your completed Special Event Permit/Agreement package.

Parks & Recreation
Comments:

Fee amount: _____

Public Works Streets Division
Comments:

Fee amount: _____

Maintenance Department
Comments:

Fee amount: _____

Marshal's Office
Comments:

Fee amount: _____

Finance Department
Comments:

Fee amount: _____

Planning & Zoning Department
Comments:

Fee amount: _____

Building Department
Comments:

Fee amount: _____

Risk Management
Comments:

Fee amount: _____

Mayor & Council
Comments:

Fee amount: _____

Camp Verde Fire Department
Comments:

Fee amount: _____

Clerk's Office
Comments:

Fee amount: _____

Comment Summary:

Total Amount Due: _____

Event Promoter Certificate of Insurance Date: _____

Vendor Certificate of Insurance (attach separate sheet) Date: _____

Council Approval for Alcohol Date: _____

Fees:

 Deposit Date/Amount: _____

 Event Fees Date/Amount: _____

 Security Personnel Fees Date/Amount: _____

 Camp Verde Fire District Fees Date/Amount: _____

 Special Event License Date/Amount: _____

 Event Fees Date/Amount: _____

 Misc. Fees Date/Amount: _____

Deleted: Casual Business

Vendor List Date: _____

Final Inspection Date: _____

Permit Issued Date: _____

Permit Denied Date: _____

Vendor Report Received Date: _____

Deposit Returned Date/Amount: _____

Final Report Form – Special Event

Promoters who have conducted events and received waivers of fees and/or in-kind contribution of Town Staff time or equipment must complete and submit this report to the Town Clerk within 10 days following the end of the Special Event. Failure to submit report(s) shall result in denial of future Special Event Permits.

Organization: _____ Submitted by: _____

Telephone #: _____ Email _____

Address: _____ Date: _____

Event Title: _____

Estimated Number of Participating Vendors _____

Estimated benefit to Camp Verde's economy (i.e. impact on local merchants – restaurants, motels, retail stores, etc.) _____

- 1) Describe how your event did or did not meet your organization's objectives:

- 2) Describe your successes/weaknesses.

- 3) Describe the changes that you would make to improve your program.

- 4) Describe how the Town of Camp Verde could better assist you with future events.

By signing below, I acknowledge that the information contained herein and attached to this report is true and correct to the best of my knowledge.

Authorized Signature for the Promoter

Date

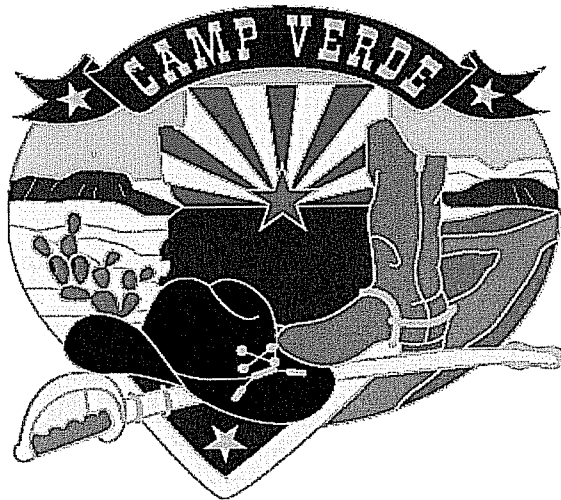
*Participating Vender Report Form
Town of Camp Verde*

Business Name	Owners Name	Address/city/zip	Telephone #	TPT#

Field Code Changed

Town of Camp Verde

Financial Operations Guide



~~October 15, 2008~~ ~~February 2~~ January 7, 2011
~~FIRST EDITION-REVISION #3~~
PREPARED BY TOWN FINANCE DEPARTMENT

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CELL SIGN IN/OUT	AF

INTRODUCTION

PURPOSE: The purpose of this manual is to set forth those policies and procedures established to govern and to implement all aspects of fiscal policy and financial management related to the Town of Camp Verde. The general purpose of this document is to provide a working guide to established financial policies and procedures. ~~IN THE EVENT THAT THE FINANCE DIRECTOR'S POSITION IS VACANT, THE DUTIES OF THE FINANCE DIRECTOR WILL BE PERFORMED BY A DESIGNEE APPOINTED BY THE TOWN MANAGER. IN THE ABSENCE OF THE TOWN MANAGER, THE ACTING MANAGER SHALL APPOINT THE DESIGNEE.~~

I. RESPONSIBILITIES

Camp Verde's Town Code charges the Town Finance Director with implementing the financial policies of the Town Council. In the event that the Finance Director's position is vacant, the duties of the Finance Director will be performed by a designee appointed by the Town Manager. In the absence of the Town Manager, the Acting Manager shall appoint the designee with Council approval, if the assignment is to exceed 20 days.

Comment [c1]: Staff recommended change to comply with Town Code.

~~The Finance Director is responsible for the assignment of duties to appropriate Finance Staff (staff) members, as necessary, to ensure proper segregation of duties. In the event that a Finance Department staff member is unavailable to complete the task assigned, another Finance Department staff member may fill in as appropriate only if the proper segregation of duties is ensured.~~

All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting.

Town employees not following the policies and procedures set forth in this manual may be subject to discipline, up to and including termination of employment.

II. AMENDMENTS

This guide is written in sections, by subject, with the flexibility to be revised as approved by Council. The revision number and the effective date of the revision are in the top right hand corner of each page.

III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide shall be addressed to the Town's Finance Director.

IV. OTHER TOWN POLICIES

For additional policy information, see the Town's separate policies as follows:

1. 1. Record Retention – The Town follows the “Records Retention and Disposition for Arizona Municipalities” as issued by the Arizona State Library, Archives, and Public Records,” and the Town of Camp Verde Records Management Policy”.
2.
 - a. Town Budget Policy (in development at time this manual prepared)
 - b. Town Fiscal Policy (in development at time this manual prepared)
 - c. Town Investment Policy (in development at time this manual prepared)
 - d.

PAYROLL

PURPOSE: To establish standard policies and procedures for the disbursement of funds to employees of the Town of Camp Verde to ensure that all work performed is authorized and accounted for properly and to maintain payroll files.

POLICIES/PROCEDURES:

I. INITIATION, STATUS CHANGES and PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll is recorded on a properly executed and approved "Personnel Action Form" (Exhibit A). "Personnel Action Forms" shall be signed by duly authorized Town officials. Authority for initial federal and state income tax withholdings and subsequent changes is recorded on a properly executed "W-4" form and "A-4" form (Exhibits B and C). The original authority for court ordered withholdings shall be a copy of the court order.

The Finance Accountant Finance Staff (staff) enters the original initial or change in status and the initial or change in withholding information into the computer payroll program and initials and dates each document entered. A separate Finance employee verifies that the information is entered correctly and initials and dates each document entered. The documents are then placed in the employee's payroll file.

II. RECORDS

Employee Payroll Files

The Finance Clerk maintains a file is maintained for each employee. The following information must be kept in the Employee's Payroll File: "Personnel File Information Form", "W-4", "A-4" (tax withholding forms), copies of "Personnel Action Forms", copy of retirement enrollment forms, payroll deduction forms, court orders, and any miscellaneous payroll information regarding the employee.

Employee Personnel File (Human Resource File)

The originals of the following forms are kept in the Employee's Personnel File located in the Human Resources Department: "Employment Verification Form" (I-9), "Personnel Action Forms", Application and Evaluations, retirement information, Personnel Manual Acknowledgement forms, Oath of Office, disciplinary information, training certifications, and any miscellaneous information regarding the employee.

Employee Timesheet Files

The Finance Clerk maintains a file is maintained for each employee. These files are kept by fiscal year. All "Employee Timesheets" (Exhibit D), and copies of all payroll checks and direct deposit stubs, as well as "Application For Leave" (Exhibit E) forms are included in this file. Records of hours paid, wages earned, all deductions, and calendar year-to-date records appear on the direct deposit or paycheck stub.

PAYROLL

III. PAY PERIODS

A bi-weekly pay period from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week shall be used for all employees.

IV. TIMESHEETS

An "Employee Timesheet" (Exhibit D), hereinafter "timesheet", shall be completed and signed by each non-exempt employee on a bi-weekly basis. Timesheets shall not contain white-out. If a correction needs to be made, the incorrect entry shall be lined out and the correction written next to it. All changes shall be initialed by the employee whose timesheet was changed prior to its submission to Finance.

Exempt employees are not required to submit timesheets on a bi-weekly basis. Exempt employees shall complete "Application for Leave" forms (Exhibit E) any time that accrued leave is used and submit approved "Application for Leave" forms to the Finance Department in conjunction with the non-exempt employee timesheets. Any exempt employee that requires time to be split between various departments shall submit a memo to the Finance Department detailing the breakout of hours.

The "Employee timesheet" (Exhibit D) and "Application for Leave" forms for the pay period are collected by the person so designated in each department and turned into the Finance-Clerk Finance Department Accountant by 10 A.M. on the first Monday after the end of the pay period. All timesheets must be signed by the employee and reviewed and approved by the department head.

Any requested vacation, sick, or comp time, or holiday leave hours shall be included on the "Employee Timesheet" (Exhibit D) form. The "Application for Leave" form (Exhibit E) shall be attached to the "Employee Timesheet" when submitted to the Finance-Clerk Accountant Finance Department for payment.

If the employee is unavailable to complete the timesheet and is eligible and in the need to use sick hours, then the authorizing supervisor shall fill in the appropriate hours to be paid should the employee be unavailable to complete the timesheet. Within five days of returning to work, the employee shall go to the Finance Department to sign the "Employee Timesheet" form completed by the supervisor. Should corrections to the submitted timesheet need to be made, the employee shall submit to the Finance Department written approval signed by both the employee and the supervisor detailing the correction(s) to be made.

V. VACATION, SICK OR COMP TIME

Any employee requesting time off for 8 hours, a full work day or more shall fill out an "Application for Leave" form (Exhibit E) and have it approved in advance for leaves other than unanticipated sick leave by his or her supervisor. If the "Application for Leave" form is for the use of time due to illness of 3 or more days, injury, or worker's compensation, the leave form shall then be forwarded

to the Human Resources Department for review and approval. If the "Application for Leave" form is for any other purpose/use of leave, the form shall be forwarded directly to Finance. If an employee is requesting time off for less than 8 hours a full work-day, only verbal approval from his or her supervisor is necessary.

The requested time off is to be reported on the "Employee Timesheet" (Exhibit D) form and the "Application for Leave" form is to be attached to the Timesheet. If the requested time overlaps pay periods, a copy must be attached to both timesheets.

If "~~Employee Timesheets~~" are due while an employee expects to be on leave, the employee should prepare the "~~Employee Timesheet~~" as of the last day worked and submit it to the supervisor. Should the employee be unavailable to complete the timesheet, the supervisor or department head shall fill in the appropriate hours. Within five days of returning to work, the employee shall go to the Finance Department to sign the "~~Employee Timesheet~~" completed by the supervisor. Should corrections to the submitted timesheet need to be made, the employee shall submit to the Finance Department written approval signed by both the employee and the supervisor detailing the correction(s) to be made.

PAYROLL

VI. DATA ENTRY AND PAYROLL REGISTER

Hours worked are entered into the payroll system by the Finance Clerk ~~Accountant~~ staff from approved "Employee Timesheet" (Exhibit D) forms. Once all timesheets are entered, a "Timesheet Verification Report" is generated and submitted to the Finance Director ~~to check it~~ Senior Accountant for verification against the submitted timesheets. If needed, ~~staff the Accountant enters the corrections are made to the employees' timesheets and another "Timesheet Verification Report" is generated.~~ Staff the Accountant enters the corrections and another "Timesheet Verification Report" is generated. The Finance Director ~~Senior Accountant~~ Senior Accountant verifies the corrections, and initials and dates the "Timesheet Verification Report" as evidence of review. Once correct, ~~the staff Accountant calculates net payroll via the is calculated by the computer payroll system.~~ Staff The Accountant and checked checks for any inaccuracies. If correct, the "Preliminary Register" is created and checks are created.

VII. CHECK RUN, SIGNING AND DISBURSEMENT

The Finance Clerk ~~Accountant~~ Staff generates, from the computer, the payroll checks and "Final Check Register."

The checks are forwarded to the Mayor (or Vice Mayor) for elected official signature and then to the Finance Director or Town Clerk for staff signature.

No later than Tuesday afternoon, ~~staff the Accountant enters the direct deposit checks are entered into the Wells Fargo ACH system and submitted for payment effective on the payroll date.~~ Staff the Accountant enters the direct deposit checks are entered into the Wells Fargo ACH system and submitted for payment effective on the payroll date. The amounts are verified by the Finance Director Senior Accountant and released for payment effective on the payroll date.

White copies of the direct deposit stubs and the original checks are separated by department and picked up on Wednesday morning by the person so designated by each department. If a person other than the employee is to pick up a payroll check, a written statement must be on file authorizing someone other than the employee to pick up the check, and the person picking up the check shall sign a log acknowledging receipt.

The "Employee Timesheets" (Exhibit D) are then attached to the yellow copies of the checks and direct deposit stubs and filed in the appropriate "Employee Timesheet File".

VIII. FISCAL YEAR END PROCEDURES

When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on the number of days in each period. ~~Staff The Finance Accountant~~ prepares the journal entry for approval by the Finance Director.

In addition, ~~staff the Finance Senior Accountant~~ prepares a schedule of year-end compensated absences payable and applicable journal entries. The schedule and applicable journal entries are reviewed and approved by the Finance Director.

PAYROLL

IX. QUARTERLY REPORTS AND YEAR END W-2 PROCEDURES

Quarterly reports are prepared by ~~staff the Finance Clerk Accountant~~ and reviewed and approved by the Finance Director or designee. Once the fourth quarter reports have been prepared and balanced, ~~staff the Finance Clerk Accountant~~ reconciles final W-2 amounts to the quarterly reports. The Finance Director or designee reviews and approves the reconciliation. ~~Staff~~ The Finance Clerk Accountant then prints the W-2s for distribution to employees and the IRS.

X. PAYROLL LIABILITY ACCOUNTS

The ~~Finance Accountant~~ reconciles the payroll liability accounts will be reconciled at least quarterly and ~~prepares any necessary adjustments will be made at least quarterly~~. The Finance Director reviews these reconciliations.

CONTRACT LABOR SERVICES

PURPOSE: To establish standard policies and procedures for the accurate handling of contract labor personnel services.

POLICES/PROCEDURES:

- I. Before a contract laborer-service provider is allowed to begin/start working, the department utilizing the contract service provider must verify the following:
 - A. The vendor has he/she must complete/completed a "Form W-9" (Exhibit F). These/This forms must be submitted to the Finance Department by the department that the laborer-vendor is contracted with. If payment is due and the required "Form W-9" has not been received, the payment is subject to backup withholding of 28% pursuant to IRS requirements.
 - B. The vendor has provided the Risk Manager with a copy of the required liability and worker's compensation insurance policies.
 - C. The vendor has a current business license on file with the Town Clerk's Office.
 - D. The vendor's trade licenses/certifications are current and valid.
 - A.E. Budget appropriation exists to fund the transaction.
- II. The department utilizing the contract services provider, in conjunction with the Finance Department, is responsible for ensuring that the amounts paid do not exceed the total approved amount.
 - I. For contract laborers that work only one day (event), submit a "Check Request" (Exhibit O) for amounts under \$2,000 or "Purchase Order" (Exhibit N) for amounts over \$2,000 along with the "Form W-9" to Accounts Payable for payment.
- III. For Parks & Recreation Officials, complete a "Game Summary Report" (Exhibit G) and submit to the Finance Department Accounts Payable for payment along with the completed "Form W-9". Scorekeepers are considered employees and are paid through payroll with general employees.

TRAVEL AND TRAINING

PURPOSE: To establish the policies regarding in-state and out-of-state travel and reimbursement of related expenditures.

POLICIES/PROCEDURES:

I. The policy of the Town of Camp Verde is to encourage training opportunities for employees and supervisors so their services rendered to the Town can be made more effective, and that employees may become, at the same time, qualified for promotion to higher-level positions. The department head, consistent with the budget and this policy, may authorize attendance at conferences, seminars, meetings, conventions and other courses that directly benefit the Town of Camp Verde.

II. ~~In addition, a~~ All out-of-town state travel shall be approved by the Town Council ~~Manager~~ prior to scheduling.

III. ELIGIBLE INDIVIDUALS

- A. Town employees (classified, part-time classified, and non-classified employees)
- B. Others - Members of boards, commissions, authorities, council members and committees who are not employees of the Town yet serve the Town as members on these boards, commissions, authorities, councils and committees.

IV. GENERAL TRAVEL PRINCIPLES - The Town shall authorize employee travel in accordance to the following principles:

- A. All Town travel arrangements should reflect an understanding of the Town of Camp Verde's Travel and Training Policy.
- B. Travel is usually warranted when personal contact is the most economical method of conducting official Town business.
- C. Employees may attend educational or training seminars if funds for that purpose are available and such training is directly job related.
- D. The most economical method of transportation shall be selected in terms of expense to the Town (or grantor agency) and the employee's time away from the office. If the employee chooses an alternate method of transportation, reimbursement shall be capped at the most economical method's cost.
- E. Employee travel, in-state and out-of-state, is conducted according to the Town Travel and Training Policy regardless of funding source (i.e. Grant requirements do not supersede the Town requirements; however, any grant requirements that are more restrictive must be followed.).

- F. Shared lodging is encouraged, wherever possible. Non-shared lodging requires approval of the department head.

TRAVEL AND TRAINING

- G. Any travel reimbursement claims shall be submitted to the Finance Department using the "Training/Travel Advance/Reimbursement Report Form" (Exhibit H) within five (5) business days after the end of the trip.
- H. Any expenses incurred for items such as alcohol, telephone calls (except when business related), in room movies, etc. shall not be covered by the Town and are the employee's responsibility.

IV.V. PROCEDURES

- A. Employees desiring to attend schools, conferences, conventions, seminars, and other official meetings shall complete a "Training/Travel Authorization and Expense Advance Form" (Exhibit I) and submit to their department head for approval request approval from their respective department heads. If the travel is out-of-town~~state~~, it shall first be approved by the Town Council ~~Manager~~ prior to scheduling.
- B. ~~Upon approval of the training/travel request, the department designee~~ The department head notifies the Assistant to the Town Manager of approved travel requests. ~~The Assistant to the Town Manager~~ makes the necessary travel arrangements and prepays lodging and other travel costs as appropriate. All travel/training arrangements are recorded on the "Training/Travel Authorization and Expense Advance Form". ~~The Town Manager may authorize other individuals to make travel arrangements in the event the Assistant to the Town Manager is unavailable or in the event special circumstances require an individual or department to make the arrangements directly.~~
- C. For advances of per diem allowances, employees must submit a complete and approved "Training/Travel Authorization and Expense Advance Form" "Travel Advance/Reimbursement Report" (Exhibit I) to the Finance Director or his/her designee ~~Department~~, not later than ten (10) working days prior to the date that travel for such schooling or training is to commence.

V.VI. TRAVEL COMPENSATION GUIDELINES

- A. Tips and other gratuities for all meals are included in the per diem.
- B. Alcohol shall not be reimbursed and shall not be considered as part of the meal per diem.
- C. The Town shall compensate expenses only when the expenses are incurred during the performance of official duties of the Town employee and for the Town's benefit.
- D. Subsistence shall not be permitted when the training received is for the direct benefit of the employee and not required by the job.

- E. An employee on Town travel status who extends the travel for his/her own convenience or enjoyment when such is not required by the Town, is not entitled to the allowance for that meal or if applicable, lodging.

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- F. The department head approves or disapproves the "Training/Travel Authorization and Expense Advance Form -Advance/Reimbursement Report" (Exhibit I) or "Training/Travel Reimbursement Form (Exhibit H)."
- G. If approved, the department employee requesting travel funds submits the "Check Request Form" (Exhibit O) with a copy of the "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I) or "Training/Travel Reimbursement Form" to the Finance Department for check disbursement.
- H. Employees shall be responsible for any fines or traffic violations incurred while traveling on Town business in either a Town vehicle or personal vehicle.

IV.VII. LODGING AND MEAL PER-DIEM

- A. Lodging - the following policy is to be utilized by eligible individuals who are contemplating traveling for Town business or training related purposes.
 - 1. Eligibility
 - a. Employee must be on authorized travel status.
 - b. Travel must be outside a 75-mile radius of the corporate Town limits and a multi-day event or an early morning meeting.
 - c. Early morning meeting requirement is 8:00 a.m. or earlier.
 - d. Events starting after 8:00 a.m. are not eligible for lodging and per diem for the day before the event begins unless the event is located in an area outside the traveling distance of the greater Phoenix area (ex: Tucson).
 - b.—
 - e. Lodging must be at a commercial establishment.
 - f. Lodging is covered at the single room rate unless sharing a room with another Town employee.
 - 2. Documentation
 - a. The commercial establishment's original receipt is required.
 - b. Lodging receipts must be itemized.
 - c. If original lodging receipt is lost or destroyed:
 - 1) A photocopy may be submitted with the statement Treat as the Original.
 - 2) The employee and the department head must sign the photocopy.
 - 3) If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the payment of the lodging may be used.
- B. Meals and Incidental Expenses (MIE) - Per Diem
 - 1. Eligibility
 - a. Employee must be on authorized travel status.
 - b. In accordance with IRS guidelines, per diem is paid when the travel requires an overnight stay.
 - c. Meals must be at a commercial establishment.

2. Documentation - Compensation is based on the schedules listed in Section C & D. Since the meal reimbursement has been established as a per diem, receipts are not required to be submitted with the "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I).
3. Per Diem Allowances for "Travel Days" (The trip must include an overnight stay in order to be reimbursable.)

TRAVEL AND TRAINING

- a. Breakfast - Reimbursable when travel commences on or before 6:00 a.m. or returns after 10:00 a.m..
 - b. Lunch – Lunch is only reimbursable if the traveler leaves prior to 11:30 a.m. or returns after 1:30 p.m..
 - c. Dinner - Reimbursable when travel commences prior to 6:00 p.m. or returns after 7:00 p.m.
4. Meals Provided
- a. Traveler is not entitled to a per diem allowance for meals provided at the conference, seminar or lodging site.
 - b. If a special meal is required due to dietary restrictions, notice must be given in writing at the time of compensation request.

C. Per Diem Rates by Meal (per Council approval on 7/6/05)

Breakfast Meal	\$7.00
Luncheon Meal	\$12.00
Dinner Meal	\$18.00

D. Per Diem Rates per Day (Overnight Travel Only)

Depart Camp Verde on or prior to 6:00 a.m. or return to Camp Verde after 7:00 p.m.	\$37.00
Depart Camp Verde prior to 11:30 a.m.	\$30.00
Return to Camp Verde after 1:30 p.m.	\$19.00
Depart Camp Verde prior to 6:00 p.m.	\$18.00
Return to Camp Verde after 10:00 a.m.	\$7.00
Daily rate for full days away	\$37.00

Lodging - As approved by the department head and Finance Director in accordance to the lodging policy. (See Section V. A.)

VI-VIII. TRANSPORTATION - Compensation shall be made only for the method of transportation, which is in the best interest of the Town considering travel expense, vehicle condition, as well as the employee's time. When more than one employee uses the same motor vehicle, only one claim for mileage compensation shall be allowed.

- A. Requirement for Using Town Owned Vehicle
1. Authorization - by the department head prior to use of Town owned vehicle.
 2. Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit on Town business.

TRAVEL AND TRAINING

3. Vehicle Reservation - Each department shall reserve a pool vehicle with the Assistant to the Town Manager or Receptionist Town Clerk's Office at least 24 hours before needed.
4. Reporting - Pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, destination, purpose of travel, and fuel level.
5. Return of Pool Vehicle - Fuel level must be full upon return from an out-of-town trip and any problems or incidents with the vehicle must be reported to the Assistant to the Town Manager Fleet Manager. The vehicle shall be returned in a clean state (all soda cans, paper & trash shall be removed).
6. NO SMOKING OR ALCOHOL in Town vehicles.
Only Town Staff, Council, Board & Commission members or another municipality staff may ride in a Town Vehicle. No unauthorized passengers or drivers will be allowed to either operate or ride in Town vehicles. Transporting family members in Town vehicles shall be allowed only when the family member is accompanying an employee to a business meeting or official function. No additional expenses to the Town should be incurred as a result of the family member traveling in a Town vehicle. The driver of a Town vehicle MUST be a Town employee or official.

B. Requirement for using personal vehicle

1. Authorization - By the department head prior to use of personal vehicle.
2. Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.
3. Condition of Vehicle - Employees are responsible for ensuring personal vehicles are safe for travel.
4. Current Vehicle Insurance - Liability insurance coverage with a minimum coverage of \$15,000 per person and \$30,000 per accident.
 - a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy, including any deductibles. If the amount exceeds that coverage, the Town's insurance, at the time, covers the amount over the policy limits if the traveler was acting within the course and scope of their employment.
 - b. If a traveler driving a privately owned vehicle on Town business is involved in an accident, regardless of fault, the Town shall not reimburse for any physical damage to the motor vehicle.
5. Compensation Basis
 - a. Compensation is based on map mileage using official state highway maps or mapping programs. Odometer mileage may be submitted for travel to dining or multiple event locations within reason (ex: traveling long distances to eat at a certain restaurant rather than those within close proximity to the event is excessive and will not be reimbursed).
 - a. —
 - b. Beginning address and ending location address must be submitted for compensation.
 - c. Compensation is based on using the most direct route.

d. Mileage compensation shall be at the lower of the Arizona Department of Administration approved rate or the IRS standard mileage rate. When the Arizona Department of Administration and/or the IRS standard mileage rate adjust, the Town automatically adjusts the mileage rate. The mileage rate includes all travel and maintenance expenses of the vehicle.

C. Requirement for using leased vehicle:

1. Authorization - By the department head prior to leasing a vehicle for Town business.
2. Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.

TRAVEL AND TRAINING

d.e. If the traveler drives their privately owned vehicle, a Town credit card may not be used for gasoline purchases. The traveler must submit a "Training/Travel Authorization and Expense Advance Form" (Exhibit I) to request funds prior to the trip or a "Training/Travel Advance/Reimbursement Report Form" (Exhibit H) for mileage reimbursement at the conclusion of the trip.

III.IX. MISCELLANEOUS TRAVEL ISSUES

A. Communication Expense

1. Business communication charges, including faxes and copies, are reimbursable if documented by receipts.
2. Business calls are reimbursable and should be noted as such on the hotel receipt. The number called should be visible.
3. No personal calls shall be reimbursed.

B. Extending Business Trips with Vacation Time

1. With the department head's approval, traveler may extend a business trip using vacation time.
2. The Town covers the lodging, map mileage and per-diem for the period that the traveler is conducting Town business. Additional costs to extend the trip shall be borne by the traveler.

C. Local Transportation, Tolls and Parking

1. Taxi, bus, and streetcar use is classified as local transportation and can be claimed with receipts. Whenever possible, hotel-provided shuttles should be used.
2. Claims for local transportation shall not be allowed where the Town provides for other transportation (Town, personal or rental vehicle).
3. Bridge and road tolls are reimbursable with receipts.
4. Travelers must use the free or discounted parking, when available, when traveling on Town business.
5. Receipts are required for reimbursement of allowable parking fees.

D. Rental Cars

1. If travel necessitates the use of a rental car, Department Head authorization must be obtained prior to booking the rental car.
2. The rental car must be a mid-size or smaller vehicle.
3. Insurance shall not be purchased from the rental car agency as the Town's insurance policy covers rental cars.

E. Airline Travel

1. Department Head authorization must be obtained if airline travel is requested.
- 1-2. The Town will only fund coach seating in airline traveling. If the employee wants to upgrade the seating type, the employee is responsible for the difference in cost.

CASH RECEIPTS

PURPOSE: To describe the policies and procedures for obtaining and receipting all revenues received by the Town of Camp Verde.

POLICIES/PROCEDURES

- I. All Town revenues received are receipted in the receiving department's "Cash Receipt Book" (ex: Exhibit J) or ~~and~~ entered into the department's cash register.
- II. Cash registers are opened with a \$100.00 change fund.
- III. All checks are stamped "For Deposit Only, Town of Camp Verde" immediately upon receipt.
- IV. Each department prepares a "Daily Cash Reconciliation Report" (Exhibit K) reconciling the receipts to the ~~cash monies~~ collected. For departments that accept credit cards, a batch report for all credit cards processed for the day shall be generated at the end of each day and reconciled to applicable receipts.
- I.V. By 4:45:00 p.m. each day, As much as practicable all ~~monies~~ received ~~monies~~, along with the "Daily Cash Reconciliation Report", batch reports, receipts, and/or cash register tapes, should be ~~are~~ remitted to the Finance Department. Large amounts of cash should be secured in the event that staff is unavailable to receive funds. -The Finance Department receipts in all monies received.
 - A. Funds deposited directly to Town bank accounts are entered ~~by the Finance Accountant~~ into the computer when the confirming deposit facsimile arrives.
 - B. Monies received from the other departments are counted at the time of submittal by the Finance Clerk ~~Finance~~ staff in the presence of the department representative. If a discrepancy exists, the discrepancy should be investigated, and the necessary correction should be made and initialed by the department representative and the Finance Clerk ~~Finance~~ employee staff.
 - C. The Finance Clerk ~~employee staff~~ records all monies received in the Finance Department cash register.
 - D. The Finance cash register is balanced on a daily basis ~~by the Finance Clerk, and, Staff~~ The Senior Accountant prepares a deposit ~~is prepared~~ the following morning when the amount of monies on hand exceeds \$100 in cash or \$1,000 in checks.
 - E. The "Deposit Master" (Exhibit J) ~~deposit slip~~ is created by the Finance Clerk ~~staff~~ Senior Accountant using the receipts received from all departments and reconciling these to the receipts issued by the Finance Department. At such time, the Finance Clerk ~~Senior Accountant~~ staff accounts for the numerical sequence of receipts. The "Deposit Master" ~~deposit slip~~ is reviewed and reconciled to the register tape by the Finance ~~Senior Accountant~~ Finance Director, initialing and dating as evidence of review. A separate Finance employee staff then reviews the deposit slip reconciling the amounts listed to the register tape and receipts issued, initialing and dating as evidence of review.
 - F. A deposit slip ~~is completed and the~~ monies are deposited into the Town's general bank account by ~~staff~~ the Finance Clerk ~~Senior Accountant~~. The deposit receipt is attached to the "Deposit Master" (Exhibit J) and given to the Finance Accountant for coding of the deposit copy

of the deposit slip, Finance receipts issued, and "Daily Cash Reconciliation Reports" received from the Town departments.

CASH RECEIPTS

G. The "Cash Report" (Exhibit L) report is created by ~~staff the Finance Accountant~~ using the receipts received from all departments and reconciled to the receipts issued by the Finance Department. The "Cash Report" report is compared to the ~~"Deposit Master" and the register tape and deposit receipt to verify that all amounts are accounted for.~~ Once verified, the report is entered into the finance computer program by the ~~Finance Accountant, reviewed by the Finance Director (initialing and dating as evidence of review),~~ and filed.

~~II-VI.~~ The Town Pool maintains a cash register for the receipt of funds. The cash register is opened with a \$100.00 change fund. The Town Pool cash box is closed out daily (when the pool is in operation) by the Head Life Guard and the Cashier. A "Shift Balance Sheet" report (Exhibit M) is completed at the end of the day by the Head Life Guard and submitted with the deposited monies to the Finance Department. ~~The cash register is opened with a \$100.00 change fund.~~

~~III-VII.~~ All bank accounts are reconciled monthly by the ~~staff Finance Senior Accountant (initialing and dating upon completion),~~ reviewed by the Finance Director (initialing and dating as evidence of review), and filed. (See the Bank Reconciliations Section for further details.)

~~IV-VIII.~~ Customer Complaints. Customer complaints regarding payments to the Town should not be handled by the same person who receives the monies in dispute. If the person receipting monies receives a customer complaint regarding such monies, the customer should be directed first to a supervisor. If the complaint is not resolved, it shall be forwarded as follows until resolution is achieved:

- Finance Director
- Town Manager
- Town Council

Note: For non-Finance related complaints, please reference the Complaint Policy.

SPECIAL EVENT CASH HANDLING PROCEDURES

PURPOSE: To describe the policies and procedures for collecting and reporting amounts received during special event functions. The Special Event Cash Handling Procedures is part of the Parks & Recreation Procedure Manual.

POLICIES/PROCEDURES

- I. The cash box will start with the appropriate amount according to the event and area of use. Upon preparing the starting banks for each cash box, the amounts will be counted and verified by two (2) Parks & Recreation employees.
- II. "Special Event Start Bank Form" (Exhibit N) will be included in each box.
- III. Cash boxes will be picked up at the Parks & Recreation office. Employee and volunteer will count and verify the starting bank amount and sign off on the starting bank form.
- IV. Cash registers and central ticket areas will be used for food, drink, and admission.
- V. One Parks & Recreation employee and one Deputy will pick up overflow cash during the event. Cash will be taken from the cash box and secured in a tamper proof bag. Employee and Deputy will take the money to the vault, at which time they will both sign the "Drop Off Verification Sheet" (Exhibit O).
- VI. When making change, the exact amount must be returned to the cash box that was taken from the cash box. Example: four (4) fives for a twenty.
- VII. All money, including change, is to be kept in the vault at all times. Vault is to be kept closed and locked at all times. Only full time employees such as Parks & Recreation Director, Events Coordinator, Recreation Supervisor, Parks & Recreation Administrative Assistant, and the Finance Director shall have the combination to the vault.
- VIII. At the end of the event, one Parks & Recreation employee and one Deputy are to carry the cash boxes to the office, put money in tamper proof bags, and lock them in the vault. No money is to be counted at this time.
- IX. The first work day following the special event, a minimum of two (2) Town employees shall count and receipt in the funds, and in another department, two (2) Town employees shall count tickets. Amounts are to be recorded on the "Special Event Cash Count Sheet" (Exhibit P). Funds and ticket counts will then be turned over to the Finance Department for verification.

DISHONORED CHECKS

PURPOSE: To describe the policies and procedures for recording and collecting amounts due from dishonored checks.

POLICIES/PROCEDURES

- I. Upon receipt of notice from the bank that a check has been dishonored, the Finance Department issues a letter to the Payor (the party that issued the check) demanding payment for the amount of the check plus a \$25.00 returned check fee as established by Council resolution. This notice allows the Payor five (5) days from the receipt of the letter to remit the total amount due to the Finance Department or face collection from the Yavapai County Attorney Bad Check Program. A copy of this letter, a copy of the notice from the bank, and the original dishonored check are placed in a file for follow up.
- II. The Finance Department notifies the department from which the check was collected of the dishonored check.
- III. The original notice from the bank is placed in a file for bank reconciliation as backup.
- IV. A Journal Entry is prepared to record the reduction from the Town's bank account as well as record the amount of the check as an accounts receivable in the proper fund (General Fund, HURF Fund, etc.). Upon payment of the total amount due, the amount of the check is coded to accounts receivable, the returned check fee is coded to Miscellaneous Revenues, and the total is coded to the Town's bank account.
- V. If the Payor has not made payment in full, or payment arrangements, within the allowed timeframe, the check is forwarded to the Yavapai County Attorney Bad Check Program for collection. A copy of the Yavapai County Attorney's form as well as all of the backup is retained in the file for future reference. Note: The Yavapai County Attorney Bad Check Program will NOT collect the \$25.00 returned check fee, only the amount of the check.
- VI. Upon payment from the Yavapai County Attorney Bad Check Program, the backup from the file is attached to the receipt for reference.
- VII. All payments on dishonored checks must be collected by the Finance Department directly. Departments are not authorized to collect payments or make payment arrangements.

ACCOUNTS RECEIVABLE

PURPOSE: To establish procedures for proper management of accounts receivable.

I. POLICIES/PROCEDURES

A. COURT RECEIVABLES

1. The Municipal Court maintains records of outstanding receivables.
2. On a monthly basis, the Court Supervisor identifies delinquent accounts and forwards the accounts to the collection agency.
3. Each month, the Court Supervisor forwards a listing to the Finance Department for recording of accounts receivable activity in the Town's general ledger.

B. CDBG-LOAN REVOLVING LOAN FUND RECEIVABLES

1. The ~~Housing Department Staff Town Clerk's Office (or as assigned)~~ maintains subsidiary ledgers by payer for each ~~Revolving Loan Fund~~CDBG loan receivable account identifying the loan amount, monthly payments, and remaining balance owed.
2. On a monthly basis, the ~~Housing Department staff Town Clerk's Office (or as assigned)~~ reviews the subsidiary ledgers for any delinquencies.
3. On a monthly basis, ~~staff the Finance Department~~Accountant updates the receivable balance based on monthly statements and payments made.
4. ~~Staff The Finance Department Housing Department Town Clerk's Office (or as assigned)~~ forwards maintains copies of the subsidiary ledgers to the Finance Department at the end of each fiscal year for reconciliation to the master control account in the Town's general ledger.
5. The ~~Finance Director Senior~~Finance Accountant reconciles the subsidiary ledgers to the general ledger, investigating and correcting any discrepancies.

C. MISCELLANEOUS RECEIVABLES

1. Following each fiscal year end, the ~~Finance Director Senior~~Finance Accountant reviews July and August cash receipts to identify any unrecorded receivables.
2. Any amounts collected by the Town prior to June 30 and remitted to the bank after June 30 are recorded as cash on hand.
3. Any amounts collect after June 30 for services provided prior to June 30 are recorded as accounts receivable.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

PURPOSE: To establish procedures to reflect regarding the amount of receivables that are annually estimated as "uncollectable" by the Finance Director management estimates will be uncollectible. The establishment of an allowance account ensures that the Town's receivables are not overstated for financial reporting purposes.

I. POLICIES/PROCEDURES

- A. Management- The Finance Director (or designated staff) shall establish an allowance for doubtful account.
- B. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.
- C. Generally Accepted Accounting Principles allows for the allowance to be based on a percentage of "net charges" on an annual basis, or based on a percentage of aged receivables.
- D. Court fines are more unique and could be based on collection efforts.
- E. The estimated Allowance for Doubtful Accounts shall be updated on an annual basis.

PROCUREMENT

PURPOSE: To establish standard policies and procedures for the procurement of goods and services for the Town of Camp Verde to ensure that all goods and services received are properly authorized.

POLICIES/PROCEDURES:

- I. The Finance Director shall be the Purchasing Agent for the Town. No purchase or contract for services of any kind or description, payment for which is to be made from funds of the Town, shall be made by the Purchasing Agent, or any officer, employee or agent of the Town, except in the manner set forth below, and unless said purchase is in accordance with the adopted Town Budget. The Town Code supersedes if there is conflicting information.

II. ORDERING PROCEDURE

- A. Due to Town cash flow needs and limited storage facilities, departments are expected to maintain only minimal supplies on hand.
- B. Purchases of less than \$50 may be made with petty cash funds upon approval from the department head. See Petty Cash Section for detailed procedures.
- C. Purchases of less than \$25,000 may be made with approval from the department head.
- D. A pre-numbered "Purchase Order" (Exhibit Q) shall be written for all purchases (excluding normal recurring operating expenditures such as utility expenses, rental payments, and payroll taxes and expenditure payments, as well as Council approved contracts/distributions, etc.) of \$25,000 or more. Each department prepares the "Purchase Order" and forwards it to the Finance Director for approval PRIOR to expending funds and/or placing orders. "Purchase Orders" of \$20,000 or more must be approved by the Town Manager PRIOR to expending funds and/or placing orders. Any department that repeatedly submits "Purchase Orders" for approval after orders are made or expenditures incurred shall be reported to the Town Manager. Once approved, the pink copy of the "Purchase Order" is retained by Finance Clerk the Finance Department, and the white and yellow copies of the "Purchase Order" are returned to the originating department for ordering. The department sends the white copy of the "Purchase Order" to the vendor.

Open "Purchase Orders" may be used when multiple payments to the same vendor for the same service/product will be made within the same fiscal year (ex: ordering Library books from the same vendor throughout the year; the "Purchase Order" can be made out to the vendor for the total amount expected to spend with this vendor throughout the fiscal year; each invoice will be applied to the "Purchase Order" until the total amount is expended). The "Purchase Order" should be completed using the total amount of the purchases. Each invoice paid will be applied against this total. Each invoice must be signed by the department head authorizing the application of the invoice against the "Purchase Order".

B.F. _____ All orders are placed according to the guidelines below:

1. ~~Notwithstanding the provisions of Section 3-3-5, No purchase shall be made by or on behalf of the Town without first obtaining Council approval in the following instances:~~
 - a. ~~Where prior approval is required by state law or Town code;~~
 - b. ~~Where the purchase of the item is not included in the category of expenditures provided in the budget as adopted;~~
 - c. ~~Where funds for the purchase are not provided in the budget as adopted;~~
 - d. ~~For the expenditure of funds in an amount in excess of \$20,000, ten thousand dollars, even if included in an approved budget.~~
2. ~~The Finance Director shall serve as the Purchasing Director and shall direct and control all purchases of goods and services made by or on behalf of the Town.~~
3. ~~The Purchasing Director shall approve or deny all purchase requests and shall report to the Council on any purchase requiring Council approval.~~
4. ~~In case of an emergency which requires immediate purchase of supplies or services and when time is of the essence and applicable state law does not provide otherwise, the Mayor shall be empowered to authorize the Purchasing Director to acquire goods or services without complying with the requirements and procedures in the Town Code. A full report of the circumstances of such emergency and the goods or services obtained shall be made to Council at its next regular meeting.~~
5. ~~Purchases in General; Bids and Proposals~~
 - a. ~~Purchases or contracts for services of under \$2,500~~20,000. Whenever the contemplated purchase or contract for services is for the sum of less than \$20,000, upon completion of a requisition form and purchase order form, the Purchasing Director may obtain the goods or ~~may be ordered by the Department without further formality.~~
 - a. ~~\$2,500 to \$10,000 inclusive.~~ Whenever any contemplated purchase or contract for services is for the sum of at least \$2,500 but not more than \$10,000, after completion of a requisition form, the Purchasing Director shall obtain at least three bids or proposals. At the discretion of the Purchasing Director, bids or proposals may be solicited electronically or in writing. Documentation of the bids or proposals solicited is to be maintained and attached to a completed purchase order form. Upon review of the bids and proposals, the Purchasing Director shall award the purchase or contract to the lowest responsive and responsible bidder in the case of bids, or to the proposer who submits the most responsive and responsible proposal determined to be the most advantageous to the Town, in the case of proposals.
 - b. ~~In Excess of \$20,000.~~ Whenever any contemplated purchase or contract is for a sum in excess of \$20,000, the Purchasing Director shall advertise for bids or proposals according to the procedures provided in the Town Code. The purchase or contract shall be awarded to the lowest responsive and responsible bidder, in the case of bids, or to the proposer who submits the most responsive and responsible proposal to be determined to be the most advantageous to the Town, in the case of proposals, but the Town shall reserve the right to reject any and all bids and proposals and re-advertise. Written bids or proposals are not required when items are purchased from a vendor on the State Procurement List. No purchase or contract in an amount in excess of \$20,000 shall be awarded without prior Council approval. The Purchasing Director shall present the bids or proposals obtained to the Council and shall report to

- them on the need for the goods or service and the advantages or disadvantages of the contract and bid proposals. The Council reserves the right to reject any and all bids and re-advertise.
6. Bidding and Proposal Procedures. Except as provided in state law, the Purchasing Director shall follow the procedure set forth in this section for all purchases and contracts subject to the bidding process:
- a. Obtain a project/bid number from the Town Clerk's Office.
 - b. Publication of a notice of solicitation. A.R.S. § 41-2533 B) An invitation for bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the procurement. C)... the notice may include publication one or more times in a newspaper of general circulation a reasonable time before bid opening. The publication shall be not less than two weeks before bid opening and shall be circulated within the affected governmental jurisdiction. Send the notice to the League of Arizona Cities and Towns, plan rooms, and all vendors who have requested to be placed on the bid list.
 - c. A notice of solicitation for bids shall state the date, time and place of opening, and the place and time period within which bids shall be submitted. The time of bid opening should be at least 15 minutes after the deadline to submit bids.
 - d. The notice shall state with particularity the goods or services required and shall state the place where specifications may be examined.
 - e. Bids shall be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not received within the time period allowed shall be rejected.
 - f. All bids shall be date and time stamped upon receipt.
 - g. All bids shall be opened in public at the time and place specified, and a tabulation of all bids shall be posted at in Town Hall for public inspection.
 - h. All bidders shall be notified in writing of the award or rejection of any and all bids.
 - i. Proposals shall be requested and evaluated pursuant to procedures consistent with the State Procurement Code (A.R.S. § 41-2534, as may be amended).
 - j. Original bid documents are maintained on file in the Town Clerk's Office in accordance with the Town of Camp Verde Records Management Manual.
7. Unless the bids are rejected, the following shall be considered in determining the lowest responsible bidder:
- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - b. Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.
 - c. The quality of performance of previous contracts.
 - d. The previous and existing compliance by the bidder with the laws and ordinances of the Town.
 - e. The financial resources and ability of the bidder to perform the contract.
 - f. The quality, availability, and adaptability of the supplies or service.
 - g. The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.
8. Performance and Payment Bonds. The Purchasing Director shall have the authority to require a performance bond, in such amount as the Purchasing Director may deem sufficient for contracts other than contracts for construction, and the Purchasing Director

- shall require performance and payment bonds for contracts for construction as required by law (in excess of \$20,000). In all cases of construction to which state law applies, any requirement for a bond shall be incorporated into the contract.
9. Exclusive Service. In the event that there is only one person or entity capable of providing a particular commodity or service, the requirement of the Town Code concerning bidding procedures shall not be applicable. However, for auditing purposes, sole-source proof shall be maintained.
10. Professional and Technical Services
- a. The provisions of the Town Code shall not apply to professional or technical services.
- b. No person or firm practicing in a professional or technical field for which a license is required by state law shall be engaged by the Town unless possessing a current license in good standing.
- c. Upon engagement, the Town shall enter into a written agreement or memorandum of understanding for the performance of the services for which engaged, setting forth the scope of services and the unit or total price therefore.
11. Cooperative Purchasing. The Town Code shall not apply to purchases made by, through, or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding or proposal process whenever other governmental units have done so for the same item or service, if, in the opinion of the Purchasing Director, a separate bidding process is not likely to result in a lower price for such items or services.
12. Grants. The provisions set forth in the Town Code or Financial Operations Guide, Article 3-3 may be superseded by bidding, proposal, or qualification requirements in federal and state grants.
13. Purchases from Mayor or Council Members. Pursuant to ARS § 38-503(C), as may be amended, the Town, through its common Council, may purchase supplies, materials, and equipment not to exceed three hundred dollars in cost in any single transaction or a total of one thousand dollars annually, or as may be adjusted by law from the Mayor or any member of the common Council without using competitive public bidding procedures according to an annually adopted Town policy.

PROCUREMENT

2. ~~Purchases or contracts for services of \$2,500 to \$10,000 require the solicitation of at least three quotes. The quotes may be solicited by phone or in writing. Documentation of the quotes solicited is to be maintained. The original quotes shall be sent to the Town Clerk's Office for filing. A copy of the quotes shall be attached to a completed "Purchase Order" form and submitted to the Finance Department for approval PRIOR to placing the order. Upon "Purchase Order" approval, the purchaser may award the purchase or contract for service to the lowest responsible bidder or to the bidder who submits the most responsive and responsible quote determined to be the most advantageous to the Town. The reasons for selecting other than the lowest bidder should be documented and attached to the completed "Purchase Order".~~
3. ~~Purchases or contracts for services contemplated to be \$10,000 or more follow the procedure below. No purchase or contract shall be awarded without prior Council approval. The Council reserves the right to reject any and all bids and re-advertise.~~
 1. ~~The Department Head or representative shall cause to be published in two issues of a newspaper with general circulation in the County, a notice inviting bids for the purchase or contract at least 10 days prior to the date set for the receipt of the bids. Whenever feasible, bid requests should indicate that preference will be given to local vendors.~~
 2. ~~The Department Head or representative posts a notice inviting bids for the purchase or contract at Town Hall.~~
 3. ~~Both of the above notices include a general description of the item or services to be performed and the date, time and place for opening bids along with the place and time period within which bids are submitted.~~
 4. ~~A notice inviting bids may also be mailed to responsible perspective suppliers and all potential vendors on the Town's bid list maintained by the Town Clerk.~~
 5. ~~All notices and solicitations for bids shall state the date, time and place for opening the bids.~~
 6. ~~Bids are submitted in a sealed envelope and identified as bids on the envelope. Any bid not received within the time period allowed shall be rejected.~~
 7. ~~All bids shall be date and time stamp upon receipt.~~
 8. ~~All bids shall be opened in public on the date, time and place stated in the public notice.~~
 9. ~~A tabulation of all bids shall be posted in Town Hall for public inspection.~~
 10. ~~All bidders shall be notified in writing of the award or rejection of any and all bids.~~
 11. ~~The Department Head or representative shall present the bids to the Council for approval and advise the Council of the advantages or disadvantages of the purchase or contract bids.~~

PROCUREMENT

- ~~4. The Department Head, for purchases or contracts of under \$10,000, or the Council, for purchases or contracts for services of \$10,000 or more, shall have the authority to reject any and all bids and parts of bids and re-solicit bids.~~
- ~~5. Unless the Department Head or the Council rejects the bids, the following shall be considered in determining the lowest responsible bidder.
 - ~~1. The ability, capacity and skill of the bidder to perform the contract or provide the service required.~~
 - ~~2. Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.~~
 - ~~3. The quality of performance of previous contracts.~~
 - ~~4. The previous and existing compliance by the bidder with the laws and ordinances of the Town.~~
 - ~~5. The financial resources and ability of the bidder to perform the contract.~~
 - ~~6. The quality, availability and adaptability of the supplies or service.~~
 - ~~7. The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.~~
 - ~~8. Bid documents are maintained on file in the Town Clerk's office in accordance with the Town's record retention policies.~~~~
- ~~6. The Department Head has the authority to require a performance bond, in cash or otherwise, for such amount as he/she may deem sufficient to secure the execution of the contract.~~
- ~~7. Exceptions
 - ~~1. In the event there is only one firm or company capable of providing a particular service or commodity, such purchase or contract for services can be secured without bidding by approval by Council.~~
 - ~~2. In the case of an emergency which requires immediate purchase of supplies or services and when time is of the essence, the Mayor is empowered to authorize the Department Head to purchase or secure services without following the above procedures. A full report in writing of the circumstances of any emergency purchase is filed by the Department Head with the Town Council at its next meeting.~~
 - ~~3. Unless required by the Council, the above procedures shall not apply to professional services rendered on an open account on an as needed basis including, but not limited to, the following: physicians, attorneys, accountants and engineers.~~~~

PROCUREMENT

- ~~4. The above procedures shall not apply to purchases or contracts made by, through, or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding process whenever other government units have done so for the same item or service if, in the opinion of the purchasing agent, a separate bidding process is not likely to result in a lower price for such items or services.~~
- ~~5. Used equipment. Upon recommendation of the Town Manager, the Council may elect to waive the bid procedures with respect to the purchase of used equipment.~~
- ~~6. Public Works. All Public works contracts are bid in accordance with these Arizona statutory provisions currently codified in A.R.S. § 34-201 et seq. as may be amended from time to time.~~
- ~~7. Lease Purchase Agreements. This article shall not apply to acquisitions made through lease purchase agreements that have been approved by the Council.~~
- ~~8. The Town currently can make purchases through the State of Arizona Procurement office or Mohave Education Services Cooperative, without going out to bid, due to the bid guidelines these entities have set up.~~

* For detailed bid procedures, please contact the Town Clerk's Office for a bid procedure packet available on both CD and paper.

RECEIVING

PURPOSE: To establish standard policies and procedures for the accurate receipting of all purchases or services received by the Town of Camp Verde.

POLICIES/PROCEDURES

- I. All items purchased by the Town require a written receipt of the items at the time of delivery.
- II. A title or deed acts as the receiving document for the purchase of vehicles, land or buildings. The sales contract acts as the invoice.
- III. Items purchased with petty cash are documented by the purchaser as being received by the purchaser's signature on the detailed receipt or with a signed, written description of the items purchased if a detailed receipt is not available. It is then placed in the petty cash drawer and marked "PAID" as proof of the use of funds.
- IV. Items purchased and paid for at the time of receipt with a Town check or a Town credit card must include an itemized receipt that is signed by the purchaser. The proper account code is identified, and the receipt is forwarded to the Finance Department for payment Finance-Clerk.
- V. All other items received are documented on a packing slip, bill of lading or a vendor invoice.
 - A. Items received are signed for and dated by the department head or their designee upon inspection by that person that all items on the receiving document are indeed delivered to the Town in good condition.
 - B. Receiving documents for items purchased with a "Purchase Order" (Exhibit Q) include the "Purchase Order" number.
 - C. Items received via a parcel shipping company are signed for at the time of receipt from the delivery company as receipt of a number of boxes or envelopes. Upon delivery of the parcel(s) to the appropriate department, the department head or his/her designee inspects the contents of the delivery, sign and date the accompanying packing slip or invoice and note the amount and the condition (if necessary) of the items received.
 - D. After completing the above procedure(s), all receiving documents are attached to the invoice and forwarded to the Finance-Clerk Finance Department for payment.
 - A.E. If any item purchased exceeds \$5,000, notification shall be made to the Finance Department to include the item on the Capital Asset Listing. See the "Capital Asset" policy in on page 48 of the Financial Operations Guide for proper reporting procedures.

CASH DISBURSEMENTS

PURPOSE: To establish standard policies and procedures for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde, for ensuring that all services and items delivered were authorized and accounted for properly, and for maintaining accurate vendor files.

I. POLICIES/PROCEDURES

- A. When placing orders, departments shall notify vendors that all invoices shall be mailed directly to the Finance Department.
- B. Upon receipt of invoices, ~~staff the Finance Clerk~~ logs the invoice in a tickler file and forwards invoice to the applicable department for coding and department head approval.
- A. ~~All coded and department approved invoices (or demands for payment) are forwarded to the Finance Clerk, along with applicable receiving documents. The Finance Clerk batches invoices for payment based on due date and when received. Invoices received by Monday at 12:00 p.m. will be included in the batch paid on Thursday. If an invoice does not require immediate payment, it may be held for payment until a subsequent batch. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.~~
- B.C. ~~Staff The Finance Clerk~~ matches all invoices with the receiving documents and "Purchase Orders" (Exhibit Q) for invoices totaling \$25,000 or more.
- C.D. ~~Each department~~ completes a "Check Request" form (Exhibit R) for each invoice totaling less than \$25,000. A completed form includes account cost allocations and must be approved by the department head. The matching invoice(s) and the receiving document(s) are attached to the "Check Request" and forwarded to the Finance Department Clerk.
1. Invoices for items that do not contain receiving documents (ex: repair order, fuel receipt, hardware bill, etc.) shall be initialed by the employee who received the items verifying the expense as a valid expenditure. The invoice is then forwarded to the department head for approval.
- E. Staff The Finance Clerk batches invoices for payment based on due date and when received. Invoices received by Monday at 12:00 p.m. will be included in the batch paid that week. If an invoice does not require immediate payment, it may be held for payment until a subsequent batch. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.
- D.F. ~~Staff The Finance Clerk~~ reviews each "Check Request" and makes any necessary corrections, noting the vendor number and any other needed information.

- E.G. ~~Staff The Finance Clerk~~ reviews invoices for possible duplicate payments. Once it has been determined that the invoice is not a duplicate, ~~staff the Finance Clerk~~ enters the approved invoices into the accounting computer program, recording the invoice numbers paid in the accounting system for printing on the check stubs.
- H. ~~Staff The Finance Clerk~~ then runs a "Preliminary Check Register" and ~~submits the "Preliminary Check Register" and all invoices, check requests, etc. to the Finance Director Accountant or Senior Accountant for review.~~ ~~staff the Finance Clerk~~ reenters the corrected data and runs a new "Preliminary Check Register".

CASH DISBURSEMENTS

- I. ~~Upon completing an acceptable "Preliminary Check Register", staff the Finance Clerk prepares to print the checks (including a copy) and runs a "Check Register".~~
- J. ~~Until such time as they are needed, blank checks shall be kept in a locked storage cabinet.~~
- K. ~~Staff The Finance Clerk verifies the beginning check number in the computer software program to the beginning check number in the blank check stock. If the numbers do not match, an investigation will take place to determine the reason for the discrepancy.~~
- F.L. ~~Upon verification that the check number in the computer software program and the blank check stock match, staff the Finance Clerk prints the checks (including a copy) and runs a "Check Register".~~
- G.M. ~~Staff The Finance Clerk forwards the approved printed checks, with copy attached, and the invoices to the Finance Director for signature and review.~~
- H.N. ~~The Finance Director reviews the invoices and checks, notes any exceptions, and signs the checks, if approved. If the Finance Director is unavailable, the Town Clerk performs the review and signs the checks. The checks, along with invoices approved by the Finance Director or Town Clerk as applicable, are then forwarded to the Mayor (or Vice Mayor) for signature. If the Mayor (or Vice Mayor) is unavailable for signatures, the Finance Director and Town Clerk may sign the checks. All attempts to gain both a staff signature and an elected official signature must be exhausted prior to having both signatures be staff signatures. If due to absences, the required signatures are not available, signature stamps may be used with prior authorization by the absent authorized check signer.~~
- I.O. ~~The Mayor (or Vice Mayor) reviews the checks and any invoices approved by the first signer, notes any exceptions, and signs the checks, if approved. The checks are then forwarded to the Town Clerk's Office Finance Department for mailing.~~

~~J.P.~~ Finance staff other than the individual that produced the checks ~~The Town Clerk's Office~~ separates the signed checks, mails the original and any remittance stubs to the payee, and forward the "yellow" copy to the Finance Clerk. The Finance Clerk ~~same employee~~ attaches the invoice(s) and any supporting documentation to the "yellow" copy of the check and marks the invoice(s) as paid.

~~K.Q.~~ Staff ~~The Finance Clerk~~ files the "yellow" copy of the check attached to the invoice and other supporting documentation in the appropriate vendor file.

~~L.R.~~ Any voided checks are marked void, the routing number, account number, and signature area torn off, and filed in a reconciliation file.

~~M.S.~~ The Town operates on a cash basis during the fiscal year, and accruals are recorded at year end. Only those goods or services received on or before June 30 and paid after June 30 are accrued to the previous fiscal year. After June 30, ~~staff the Finance Clerk~~ reviews all invoices being processed to determine in which fiscal year the invoice should be recorded.

~~N.T.~~ Departments shall submit all prior year invoices to the Finance Department no later than August 31.

Q.U. Once all prior year invoices have been recorded, ~~staff the Finance Senior Accountant~~ prepares a detail listing of all invoices accrued to the prior fiscal year and reconciles the listing to the accounts payable control account on the general ledger. ~~Staff The Finance Senior Accountant~~ prepares any necessary journal entries to correct the control account balance and to reflect the correct allocations of accounts payable balances between funds.

P.V. Each January, ~~staff the Finance Clerk~~ compiles and reconciles a preliminary list of 1099s to be issued in accordance with IRS regulations. The Finance Director ~~Senior Accountant~~ reviews and approves the preliminary determination of 1099s to be issued. Once approved, ~~staff the Finance Clerk~~ prints the final 1099s for distribution to vendors and the IRS.

SIGNATURE STAMPS

PURPOSE: To establish standard procedures for the use of signature stamps for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde.

I. POLICIES/PROCEDURES

- A. All check signers have a signature stamp. Check signers include the Mayor, Vice Mayor, Finance Director, and Town Clerk (per Resolution 2008-744).
- B. The signature stamp shall be placed in a secure location in the check signer's department.
- C. The signature stamp shall be placed in a separate location from blank checks.
- D. Each check signer is responsible for the safekeeping and authorized usage of the stamp.
- E. Each department shall have a designated employee(s) authorized to use the signature stamp in the check signer's absence, and this authorization shall be made in writing.
- F. Each check signer may stipulate that they be contacted for approval of the use of their signature stamp for each occurrence.
- G. In all cases, at least one signature shall be "live".
 1. Only in an extreme emergency, and after contacting the check signers to obtain authorization, may a check be issued with both signatures being from signature stamps.
 2. Upon return of the check signers whose signature stamps were used, a written explanation containing signatures from both check signers verifying that the use of the signature stamps in this manner was authorized shall be obtained and filed with the yellow copy of the check and supporting documentation.

Comment [c2]: Staff is requesting that the Mayor reconsider his objection to having a signature stamp. Signature stamps are archived for historical purposes.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

PURPOSE: To establish standard procedures for the use of Town credit cards and business charge cards.

POLICIES/PROCEDURES: The purpose of the credit card is principally for use in making travel arrangements or other purchases where the vendor requires such use. Credit card purchases are intended to be small in scope and of a 'non-capital' nature. All purchasing of budgeted capital items must have the proper approval of the Finance Director and must be purchased via the Purchase Order process. Business charge cards are also available for certain frequently used vendors.

I. CARD RESTRICTIONS

- A. Credit cards/business charge cards are to be signed out at the Finance Department and returned promptly after use. When the card is returned, it must be accompanied by a fully completed "Credit Card Use Form" (Exhibit S) with all receipts and other supporting documentation attached. In addition, the employee must sign the credit card log to acknowledge return of the credit card.
- B. Town employees and officials may sign out credit cards/business charge cards in accordance with this policy. If an individual needs a card to keep in his/her possession, a "Request for Credit Card" (Exhibit T) needs to be filled out by the department head, turned into the Town Manager for signature and forwarded to the Finance Department. Once the request is approved, the individual must sign the "Credit Card User Agreement" (Exhibit T) before the card is issued.
- C. Any approved credit card or business charge card accounts shall be opened by the Finance Director, or his or her designee. No other individuals are authorized to open credit card or business charge card accounts.
- D. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle are as follows:
 1. Single Purchase Limit - Not to exceed \$1,000
 2. Billing Cycle Limit - Not to exceed \$2,500Any exception to these limits must be obtained in writing, in advance, from the Finance Director or Town Manager.

II. USE OF CREDIT CARD/BUSINESS CHARGE CARD

- A. The credit card/business charge card is to be used for Town purchases only.
- B. No person other than the one who signed out the card is authorized to use it. Employees must not retain credit card numbers for future use when not signed out.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

- C. Questions regarding credit card/business charge card accounts and procedures should be directed to the Finance Director.
- D. The credit card may be used at any business establishment, which accepts credit cards for payment, as long as the expenditure complies with Town policy requirements.
- E. All other methods of procurement should be exhausted before using the credit card (i.e., purchase orders or invoicing).
- F. The employee must be able to justify that the use of the card was necessary and for official Town business purpose.
- G. The employee shall take all necessary precautions to keep the card and card number in a secure location. The Finance Department is to be notified immediately if card is lost or stolen.
- H. The department is responsible for all charges incurred on department issued cards including any annual service fees and finance charges.

III. TELEPHONE, FACSIMILE, AND INTERNET ORDERS

- A. When placing a telephone/facsimile order, the employee shall confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.
- B. All telephone/facsimile/internet orders must be recorded on the "Credit Card Use Form" (Exhibit S) when the transaction occurs.
- C. For telephone/facsimile orders, the employee shall request that the vendor send, via facsimile, a copy of the invoice. **The original invoice is still necessary by the Finance Department for reconciliation purposes.**
- D. For internet orders, employees must print a copy of the receipt/order confirmation and attach to the "Credit Card Use Form" (Exhibit P).
- E. If no receipt is available for the telephone/facsimile order, complete the "Credit Card Use Form" (Exhibit P) detailing the purchase in entirety. This form shall be used as the documentation when reconciling the monthly statement of account.
- F. NO backorders are allowed.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

IV. DOCUMENTATION

- A. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the monthly statement of account.
- B. The Town shall not be responsible for any charges incurred if the criteria listed in (A) and supporting documentation is not received in a timely manner by the Finance Department.
- C. All purchases made by telephone and facsimile are to be recorded on "Credit Card Use Form" (Exhibit S). This form must be maintained as charges occur.
- D. If, for any reason, the employee does not have documentation for a transaction, the employee must attach a "Credit Card Use Form" (Exhibit P), providing: a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to ensure proper documentation in the future. In addition, the employee and the Finance Director's department head's signature are required on the form.
- E. If receipts are related to travel, it is the employee's responsibility to photocopy the receipts to attach to their "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I). The originals must be forwarded to the Finance Department for reconciliation with the monthly statement.
- F. Copies of all necessary forms are enclosed within the exhibits section of the Financial Operations Guide as well as on the shared network. Files in the shared network are located in the Financial Operations Guide folder located in the Finance Department's Public Folder.
- G. An original invoice/sales order must accompany the credit card receipt. It should be in detail, to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.

V. PROHIBITED CHARGES

- A. The following uses of a credit card are prohibited:
 - 1. Cash advances.
 - 2. Personal purchases. Employees may not charge any personal items on the Town credit cards/business charge cards.
 - 3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation shall be required.
 - 4. Alcoholic beverage purchases.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

Any prohibited use of cards shall be reported to the applicable department head and/or the Town Manager.

- B. Per Diem. Per diem requests are processed through Accounts Payable prior to travel. Refer to the Travel and Training Section.
- C. Employees shall also comply with any applicable departmental restrictions on usage.
- D. Employees may not violate any procurement requirements, where it pertains to obtaining quotes, when using the Town credit card.

VI. RECONCILIATION AND PAYMENT

- A. After each purchase, the department must submit the completed "Credit Card Use Form" (Exhibit S) to the Finance Department to hold for reconciliation to the monthly statement.
- B. The employee attaches any additional documentation necessary to the "Credit Card Use Form" (Exhibit P), complete the form fully and assure that all necessary signatures have been obtained.
- C. This form is reconciled with both the receipts and the credit card's monthly statement of account by the Finance Department.
- D. If unable to submit the required documentation by the due date, please contact the Finance Department as soon as possible.
- E. Payment shall be made promptly and before the due date to avoid any service or finance charges.
- F. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the credit card account shall be assessed the finance charges imposed by the issuing financial institution.

VII. TERMINATION/RESIGNING EMPLOYEES

- A. All efforts shall be made by the Finance Department to obtain the credit card, any receipts, "Credit Card Use Forms" (Exhibit S) and other related forms when a Cardholder employee is terminated or resigns.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

- B. If the credit card cannot be collected, notify the Finance Director immediately to ensure the card is canceled.

VIII. POLICY VIOLATIONS

Failure to follow this policy may result in loss of card privileges and, for employees, may result in disciplinary action, including termination of employment.

PETTY CASH ACCOUNTS

PURPOSE: To account for minor disbursements when immediate payment is required.

I. POLICIES

- A. The petty cash reimbursement and reconciliation shall be reviewed by someone other than the custodian or person who purchased the items.
- B. Petty cash shall be properly safeguarded at all times.
- C. At a minimum, the Petty Cash Custodians shall request replenishment when the petty cash balances are more than 50% below the imprest balance and an immediate need for replenishment is anticipated.
- D. All petty cash receipts shall be submitted for reimbursement at fiscal year-end year-end to ensure all amounts are coded to the correct fiscal year.
- E. Petty cash funds may not be used for personal services/items.

II. PROCEDURES

A. DISBURSEMENTS

- 1. The requesting employee shall obtain the department head approval before purchases are made.
- 2. The requesting employee completes the "Petty Cash Withdrawal Request" form (Exhibit V).
- 3. The Petty Cash Custodian receives all "Petty Cash Withdrawal Request" forms and vendor receipts and ensures the form is complete and properly approved before any disbursement is made from the Petty Cash Account.
- 4. The Petty Cash Custodian maintains a "Petty Cash Disbursement/Replenishment Log" (Exhibit W), either in hard copy form or in Excel, for all disbursements and replenishments.
- 5. The Petty Cash Custodian checks the amount requested for mathematical accuracy and notes any discrepancy.
- 6. Upon disbursement of cash to the employee, the employee signs the "Petty Cash Withdrawal Request" form for acknowledgement of receipt of cash.
- 7. If change is being returned, the employee signs the form acknowledging return of monies, and the Petty Cash Custodian validates the amount to the vendor receipt and the total amount originally given.
- 8. The Petty Cash Custodian stamps the "Petty Cash Withdrawal Request" form and vendor receipts "PAID"; to prevent reuse.

PETTY CASH ACCOUNTS

B. RECONCILIATION

1. On a monthly basis and whenever replenishment is requested, using the "Petty Cash Disbursement/Replenishment Log" (Exhibit W), the Petty Cash Custodian reconciles the disbursement and change returned amounts listed on the various "Petty Cash Withdrawal Request" forms.
2. The Petty Cash Custodian also reconciles the Petty Cash Fund imprest total to amounts disbursed and remaining cash.
3. The Petty Cash Custodian researches and resolves any discrepancies.
4. The department head reviews the reconciliation.
5. The Petty Cash Custodian prepares a "Check Request" (Exhibit R) to replenish petty cash funds, when necessary.
6. The Petty Cash Custodian receives a petty cash fund reimbursement check made payable to the applicable petty cash custodian for the purposes of replenishing the petty cash fund.

BANK ACCOUNTS AND RECONCILIATION

PURPOSE: To ensure that all activity within the general ledger is complete and properly reconciled to the bank.

I. POLICIES

- I. In accordance with Arizona Revised Statutes (A.R.S.), each bank account that the Town maintains over the FDIC insured amount shall be collateralized by the bank for the amount over the FDIC insured amount.
- II. All bank accounts and related activity shall be properly recorded in the general ledger.
- ~~III. Bank statements, for each account, shall be received by the Town on a monthly basis.~~
- ~~IV. III. Prior to opening or closing of, all bank accounts, shall be Council authorization shall be obtained by the Town Council.~~
- IV. Only the Mayor, Vice-Mayor, Finance Director, and Town Clerk are authorized check signers on the Town's accounts as established in Resolution 2008-744.
- V. Authorization may be given by Council for selected Finance Staff to initiate and approve direct transfers of funds between Town bank accounts to provide for the payment of accounts payable and payroll transactions as well as other authorized transactions.
- VI. Bank statements, for each account, shall be received by the Town on a monthly basis.
- ~~V. VII. Each bank account shall be reconciled monthly and on a timely basis to resolve any discrepancy. Reconciliations shall be signed and dated by the preparer.~~
- ~~VI. VIII. The Finance Director shall review the bank statement reconciliation and sign and date as evidence of the review.~~

II. PROCEDURES

- A. Upon receipt of the bank statements, ~~staff the Senior Finance Accountant~~ verifies that all cancelled checks listed agree with the Town's accounting records. Cancelled checks are reviewed for alterations, irregular endorsements, and authorized signatures.
- B. ~~Staff The Senior Finance Accountant~~ compares transaction amounts listed on the bank statements to the Town's records to ensure that amounts were accurately debited or credited.
- C. ~~Staff The Senior Finance Accountant~~ forwards all reconciliation documentation to the Finance Director to review that the reconciliation was properly completed and all items reconciled.

- D. Upon receipt of the collateralization statements, the Finance Director Senior Finance Accountant ensures that any amounts over the FDIC insured amount are collateralized.

BANK RECONCILIATION

- E. In addition to the monthly bank reconciliations, the Finance Director or ~~Senior Finance Accountant~~ will review the detail general ledger monthly for items such as mispostings, duplicate payments, etc.

III. INTERFUND BORROWING

- A. The General Account serves as the general operating bank account of the Town and represents the pooled cash of all funds, except those amounts retained in separate bank accounts for legal or operational purposes.
- B. Each fund's share of the pooled cash is recorded on the general ledger as Equity in Pooled Cash.
- C. Once all bank accounts have been reconciled for the month, the Finance Director ~~Senior Finance Accountant~~ reviews and reconciles the Equity in Pooled Cash balances to ensure the amounts agree to the offsetting entries in the General Fund.

CAPITAL ASSETS

PURPOSE: To establish standard policies and procedures for the accurate tracking of capital assets.

POLICIES: Capital assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$5,000 or more. Stewardship assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$1,000 to \$4,999. The majority of capital expenditures will be tracked in the Capital Improvement Projects Fund (CIP Fund). All non-CIP Fund capital expenditures are coded to an 8XXX object code to ensure proper classification and to facilitate the reconciliation of capital asset additions.

I. PROCEDURES

A. Departments must notify the Finance Department when any item is acquired, disposed of, or transferred to another department when the item was purchased for or valued at \$1,000 or more.

B. For items valued at \$1,000 or more, the department must complete an "Asset Acquisition Form" (Exhibit X) and submit to the Finance Department for inclusion on either the Capital Asset Listing or the Stewardship Asset Listing.

~~B.C. _____ In addition to the Capital Asset Listing, the Finance Accountant also maintains a Stewardship Listing of items purchased for or valued at \$1,000 or more and less than \$5,000. Each year staff the Senior Accountant forwards an updated Capital Asset Listing and Stewardship Listing to the Risk Manager Town Clerk for insurance purposes.~~

~~C.D. _____ Capital assets are depreciated on a straight-line basis.~~

~~D.E. _____ In consultation with department heads, the Finance Director Senior Finance Accountant assigns useful lives to individual assets based on asset category.~~

E.F. _____ When equipment items are acquired, departments shall request property tags from the Finance Department to be affixed to the assets, if feasible. Property tags should not be affixed to any item if this would seriously impair the item's value or usefulness. Engraving or other means of identification of such items is recommended to facilitate their possible return if they are lost or stolen

Departments indicate the property tag number assigned on the vendor invoice before forwarding to the Finance Department. ~~Staff The Finance Clerk or Accountant~~ provides copies of such invoices to the ~~Finance Department Senior Finance Accountant~~ for updating of the Capital Asset/Stewardship Listings.

F.G. _____ If an asset has been donated to the Town, the receiving department shall complete the ~~"Donated Capital Asset Acquisition Form" (Exhibit P)~~ and submit to the Finance Department at the time of receipt of assets. The Finance Department will issue a property tag

as applicable, and ~~staff the Senior Finance Accountant~~ will update the Capital Asset/Stewardship Listings.

CAPITAL ASSETS

G.H. Departments shall complete the "Request for Authorization to Dispose of/Transfer Equipment" (Exhibit Y) and submit to the Finance Department at the time of disposal or transfer of assets. The Finance Director reviews and approves all "Request for Authorization to Dispose of/Transfer Equipment" forms.

Disposals of assets must comply with approved methods. Refer to the section titled "Asset Disposal" for the policies and procedures for regarding the disposal of surplus or impaired assets. Assets generally cannot be donated unless it can be demonstrated that the donation serves a public purpose.

Departments shall report lost, stolen, or destroyed assets within ten working days of discovery to the Risk Manager and the Finance Department.

H.I. For capital projects (assets acquired through construction or assets acquired through similar multiple payments), a separate account code shall be created to track the costs to be capitalized. For existing assets, projects should be identified as to whether they are improvement projects or repair/maintenance projects. Improvement projects significantly extend the useful life of an asset or increase the value of an asset. Repair/maintenance projects generally maintain the condition of an asset so that the expected useful live-life is attained.

I.J. Once a year, the Finance Department distributes current equipment listings for verification and physical inventory by department heads or designees, along with instructions regarding how physical inventories are to be performed. If there are any discrepancies, the proper corrections to the listing are indicated noting the date of the change and any other needed information (price, useful life, etc.). In addition, during the physical inventory process, the department heads or designees examine assets for possible impairments and designate surplus assets available for auction/disposal. The listings are returned to the Finance Department. The Finance Director Senior Finance Accountant researches and resolves any discrepancies between the physical inventory and the Capital Asset Listing. Each year, the Finance Department will physically sample a random selection of the Capital Asset Listing for verification that the items are still in the possession of the Town and are in working condition. During this review, staff will also search for items not listed on the Capital Asset Listing.

J.K. ~~Staff~~ The Senior Finance Accountant reviews and reconciles the Capital Asset Listing to the general ledger, at least quarterly. The Finance Director reviews the reconciliation, initialing and dating as evidence of review.

~~NOTE: For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property; therefore, supplies and/or assets cannot be donated to other organizations.~~

ASSET DISPOSAL

PURPOSE: To establish standard policies and procedures for the disposal of surplus or impaired assets.

I. POLICIES/PROCEDURES

- A. The Town utilizes the Public Service website to dispose of surplus supplies and/or assets. This website adheres to the specific procurement requirements that public agencies must follow in disposing surplus supplies and/or assets. The website address is <http://www.publicsurplus.com/sms/campverde.az>.
- B. For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property. Therefore, surplus supplies and/or assets cannot be donated to other organizations. The law does allow for donation to other governmental entities. ✓
- C. The following steps shall be followed in the disposal of surplus supplies and/or assets:
1. The department head must authorize the disposition of surplus supplies and/or assets.
 2. Send an email to "All Employees" describing the item (include a photo if available) available. Allow at least four (4) working days to allow requests for the item to be transferred to another Town department.
 3. If no requests to transfer the item to another Town department are received, prepare the item for submission to the Public Service website as follows:
 - a. Take a digital photo of the item.
 - b. Complete the "Vehicle Property" or "General Property" description form (Exhibit Z or Exhibit AA).
 - c. Email the description form, digital photo, and any suggestions for a start price or reserve (minimum amount for the item) if applicable to auctions@campverde.az.gov. Indicate whether the item has instruction manuals and/or accessories, as well as the working condition and general condition of the item. Provide as much information as possible.
 - d. Indicate in the email who should be contacted to pick-up the item when sold and when it will be available for pick-up.
 4. At the end of the auction timeframe, if the item sales, a "Closing Notification" report is generated from the Public Surplus website detailing the item sold as well as the sales price and the purchaser. A copy of this report is to be given to the Finance Department. This report is used to update the assets listed on the Stewardship and Capital Asset listings.
 5. When the purchaser pays for the item, an "Auction Receipt" report is generated. A copy of this report is to be given to the Finance Department. Payment from the purchaser is received by Public Surplus and transmitted to the Town.

UNCLAIMED PROPERTY

PURPOSE: To establish standard policies and procedures for recording and handling unclaimed property.

I. POLICIES/PROCEDURES

A. Unclaimed Property

1. On a monthly basis, review all checks in the "Check Sign-Out Book" and prepare a letter to the payee advising them that monies are being held for them to pick up.
2. If checks have not been picked up, the Finance Department will mail the check letter certified, return receipt requested, and place a copy of the letter and check in the vendor or employee's file.
3. If the letter is returned, Finance Department staff shall on a monthly basis, remove the checks from the "Check Sign-Out Book" and place them in the "Unclaimed Check File." Void the check and place a copy of it in the vendor or employee's file.
4. Record the voided check amount in the "Unclaimed Property" liability account.
5. If the vendor, or employee, contacts Finance after the check has been voided, reissue another check and remove the amount from the "Unclaimed Property" liability account. Place a copy of the reissued check in the vendor or employee's file.
6. On an annual basis (on July 1), review all amounts in the "Unclaimed Property" liability account and identify those that have reached the period when payment must be turned over to the state. The dates used on the "Unclaimed Property Report" are July 1 through June 30. The report is due November 1.
7. Send the completed "Unclaimed Property Report" to Accounts Payable for payment.

JOURNAL ENTRIES

PURPOSE: To maintain balanced accounts and to make necessary adjustments to resolve unbalanced accounts.

I. POLICIES/PROCEDURES

~~A. Journal entries shall be approved by the Finance Director prior to entry into accounting system.~~

A. A "Journal Entry" form (Exhibit AB) is completed detailing the adjustments needing to be made. Any supporting schedules or other documentation are attached. The employee preparing the journal entry shall sign and date the "Journal Entry" form.

B. Journal entries shall be approved by the Finance Director prior to entry into accounting system.

C. Once approved, ~~the Finance Accountant~~ staff enters journal entries into the accounting system. ~~Staff~~ The Finance Accountant verifies that the total debits and credits posted by the system match the totals on the "Journal Entry" form, notes the system-assigned journal entry on the bottom of the "Journal Entry" form, and signs and dates to indicate entry is complete.

II. AUDIT ADJUSTING JOURNAL ENTRIES

A. The Finance Director shall review to determine the validity of any audit adjusting journal entry(ies).

B. Upon consensus, the audit adjusting journal entry(ies) is input into accounting system.

GRANTS

PURPOSE: To ensure grants are properly approved and accounted for.

I. POLICIES

- A. Only grants approved by the Town Council may be applied for or accepted.
- B. The Department administering the grant shall be responsible for the submission of any required quarterly and annual financial reports required by the granting agencies.

II. PROCEDURES

A. REIMBURSEMENT GRANTS

1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures is generated from the Finance Department.
2. All expenditures are reviewed for reasonableness for compliance with the grant requirements.
3. Once verified, the reimbursement claim is prepared, reviewed by someone other than the preparer, and submitted to the granting agency. A copy of the reimbursement claim is forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the reimbursement claim prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reimbursement claim.
4. Staff The Finance Senior Accountant prepares journal entries to record related receivables, and transfer of monies for any matching requirements, or adjustment of expenditures as needed.
5. Staff The Finance Senior Accountant maintains a file of pending reimbursement claims. Upon receipt of grant monies, staff the Finance Senior Accountant ensures that the reimbursement received reflects the amount requested. If not, staff the Finance Senior Accountant researches and resolves the discrepancy.
6. Staff The Finance Senior Accountant periodically reviews the file of pending reimbursement claims to determine if any outstanding claims have not been received in a timely manner.

B. ADVANCE-TYPE GRANTS

1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures is generated along with the grant amounts advanced from the granting agency from the Finance Department.

GRANTS

2. All expenditures are reviewed for reasonableness for compliance with the grant requirements.
3. Once verified, any required financial status reports are prepared, reviewed by someone other than the preparer, and submitted to the granting agency. Copies of the reports are forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the financial status reports prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reports.
- ~~3.~~
4. The Finance Director ~~Finance Senior Accountant~~ prepares journal entries to transfer monies for any matching requirements, or adjustment of expenditures as needed.
5. Prior to completion of the grant, the balance of any unspent grant monies is determined.
6. A determination is made if the remaining grant funds will be returned or if there is an allowable expenditure for which the funds could be used.

CREATING NEW FUNDS

PURPOSE: To establish policies for creation of Town funds.

I. POLICIES/PROCEDURES

- A. All funds must be approved by the Town Council.
- B. New funds generally are requested and approved as part of the annual budget process; however, if the need arises during the year, a request for creation of a new fund should be submitted to the Town Council for approval.
- C. When approved, the Finance ~~Senior Accountant~~ staff creates the new fund in the accounting system.
- D. The Finance Director notifies applicable employee(s) of the uses and non-uses of the new fund.

OPERATING TRANSFERS

PURPOSE: To establish policies regarding the proper approvals and accounting of operating transfers between funds.

I. POLICIES/PROCEDURES

- A. All operating transfers shall be authorized by the Town Council and within the amounts budgeted.
- B. Operating transfers are requested and approved as part of the annual budget process. If an unbudgeted operating transfer becomes necessary or if the amount budgeted was insufficient, approval for the transfer or the increase in amount must be obtained from the Town Council.
- C. Operating transfers are recorded through a journal entry (refer to the Journal Entries Section).
- D. Operating transfers shall be recorded in a timely manner. Depending upon the nature and purpose, operating transfers shall be recorded monthly, annually, or at such time that the event triggering the operating transfer occurs.

BUDGET POLICY

PURPOSE: To establish policies and procedures to carefully account for public funds, manage the finances wisely, and plan for adequate funding of services that are desired by the public. The following budget policy provides guidance for preparing the Town of Camp Verde's annual budget (all funds) as well as adoption, implementation, and monitoring of the budget.

I. POLICIES

- A. Budget Philosophy. The Town of Camp Verde's budget philosophy includes funding the service delivery system using the resources provided through current revenue collection while planning for future needs through capital funding and maintenance.
- B. Balanced Budget. Arizona law (Title 42 Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget. The Town of Camp Verde will develop a balanced budget where projected revenues meet or exceed projected expenditures. In the event that projected revenues are not adequate to sustain the service delivery system desired by the Town's citizens, a draw on fund balance may be authorized by the Town Council in accordance with Town Code Section 3-4-5 Fund Balance Policy. In addition, the Town will not use one-time (non-recurring) revenues to fund continuing (recurring) expenditures.

II. PROCEDURES

A. BUDGET PROCESS

- 1. The budget process begins in February with an off-site retreat of Council Members and Department Heads to discuss the departments' priorities and obtain guidance from Council on strategic objectives and special funding requests.
- 2. In March, the Finance Department compiles information, makes projections, and completes non-departmental revenue estimates. Based on the revenue estimates projected, the Finance Department determines the subsidy allocation to be provided to each department through a General Fund Subsidy Allocation. These allocations are distributions of the monies provided from general purpose revenues (non-departmentally generated revenues) to help fund the department's operations. A meeting is held with the Department Heads to convey the budget direction, discuss the budget process, and explain the General Fund Subsidy Allocation amounts allocated to each department.
- 3. Department Heads develop the budgets for their departments as they best understand the operational needs of their departments. The Finance Department completes the salary related projections for the Manager's Recommendation column and will provide estimates for Department Heads relating to current and requested staffing levels.
- 4. In April, Department Heads submit their completed budget requests to the Finance Department for compilation of the budget work papers. Individual meetings are held with each of the Department Heads to discuss their budget requests and to assure that the Departments' narratives are complete.

5. In May, the draft budget is distributed to Council Members and Department Heads. Budget Work Sessions are held to present each budgetary unit to Council, answer questions that may arise, make adjustments as directed, and obtain Council's preliminary approval of the requests. The Finance Department makes final adjustments to the budget and verifies that all information is properly included in the budget document.
6. In June, the Tentative Budget is approved by Council and the budget is advertised in the local newspapers for two consecutive weeks.
7. In July, Public Hearings on the Tentative Budget are held. If no changes have been directed, the Final Budget is adopted and implemented.

B. BUDGET AMENDMENT POLICY

1. Once the tentative budget is adopted, the expenditure limitation amount is set for the fiscal year. The Town Council may not approve additional appropriations above that amount. Throughout the fiscal year, amendments may be made to the adopted budget. All budget amendments must be approved by the Town Council. Budget amendments include, but are not limited to, transfers of appropriations between departments, transfers of appropriations from the Contingency to departments and/or funds, and transfers of appropriations between funds. NO REALLOCATION IS NEEDED IF THE ITEMS ARE CONTAINED IN THE SAME DEPARTMENT.

2. BUDGET CHANGE/RE-APPROPRIATION

- a. All budget changes/re-appropriations shall be authorized by the Town Council and within the amounts budgeted.
- b. To request a budget change/re-appropriation, complete the "Budget Change/Re-Appropriation Form" (Exhibit AC). Submit the completed form to the Finance Director for approval.
- c. The Finance Director shall submit the completed "Budget Change/Re-Appropriation Form" to Council for approval.
- d. Upon approval from Council, the Finance Director shall make the appropriate change in the budget document and in the financial software system.

C. BUDGET MONITORING

1. The Finance Department, along with each Department Head, monitors the budget continuously throughout the fiscal year. The Town focuses on the object level (total salary expenditures, total operational expenditures, etc) of tracking rather than focusing on the sub-object level (each specific line item). This means that instead of tracking each line item to ensure that it remains within the budget appropriation, the focus is on whether the Department as a whole operates within its total budget appropriation.
2. Revenue projections are monitored monthly and statistically projected throughout the remainder of the fiscal year to determine the need to decrease expenditure appropriations in order to maintain a balanced budget.
3. Financial reports are given to the Town Council and Department Heads monthly detailing the status of each department and the Town as a whole. Along with these reports, the Finance Department also presents a report to Council detailing the revenue projections through the end of the fiscal year and makes recommendations as needed to decrease appropriated expenditures, as a result of any shortfall in our revenue base, which may materialize.

D. BUDGET CALENDAR

1. In February of each year, the Finance Director shall brief Council and obtain approval of the budget calendar for the following fiscal year.

E. FUND ACCOUNTING

1. The Town utilizes fund accounting, which is a method of tracking revenues and expenditures based on restrictions being placed on the revenues requiring that they be used for specific purposes only. Each fund is considered a separate accounting entity. All funds except agency funds are included in the budget document. Agency funds are not required to be included in the budget document as they are monies belonging to separate entities, which the Town holds in trust for them.

F. GOVERNMENTAL FUNDS

1. General Fund - The General Fund is the main operating fund of the Town of Camp Verde; it accounts for the majority of the departments within the Town.
2. Special Revenue Fund - Special Revenue Funds are separate accounting records used to track revenues (and the related expenditures) that are legally restricted for specific purposes.
3. Debt Service Fund - Debt Service Fund is used to account for the funding allocations and the payments of general long-term debt principal, interest and related costs.
4. Capital Project Fund - Capital Project Funds are used to track the financial resources to be used for the acquisition or construction of capital assets. A capital asset is defined by the Town as any item with an extended useful life whose purchase price (or value if donated) is \$5,000 or more.
5. All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means that the amount of the transaction can be determined. Available means that the funds are collectible within the current period or soon thereafter to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred.

G. FIDUCIARY FUNDS

1. Agency Fund - The Agency Fund is used to account for monies belonging to other agencies that the Town holds in a trustee capacity. This currently consists of monies held for the Grasshopper Swim Team and Special Olympics.
2. Fiduciary Funds are accounted for using the accrual basis of accounting. This method of accounting recognizes the financial effects of transactions and other events and circumstances that have cash consequences in the periods in which transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

A.H. BUDGET BASIS

1. The Town maintains its financial records in accordance with Generally Accepted Accounting Principals (GAAP) for government entities. The budgets of General Government Funds are prepared on a modified accrual basis. This includes all fund types managed by the Town of Camp Verde.

DEBT POLICY

PURPOSE: To establish policies and procedures to provide for the preservation and eventual enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions and required disclosures to investors, underwriters, and rating agencies. These policy guidelines will also be used when evaluating the purpose, necessity, and condition under which debt will be issued. These policies are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, City Charter, federal tax laws, and the Town's current bond resolutions and covenants.

The Town utilizes long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an "intergenerational equity", as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the cost of the asset.

All projects funded with General Obligation Bonds or Revenue Bonds can only be undertaken after voter approval through a town-wide bond election.

I. POLICIES/PROCEDURES

- A. The overall debt management policy of the Town is to ensure that financial resources of Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.
- B. The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt "pay as you go" capital financing.
- C. The Town does not intend to issue commercial paper (CP) or bond anticipation notes (BANs) for periods longer than two years or for the term of a construction project. If CP or a BAN is issued for a capital project, it will be converted to a long-term bond or redeemed at its maturity.
- D. The issuance of variable rate debt by the Town will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner.
- E. Whenever the Town finds it necessary to issue revenue bonds, the following guidelines will be adhered to:
 - 1. Revenue Bonds are defined as a bond on which the debt service is payable from the revenue generated from the operation of the project being financed or a category of facilities, from other non-tax sources of the Town, or from other designated taxes such as Highway User's Revenues, excise tax, or special fees or taxes. For any bonds or lease-purchase obligations in which the debt service is paid from revenue generated by the

- project, that debt service is deemed to be revenue bonds and are excluded from the calculation of the annual debt service limitation.
2. Revenue Bonds of the Town will be analyzed carefully by the Finance Department for fiscal soundness. The issuance of Revenue Bonds will be subject to the most careful review and must be secured by covenants sufficient to protect the bondholders and the name of the Town.
 3. Revenue Bonds should be structured to provide level annual debt service over the life of the issue.
 4. Debt Service Reserve Funds should be provided when required by rating agencies, bond insurers, or existing bond covenants.
 5. Interest earnings on the reserve fund balances will be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.
 6. The term of any revenue bond or lease obligation issue will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.
 7. The target for the term of Revenue Bonds will typically be between twenty and thirty years. The target for the "average weighted maturities" for Revenue Bonds of the Town (except for those issued through the Arizona Water Infrastructure Finance Authority) will be twelve and one half (12 1/2) years.
- F. Improvement District (ID) and Community Facility District (CFD) Bonds shall be issued only when the formation of the district demonstrates a clear and significant purpose for the Town. It is intended that Improvement District and Community Facility District Bonds will be primarily issued for neighborhoods and business districts desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage. The District must provide a specific benefit to the property owner(s). The Town will review each project through active involvement of Town staff and/or selected consultants to prepare projections, review pro-forma information and business plans, perform engineering studies, and analyze minimum debt coverage and value to debt ratios, and other analyses necessary to consider the proposal against specific criteria. Both ID and CFD Bonds will be utilized only when it is expected that they will be outstanding for their full term.
- G. Refunding Bonds will be measured against a standard of the net present value debt service savings exceeding 5% of the debt service amount of the bonds being refunded, or if savings exceed \$750,000, or for the purpose of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town.
- H. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
- I. The Town shall comply with all requirements of Title 15.1 Arizona Revised Statutes and other legal requirements regarding the issuance of bonds and certificates of the Town or its debt issuing authority.

J. The Town will maintain regular contact with rating agencies through meetings and visits on and off-site. The Town will secure ratings on all bonds issued if economically feasible.

FISCAL POLICY

PURPOSE: To establish policies and procedures to establish and maintain effective management of the Town's financial resources. The Town's formal policy statements and major objectives provide the foundation for achieving this goal.

I. POLICIES/PROCEDURES

A. GENERAL FINANCIAL GOALS

1. To maintain a financially viable Town that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic changes.
3. To maintain and enhance the sound fiscal condition of the Town.

B. OPERATING BUDGET POLICIES

1. The Town will adopt a balanced budget by June 30 of each year.
2. An annual base operating budget will be developed by conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.
3. Current revenues will be sufficient to support current operating expenditures and a budgeted positive operating position will be maintained.
4. Annual operating budgets will provide for adequate design, construction, maintenance and replacement of the Town's capital assets.
5. The purchase of new or replacement capital equipment with a value of \$5,000 or more and with a minimum useful life of two years will require budget approval.
6. The Town will annually project its equipment replacement and maintenance needs for the next five years. A maintenance and replacement schedule will be developed and followed.
7. The Town will annually review the General Fund operating position to determine if funds are available to operate and maintain future capital facilities. If funding is not available for operations and maintenance costs, the Town will delay construction of the new facilities.

C. REVENUE POLICIES

1. The Town will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.
2. The Town will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate. Revenue estimates adopted by the Town Council must be conservative.
3. User fees will be adjusted as necessary to recover the full cost of services provided, except when the Town Council determines that a subsidy from the General Fund is in the public interest.

4. One-time operating, capital and reserve revenues will be used for one-time expenditures only.
5. The Town will identify as necessary, developer fees and permit charges received from "non-recurring" services performed in the processing of new development and use those funds to meet peak workload requirements.

D. EXPENDITURE POLICIES

1. The Town will maintain a level of expenditures, which will provide for the public well-being and safety of the residents of the community.
2. The Town will decrease appropriated expenditures as necessary to keep total expenditures in line with projected revenues unless it materially affects the level of service provided to the public.

E. CAPITAL IMPROVEMENT BUDGET POLICIES

1. The Town will make all capital improvements in accordance with an adopted and funded capital improvement program and will include an annual six-year plan for capital improvements (CIP design, development, implementation, and operating and maintenance costs).
2. The Town will use intergovernmental assistance to finance only those capital improvements that are consistent with the Capital Improvement Plan and Town priorities, and whose operating and maintenance costs have been included in the budget.
3. The Town will coordinate development of the capital improvement budget with the development of the operating budget. All costs for internal professional services needed to implement the CIP will be included in the operating budget for the year the CIP is to be implemented.
4. The Parks Fund and other special development impact funds may only be used to fund facilities included in the Town's master plans.

F. SHORT-TERM DEBT POLICIES

1. The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval by ordinance or resolution.
2. The Town may issue interfund loans, rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations.

G. LONG-TERM DEBT POLICIES

1. The Town will confine long-term borrowing to capital improvements that cannot be funded from current revenues.

2. Where possible, the Town will use special assessment revenue or other self-supporting bonds instead of general obligation bonds.
3. The Town will establish and maintain a Debt Policy.

H. RESERVE POLICIES

1. The Town will maintain emergency reserves (rainy day fund) in the following amounts:
 - General Fund - Four (4) months of maintenance and operations expenditures.
 - HURF Fund - Three (3) months of expenditures.The primary purpose of these reserves is to protect the Town's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years), or other unanticipated or emergency expenditures that could not be reasonably foreseen during preparation of the budget.
2. The Town will establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The level of this reserve will be maintained as a level at least equal to projected costs for employees who are eligible for retirement.
3. Self-insurance reserves will be maintained at a level, which, together with purchased insurance policies, adequately protects the Town. The Town will maintain a reserve of three times its self-insurance retention for those claims covered by the insurance pool (of which the Town is a member). The Town will perform an analysis of past claims not covered by the insurance pool and reserve an appropriate amount to pay for uncovered claims.
4. The Town will establish a Capital Equipment Replacement Reserve and a Facilities/Maintenance Capital Asset Reserve for the accumulation of funds for the replacement of worn and obsolete equipment, other than vehicles, and for costs associated with the maintenance of all Town facilities. These reserves will be maintained at a level at least equal to the projected five-year capital asset replacement and maintenance costs.
5. The Town will establish a Fleet Replacement Reserve for costs associated with the replacement of vehicles and other rolling stock as they become unserviceable, obsolete, or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs.

I. INVESTMENT POLICIES

1. The Finance Director will submit an Investment Policy to the Town Council bi-annually on odd numbered years for review and adoption.
2. The Finance Director will invest the Town's monies in accordance with applicable laws, adopted investment policies, and direct the investment of bond or note monies on deposit with a trustee or fiscal agent in accordance with the applicable indentures or issuance document.

J. ACCOUNTING, AUDITING & FINANCIAL REPORTING

1. The Town's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles and standards of the Government Accounting Standards Board.
2. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion. The term for the external auditor will be no longer than three (3) years; the Town will then go to the RFP process for an independent public accounting firm; the firm currently serving the Town will not be eligible to participate in replying to the RFP.
3. A fixed asset system will be maintained to identify all Town assets, their condition, historical cost, replacement value and useful life.
4. Quarterly financial, Capital Improvement Program and Investment reports will be submitted to the Town Council as soon as practicable following the close of the quarter, and will be made available to the public.
5. Full and continuing disclosure will be provided in the general financial statements and bond representations.
6. Maintain a positive municipal credit rating.

INVESTMENT POLICY

PURPOSE: To establish policies and procedures to create a guide for the investment of Town of Camp Verde (hereinafter referred to as "the Town") funds. The Town currently has no written guidelines advising how the Town should invest its funds, nor guidelines detailing the desired outcomes and priorities. The Town also desires to take advantage of resources not available to the Town through the Local Government Investment Pool.

Therefore, it is the investment policy of the Town and its designee, the Finance Director (hereinafter referred to as "the Finance Director"), to maintain the safety of principal, maintain liquidity to meet cash flow needs and provide competitive investment returns as identified below. The Finance Director will strive to invest with the judgment and care that prudent individuals would exercise in their own affairs.

I. POLICIES/PROCEDURES

A. GOVERNING AUTHORITY

1. The investment program of the Town shall be operated in conformance with Federal, State and other legal requirements, primarily outlined in A.R.S. §35-323.

B. APPROVAL OF THE INVESTMENT POLICY

1. The investment policy shall be formally approved and adopted by the Town Council and reviewed on or about July 1 of every odd numbered year by the Town Council or their designee.

C. SCOPE

1. This policy is designed to apply to the investment needs of the Town.
2. The Town will consolidate cash and reserve balances from all funds in order to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs, except for cash in certain restricted and/or special funds, which are exempted from this policy.
3. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
4. The Finance Director will follow A.R.S. §35-323 and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 et seq.) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

D. INVESTMENT POLICY OBJECTIVES

1. The primary investment objectives of the Town in order of priority are:

- a. Safety
- b. Liquidity
- c. Optimal yield
- d. Collateralization

2. These objectives are defined below:

- a. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the Town that no investment is completely free of risk.
 - 1) Credit Risk - The Town will seek to mitigate credit risk, which is defined as the risk of loss due to the failure of the security issuer or backer. Mitigating credit risk is to be accomplished by:
 - a) Limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323;
 - b) Diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited. Specific diversification parameters will be noted in Section VIII. Portfolio Criteria;
 - c) Utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality.
 - 2) Interest Rate Risk - The Town will seek to mitigate interest rate risk, which is defined as the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase. This mitigation will be accomplished by:
 - a) Structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities in an adverse market environment prior to maturity;
 - b) Investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with the needs of the Town;
 - c) Utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.
- b. Liquidity - The investment portfolio shall remain sufficiently liquid to meet anticipated cash flow requirements. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs (static liquidity). Furthermore, because all possible cash demands cannot be anticipated, the portfolio

should consist of securities for which there exist active secondary markets (dynamic liquidity). Alternately, a portion of the portfolio may be placed in money market mutual funds or the Local Government Investment Pool, which offers same-day liquidity for short-term funds.

- c. Optimal Yield - Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The investment portfolio shall be designed to optimize the yield the Town obtains from the portfolio taking into account the criteria of the investment policy, the dynamic liquidity needs of the Town and the current interest rate outlook/economic condition.
- d. Collateralization – Securities will be registered in the name of the Town of Camp Verde.

E. INVESTMENT MANAGEMENT AUTHORITY

- 1. Authority to manage internally or to delegate the management of the investment program of the Town to an external manager is granted to the Finance Director. If authority to manage all or a part of the investment program of the Town is delegated to an external manager, the Finance Director is responsible for:
 - a. Periodic investment portfolio reporting;
 - b. Evaluating the performance of the externally managed portfolio;
 - c. Monitoring manager compliance with the investment policy;
 - d. Conveying the investment needs of the Town to the external manager;
 - e. Developing investment strategy with the external manager.

F. BROKERS/DEALERS

- 1. When the Town is investing directly with Brokers/Dealers, investment transactions shall only be conducted with financial institutions that are licensed, as may be required by law, to do business in Arizona. Primary government securities dealers or broker-dealers, engaged in the business of selling government securities, shall be registered in compliance with section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to A.R.S. §44-3101, as amended. In addition, investment transactions shall be conducted only with those direct issuers who meet both credit and capital requirements established by the Finance Director. It shall be the responsibility of the broker-dealer to provide the following:
 - a. Audited, most recent annual financial statements within six months of the close of the fiscal year;
 - b. Unaudited, most recent quarterly financial statements;
 - c. Proof of National Association of Security Dealers certification;
 - d. Proof of Arizona registration (as needed);

- e. A signed letter acknowledging that they have read and agree to abide by the investment policy.

G. PORTFOLIO CRITERIA

1. Acceptable Asset Classes

As of 4/16/2007, A.R.S. §35-323A defines the acceptable asset classes available for the Town to invest in as follows:

1. Certificates of deposit in eligible depositories.
2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in Section 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the state treasurer pursuant to § 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns or school districts.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district within this state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district in this state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
 - 1) The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

2) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated "P1" by Moody's Investor Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.

11. Bonds, debentures and notes that are issued by corporations organized and doing business in the United States and that are rated "A" or better by Moody's Investor Service or Standard and Poor's rating service or their successors.

2. All other investments are thereby prohibited from consideration for investment. Furthermore, the Town may desire to be more conservative in its investment portfolio and restrict or prohibit certain of the investments listed above.

H. BENCHMARK

1. The performance of an actively managed portfolio on behalf of the Town will be expected to at least match the performance of the Local Government Investment Pool during any one-year period.
2. Occasionally, based on the liquidity needs and the portfolio strategy of the Town it may be reasonable and desirable to measure portfolio performance against a total return benchmark. The Finance Director shall define such a benchmark after consultation with professionals in the field of financial management and the Town Council.

I. MATURITY PARAMETERS

<u>Funds Maximum Maturity:</u>	<u>3 Years</u>
<u>Maximum Maturity for Repurchase Agreements:</u>	<u>180 Days</u>
<u>Portfolio Duration Target:</u>	<u>To be defined by the Finance Director in consultation with the Town Council.</u>
<u>Portfolio Duration Range:</u>	<u>+ / - 20% of the Portfolio Duration Target</u>

J. CONCENTRATION AND DIVERSIFICATION

1. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issued by any single entity. Debt backed by the United States Treasury or GSE's are exempt from this concentration criterion.

K. MINIMUM ACCEPTABLE CREDIT QUALITY

1. As indicated in the table below, all corporate portfolio holdings at the time of purchase must have a minimum rating (*) by at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO's).

	<u>S & P</u>	<u>Moody's</u>
<u>Short Term Rating</u>	<u>Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1)</u>	<u>Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1)</u>
<u>Long Term Rating</u>	<u>One grade higher than the Town of Camp Verde current G.O. Bond Rating *</u>	<u>One grade higher than the Town of Camp Verde current G.O. Bond Rating *</u>

*In no case shall the rating be lower than that required by A.R.S. §35-323, as amended.

L. SAFEKEEPING AND CUSTODY

1. Delivery vs. Payment - All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
2. Safekeeping - Securities will be held by a custodian selected by the Town and evidenced by custodial reports. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

M. REPORTING

1. The Finance Director shall produce for the governing body of the Town or their designee an investment report at least quarterly. The purpose of the report is to enable the Town to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should include:
 - a. A list of individual securities held at the end of the reporting period;
 - b. The realized and unrealized gains or losses in the portfolio;
 - c. The duration of the portfolio and of each security held in the portfolio;
 - d. The maturity date of each security held in the portfolio;
 - e. The book value and market value of each security in the portfolio;
 - f. The percentage of the total portfolio market value that each security represents;
 - g. The yield to maturity of the portfolio and of each security held in the portfolio;
 - h. The periodic interest earnings of each security held in the portfolio;
 - i. The credit quality of each security held in the portfolio;

- j. A periodic summary of portfolio transactions, including fees incurred for external management and custody services.

N. CUSTODIAN RECONCILIATION

1. The report of investment holdings shall be reconciled within 30 days of the close of each month to the Finance Director's custodian bank. Discrepancies shall be reported to the Finance Director.

O. ETHICS AND CONFLICTS OF INTEREST

1. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose, within ten (10) days, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Town.

P. POLICY CONSIDERATIONS

1. Exemption – Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy. Any deviation from the preceding policy shall require the prior specific written authority of the Town Council.

Q. INVESTMENT TRAINING

1. Investment officials shall have a finance, accounting or related degree and knowledge of treasury functions. Investment training must take place not less than once in a two-year period and receive no less than ten hours of instruction relating to investment responsibilities from an independent source such as Government Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public Accountants, Government Finance Officers Association-Arizona, Arizona Society of Public Accounting or other professional organizations.
2. The Chief Financial Officer and all investment officials of the Town shall attend at least one training session relating to their cash management and investment responsibilities within 12 months of assuming these duties for the Town. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.

3. A report of the training(s) attended shall be submitted to Council at the time of the bi-annual review of the Investment Policy subject to Section 3-4-4.3.

FRAUD POLICY

PURPOSE: To establish policies and procedures to maintain an ethical environment as a top priority for the Town of Camp Verde. The Town's Fraud Policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Camp Verde is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Camp Verde's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

I. POLICIES/PROCEDURES

- A. The Town of Camp Verde recognizes the importance of protecting the organization, its taxpayers, its employees, and its assets against financial risks, operational breaches and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.
- B. The impact of misconduct and dishonesty may include:
1. The actual financial loss incurred
 2. Damage to the reputation of the Town and our employees
 3. Negative publicity
 4. The cost of investigation
 5. Loss of employees
 6. Loss of public confidence
 7. Damaged relationships with our contractors and suppliers
 8. Litigation
 9. Damaged employee morale
- C. The Town of Camp Verde's goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.
- D. The Town of Camp Verde is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.
- E. Definitions - As used in this policy, the terms listed below shall have the following definitions:

- 1) Assets – the entire property of the Town of Camp Verde. Assets include, but are not limited to, all Town vehicles, building properties, office equipment, software, cash receivables, wages and benefits, equipment, and tools.
- 2) Corruption – the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity.
- 3) Embezzlement – any loss resulting from the misappropriation of the Town of Camp Verde's assets.
- 4) Employee(s) – all Town of Camp Verde employees, independent contractors, consultants, temporary workers, and volunteers.
- 5) Fraud – the intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.
- 6) Loss – the Town of Camp Verde losing possession or control of any type of asset through fraudulent activities.
- 7) Misappropriate – to take or make use of any item without authority or right.
- 8) Misapplication – illegal or improper use of lawfully held funds or property.

F. Zero Tolerance Policy - The Town of Camp Verde has adopted a zero tolerance policy regarding fraud. No employee of the Town shall remove any Town of Camp Verde asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town of Camp Verde asset. Any evidence supporting fraud, theft, or embezzlement of the Town of Camp Verde's assets and equipment may be subject to the following actions including, but not limited to: suspension, termination, restitution, and criminal charges. Any Town of Camp Verde employee who is aware of fraud being committed against the Town of Camp Verde by anyone shall report such activity to the Town Manager or the Ethics Hotline (aka Whistle-Blower Hotline).

G. Prohibited Acts

1. Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:
 - a. Falsification of expenses and invoices.
 - b. Authorizing or receiving compensation for goods not received or services not performed.
 - c. Theft of cash or any assets.
 - d. Forgery, unauthorized alteration or falsification of records.

- e. Improprieties in the handling or reporting of money transactions.
- f. Knowingly providing false information on job applications.
- g. Authorizing or receiving compensation for hours not worked.
- h. Embezzlement, bribery or conspiracy.
- i. Misappropriation, misapplication, destruction, removal, or concealment of Town of Camp Verde property.
- j. Misrepresentation of fact.
- k. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
- l. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

H. Deterring Fraud and Corruption

1. The Town has established internal controls and policies and procedures in an effort to deter, prevent, and detect fraud and corruption. All new full time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The Town may also verify all applicants' employment history, education and personal references prior to making an offer of employment.
2. All vendors, contractors, and suppliers must be in good standing and be authorized to transact business in the Town of Camp Verde. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.
3. When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
4. Town employees will receive annual fraud and corruption awareness training (ethics training). New employees will receive this policy as part of their training at orientation. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy and attended the awareness training.
5. Each department is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

I. Reporting of Fraud or Corruption

1. Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal and external audit reviews, or from any other interested parties.
2. All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.
3. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:
 - a. Dismiss or threaten to dismiss the employee.
 - b. Discipline, suspend, or threaten to discipline or suspend the employee.
 - c. Impose any penalty upon the employee, or
 - d. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including termination.

4. Concerns should be reported to any of the following:
 - a. Town Manager
 - b. Town Council
 - c. Human Resources Director
 - d. The employee's immediate supervisor
 - e. Anonymous Ethics Hotline (aka Whistle-Blower Hotline)
5. Reporting Procedures
 - a. Mayor and Town Council Responsibilities
 - 1) If the Mayor or a Town Councilmember has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
 - 2) The Mayor or Town Councilmember shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Town Manager (Town Attorney or Human Resources Director if the Town Manager is involved).
 - 3) The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the Town Manager in consultation with the Town Attorney and the Human Resources Director.

b. Management Responsibilities

- 1) Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- 2) Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is, or was, in existence in his or her area.
- 3) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- 4) If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Manager or Human Resources Director if the supervisor is involved).
- 5) Department Heads should inform the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
- 6) Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- 7) Management should support the Town's responsibilities and cooperate fully with the Human Resources Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- 8) Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
- 9) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - a) Incorrect accusations.
 - b) Alerting suspected individuals that an investigation is underway.
 - c) Treating employees unfairly.
 - d) Making statements that could lead to claims of false accusations or other offenses.
- 10) In handling dishonest or fraudulent activities, management has the responsibility to:
 - a) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
 - b) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.

- c) Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.
- d) Direct all inquiries from the suspected individual, or his or her representative, to the Town Manager or Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. All inquiries from the media should be directed to the Town Manager.
- e) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Human Resources Director, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

c. Employee Responsibilities

- 1) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
- 2) When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the Town Manager (or contact the Town Attorney or Human Resources Director if the next higher level of management and/or the Town Manager is involved).
- 3) If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the Ethics Hotline (aka Whistle-Blower Hotline).
- 4) The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

d. Human Resources Department Responsibilities

- 1) Upon assignment by the Town Manager, the Human Resources Director will promptly investigate the fraud.
- 2) In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Human Resources Director, in consultation with the Town Attorney, will contact the Marshal's Department.
- 3) The Human Resources Director shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
- 4) If evidence is uncovered showing possible dishonest or fraudulent activities, the Human Resources Director will proceed as follows:
 - a) Discuss the findings with the appropriate management/supervisor and the department director.

- b) Advise management, if the case involves staff members, to meet with the Human Resources Director (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Town Personnel Rules and any applicable Memorandums of Understanding.
- c) Report to the External Auditor such activities in order to assess the effort of the illegal activity on the Town's financial statements.
- d) Coordinate with the Town's Risk Management insurer regarding notifications to insurers and filing of insurance claims.
- e) Take immediate action, in consultation with the Town Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - i. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
 - ii. Preventing the individual suspected of committing the fraud from having access to the records.
- 5) In consultation with the Town Attorney and the Marshal's Department, the Human Resources Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- 6) If the Human Resources Department is contacted by the media regarding an alleged fraud or audit investigation, the Human Resources Department will consult with the Town Manager and the Town Attorney, as appropriate, before responding to a media request for information or interview.
- 7) At the conclusion of the investigation, the Human Resources Department will document the results in a confidential memorandum report to the Town Manager and the Town Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Marshal's Department for subsequent transfer to the County Attorney for disposition.
- 8) Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Human Resources Department no later than seven calendar days after notice is received.
- 9) The Human Resources Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- 10) Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Human Resources Department to that department.

6. False Allegations

- a. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

7. Corrective Action and Discipline

- a. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the Town Manager (or Town Council if the Town Manager is involved).
- b. Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.
- c. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:
 - 1) Disciplinary action (up to and including immediate termination of employment).
 - 2) Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
 - 3) Forwarding information to the appropriate authorities for criminal prosecution.
 - 4) Institution of civil action to recover losses.
 - 5) Where the Town of Camp Verde elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
 - 6) The Town of Camp Verde may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

8. Confidentiality

- a. All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

9. Questions or Clarifications Related To This Policy

- a. All questions or other clarifications of this policy and its related responsibilities should be addressed to the Town Manager, who shall be responsible for the administration, revision, interpretation, and application of this policy.

CELLULAR TELEPHONE POLICY

PURPOSE: The purpose of this policy is to provide guidance and procedures governing the use of Town owned cellular telephones. This administrative guideline will also help ensure consistency among Town departments using cellular phones.

I. POLICIES

- A. The Town of Camp Verde issues cellular phones to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not readily available and where such use will benefit the Town and its citizens.
- B. Cellular phones are intended for special applications such as safety purposes or to assist in the completion of an assigned task or official responsibility. They are not intended for personal convenience.

II. UNAUTHORIZED USES OF A TOWN OWNED CELLULAR TELEPHONE

- A. Any call which could suitably be made from a standard Town telephone or other electronic communications.
- B. Any call made in relation to an official's or employee's personal affairs or personal business enterprise.
- C. Any call for the purpose of entertainment, such as 900 numbers, movie links, etc.
- D. Any usage while driving or operating machinery.

III. PROCEDURES

- A. All requests for cellular telephones require completion of "Request for Cellular Telephone Form" (Exhibit AD), approved in advance by the department head and the Town Manager, and then forwarded to the Finance Department.
- B. The user of the cellular telephone shall be required to complete the "Cellular Telephone User Agreement" (Exhibit AE) prior to being issued a cellular telephone.
- C. The Finance Department tracks all cellular phones issued on the "Cell Sign In/Out Log" (Exhibit AF).
- D. All purchases of Town cellular telephones shall be through State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.

CELLULAR TELEPHONE POLICY

E. All cellular telephone bills shall be sent to the Finance Department and not to a home or business address.

~~F. The person responsible for the cellular telephone shall review each monthly cellular telephone bill, note any personal calls and reimburse the Town for the cost of the call within 30 days of the closing statement in which the call was recorded. According to the IRS, when the minutes do not exceed the plan limit, the "per minute cost" should be determined based on the plan rate divided by number of minutes used during the month. The calculated "per minute cost" should then be multiplied times the number of minutes of personal calls.~~

F. Cellular telephone bills shall be reviewed each month by the applicable department head and/or supervisor to ensure proper use of the phones.

~~G. The Finance Department will credit all reimbursements for personal calls in the appropriate account.~~

IV. POLICY VIOLATIONS

A. Failure to follow this policy may result in loss of cellular phone privileges and, for employees may result in disciplinary action, including termination of employment.

B. Excessive non-work usage of a Town owned cellular telephone is reviewed by the employee's supervisor to determine whether continued access to a cellular telephone is in the Town's interest.

V. TERMINATED EMPLOYEES

A. Any employees issued a Town owned cellular telephone must return it no later than the last day of employment. The employee shall be required to sign the "Request for Cellular Telephone Form" (Exhibit AD) and the "Cell Sign In/Out Log" (Exhibit AF) to indicate the phone was returned.

B. Any employees not returning Town owned cellular telephone as of their last day of employment shall be billed for the cost of the phone and any minutes used subsequent to termination.

CLAIMS/LAWSUITS AGAINST THE TOWN _____ Items will be discussed in the Risk Management Policies and Procedures.

PURPOSE: ~~The purpose of this policy is to provide guidance and procedures governing claims against the Town for property or other types of damage along with lawsuits filed against the Town.~~

I. POLICIES/PROCEDURES

- A. ~~Once notified of a claim or lawsuit against the Town, employees shall instruct the claimant to contact the Town Clerk and Town Clerk.~~
- B. ~~If the incident involves a Town employee, supervisors shall have the employee submit written documentation of the incident noting any witnesses.~~
- C. ~~The Town Clerk Town Clerk issues the claimant the "Notice of Claim" forms (Exhibit X) and the "Incident Report" forms (Exhibit Y). These forms must be completed and returned to the Town Clerk Town Clerk.~~
- D. ~~Upon receipt of the "Notice of Claim" forms and the "Incident Report" forms, the Town Clerk Town Clerk date-stamps the forms and notifies the insurance company of the claim to initiate the claims process.~~
- E. ~~The Assistant to the Town Manager then notifies the insurance company of the claim to initiate the claims process.~~

EXHIBITS

FINANCIAL OPERATIONS GUIDE

Field Code Changed

Town of Camp Verde

Financial Operations Guide



October 15, 2008 ~~February 2~~ ~~January 7, 2011~~
FIRST EDITION-REVISION #3
PREPARED BY TOWN FINANCE DEPARTMENT

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INTRODUCTION

PURPOSE: The purpose of this manual is to set forth those policies and procedures established to govern and to implement all aspects of fiscal policy and financial management related to the Town of Camp Verde. The general purpose of this document is to provide a working guide to established financial policies and procedures. ~~IN THE EVENT THAT THE FINANCE DIRECTOR'S POSITION IS VACANT, THE DUTIES OF THE FINANCE DIRECTOR WILL BE PERFORMED BY A DESIGNEE APPOINTED BY THE TOWN MANAGER. IN THE ABSENCE OF THE TOWN MANAGER, THE ACTING MANAGER SHALL APPOINT THE DESIGNEE.~~

I. RESPONSIBILITIES

Camp Verde's Town Code charges the Town Finance Director with implementing the financial policies of the Town Council. In the event that the Finance Director's position is vacant, the duties of the Finance Director will be performed by a designee appointed by the Town Manager. In the absence of the Town Manager, the Acting Manager shall appoint the designee with Council approval, if the assignment is to exceed 20 days.

Comment [c1]: Staff recommended change to comply with Town Code.

The Finance Director is responsible for the assignment of duties to appropriate Finance Staff (staff) members, as necessary, to ensure proper segregation of duties. In the event that a Finance Department staff member is unavailable to complete the task assigned, another Finance Department staff member may fill in as appropriate only if the proper segregation of duties is ensured.

All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting.

Town employees not following the policies and procedures set forth in this manual may be subject to discipline, up to and including termination of employment.

II. AMENDMENTS

This guide is written in sections, by subject, with the flexibility to be revised as approved by Council. The revision number and the effective date of the revision are in the top right hand corner of each page.

III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide shall be addressed to the Town's Finance Director.

IV. OTHER TOWN POLICIES

For additional policy information, see the Town's separate policies as follows:

1. 1. Record Retention – The Town follows the "Records Retention and Disposition for Arizona Municipalities" as issued by the Arizona State Library, Archives, and Public Records," and the Town of Camp Verde Records Management Policy".
2. ~~—~~
 - a. ~~Town Budget Policy (in development at time this manual prepared)~~
 - b. ~~Town Fiscal Policy (in development at time this manual prepared)~~
 - c. ~~Town Investment Policy (in development at time this manual prepared)~~
 - ~~—~~
 - d. ~~—~~

PAYROLL

PURPOSE: To establish standard policies and procedures for the disbursement of funds to employees of the Town of Camp Verde to ensure that all work performed is authorized and accounted for properly and to maintain payroll files.

POLICIES/PROCEDURES:

I. INITIATION, STATUS CHANGES and PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll is recorded on a properly executed and approved "Personnel Action Form" (Exhibit A). "Personnel Action Forms" shall be signed by duly authorized Town officials. Authority for initial federal and state income tax withholdings and subsequent changes is recorded on a properly executed "W-4" form and "A-4" form (Exhibits B and C). The original authority for court ordered withholdings shall be a copy of the court order.

The Finance Accountant Finance Staff (staff) enters the original initial or change in status and the initial or change in withholding information into the computer payroll program and initials and dates each document entered. A separate Finance employee verifies that the information is entered correctly and initials and dates each document entered. The documents are then placed in the employee's payroll file.

II. RECORDS

Employee Payroll Files

The Finance Clerk maintains a file is maintained for each employee. The following information must be kept in the Employee's Payroll File: "Personnel File Information Form", "W-4", "A-4" (tax withholding forms), copies of "Personnel Action Forms", copy of retirement enrollment forms, payroll deduction forms, court orders, and any miscellaneous payroll information regarding the employee.

Employee Personnel File (Human Resource File)

The originals of the following forms are kept in the Employee's Personnel File located in the Human Resources Department: "Employment Verification Form" (I-9), "Personnel Action Forms", Application and Evaluations, retirement information, Personnel Manual Acknowledgement forms, Oath of Office, disciplinary information, training certifications, and any miscellaneous information regarding the employee.

Employee Timesheet Files

The Finance Clerk maintains a file is maintained for each employee. These files are kept by fiscal year. All "Employee Timesheets" (Exhibit D), and copies of all payroll checks and direct deposit stubs, as well as "Application For Leave" (Exhibit E) forms are included in this file. Records of hours paid, wages earned, all deductions, and calendar year-to-date records appear on the direct deposit or paycheck stub.

PAYROLL

III. PAY PERIODS

A bi-weekly pay period from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week shall be used for all employees.

IV. TIMESHEETS

An "Employee Timesheet" (Exhibit D), hereinafter "timesheet", shall be completed and signed by each non-exempt employee on a bi-weekly basis. Timesheets shall not contain white-out. If a correction needs to be made, the incorrect entry shall be lined out and the correction written next to it. All changes shall be initialed by the employee whose timesheet was changed prior to its submission to Finance.

Exempt employees are not required to submit timesheets on a bi-weekly basis. Exempt employees shall complete "Application for Leave" forms (Exhibit E) any time that accrued leave is used and submit approved "Application for Leave" forms to the Finance Department in conjunction with the non-exempt employee timesheets. Any exempt employee that requires time to be split between various departments shall submit a memo to the Finance Department detailing the breakout of hours.

The "Employee timesheet" (Exhibit-D) and "Application for Leave" forms for the pay period are collected by the person so designated in each department and turned into the Finance Clerk Finance Department Accountant by 10 A.M. on the first Monday after the end of the pay period. All timesheets must be signed by the employee and reviewed and approved by the department head.

Any requested vacation, sick, -or-comp time, or holiday leave hours shall be included on the "Employee Timesheet" (Exhibit-D) form. The "Application for Leave" form (Exhibit-E) shall be attached to the "Employee Timesheet" when submitted to the Finance Clerk Accountant Finance Department for payment.

If the employee is unavailable to complete the timesheet and is eligible and in the need to use sick hours, then the authorizing supervisor shall fill in the appropriate hours to be paid should the employee be unavailable to complete the timesheet. Within five days of returning to work, the employee shall go to the Finance Department to sign the "Employee Timesheet" form completed by the supervisor. Should corrections to the submitted timesheet need to be made, the employee shall submit to the Finance Department written approval signed by both the employee and the supervisor detailing the correction(s) to be made.

V. VACATION, SICK OR COMP TIME

Any employee requesting time off for 8 hours- a full work day or more shall fill out an "Application for Leave" form (Exhibit E) and have it approved in advance for leaves other than unanticipated sick leave by his or her supervisor. If The "Application for Leave" form is for the use of time due to illness of 3 or more days, injury, or worker's compensation, the leave form shall then be forwarded

to the Human Resources Department for review and approval. If the "Application for Leave" form is for any other purpose/use of leave, the form shall be forwarded directly to Finance. If an employee is requesting time off for less than 8 hours a full work-day, only verbal approval from his or her supervisor is necessary.

The requested time off is to be reported on the "Employee Timesheet" (Exhibit D) form and the "Application for Leave" form is to be attached to the Timesheet. If the requested time overlaps pay periods, a copy must be attached to both timesheets.

If "~~Employee Timesheets~~" are due while an employee expects to be on leave, the employee should prepare the "~~Employee Timesheet~~" as of the last day worked and submit it to the supervisor. Should the employee be unavailable to complete the timesheet, the supervisor or department head shall fill in the appropriate hours. Within five days of returning to work, the employee shall go to the Finance Department to sign the "~~Employee Timesheet~~" completed by the supervisor. Should corrections to the submitted timesheet need to be made, the employee shall submit to the Finance Department written approval signed by both the employee and the supervisor detailing the correction(s) to be made.

PAYROLL

VI. DATA ENTRY AND PAYROLL REGISTER

Hours worked are entered into the payroll system by the Finance Clerk ~~Accountant~~ staff from approved "Employee Timesheet" (Exhibit D) forms. Once all timesheets are entered, a "Timesheet Verification Report" is generated and submitted to the Finance Director to check it ~~Senior Accountant~~ for verification against the submitted timesheets. If needed, ~~staff the Accountant enters the corrections are made to the employees' timesheets and another "Timesheet Verification Report" is generated.~~ The Finance Director ~~Senior Accountant~~ verifies the corrections, and initials and dates the "Timesheet Verification Report" as evidence of review. Once correct, ~~the staff Accountant calculates net payroll via the is calculated by the computer payroll system. Staff The Accountant and checked checks for any inaccuracies.~~ If correct, the "Preliminary Register" is created and checks are created.

VII. CHECK RUN, SIGNING AND DISBURSEMENT

The Finance Clerk ~~Accountant~~ Staff generates, from the computer, the payroll checks and "Final Check Register."

The checks are forwarded to the Mayor (or Vice Mayor) for elected official signature and then to the Finance Director or Town Clerk for staff signature.

No later than Tuesday afternoon, ~~staff the Accountant enters the direct deposit checks are entered into the Wells Fargo ACH system and submitted for payment effective on the payroll date. The amounts are verified by the Finance Director Senior Accountant and released for payment effective on the payroll date.~~

White copies of the direct deposit stubs and the original checks are separated by department and picked up on Wednesday morning by the person so designated by each department. If a person other than the employee is to pick up a payroll check, a written statement must be on file authorizing someone other than the employee to pick up the check, and the person picking up the check shall sign a log acknowledging receipt.

The "Employee Timesheets" (Exhibit D) are then attached to the yellow copies of the checks and direct deposit stubs and filed in the appropriate "Employee Timesheet File".

VIII. FISCAL YEAR END PROCEDURES

When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on the number of days in each period. ~~Staff The Finance Accountant~~ prepares the journal entry for approval by the Finance Director.

In addition, ~~staff the Finance Senior Accountant~~ prepares a schedule of year-end compensated absences payable and applicable journal entries. The schedule and applicable journal entries are reviewed and approved by the Finance Director.

PAYROLL

IX. QUARTERLY REPORTS AND YEAR END W-2 PROCEDURES

Quarterly reports are prepared by ~~staff the Finance Clerk Accountant~~ and reviewed and approved by the Finance Director or ~~designee~~. Once the fourth quarter reports have been prepared and balanced, ~~staff the Finance Clerk Accountant~~ reconciles final W-2 amounts to the quarterly reports. The Finance Director or ~~designee~~ reviews and approves the reconciliation. ~~Staff The Finance Clerk Accountant~~ then prints the W-2s for distribution to employees and the IRS.

X. PAYROLL LIABILITY ACCOUNTS

The Finance Accountant reconciles the payroll liability accounts will be reconciled at least quarterly and prepares any necessary adjustments will be made at least quarterly. The Finance Director reviews these reconciliations.

CONTRACT LABOR SERVICES

PURPOSE: To establish standard policies and procedures for the accurate handling of contract laborer personnel services.

POLICES/PROCEDURES:

- I. Before a contract laborer-service provider is allowed to begin start working, the department utilizing the contract service provider must verify the following:
 - A. The vendor has he/she must complete completed a "Form W-9" (Exhibit F). These-This forms must be submitted to the Finance Department by the department that the laborer-vendor is contracted with. If payment is due and the required "Form W-9" has not been received, the payment is subject to backup withholding of 28% pursuant to IRS requirements.
 - B. The vendor has provided the Risk Manager with a copy of the required liability and worker's compensation insurance policies.
 - C. The vendor has a current business license on file with the Town Clerk's Office.
 - D. The vendor's trade licenses/certifications are current and valid.
 - A-E. Budget appropriation exists to fund the transaction.
- II. The department utilizing the contract services provider, in conjunction with the Finance Department, is responsible for ensuring that the amounts paid do not exceed the total approved amount.
 - I. For contract laborers that work only one day (event), submit a "Check Request" (Exhibit O) for amounts under \$2,000 or "Purchase Order" (Exhibit N) for amounts over \$2,000 along with the "Form W-9" to Accounts Payable for payment.
- III. For Parks & Recreation Officials, complete a "Game Summary Report" (Exhibit G) and submit to the Finance Department Accounts Payable for payment along with the completed "Form W-9". Scorekeepers are considered employees and are paid through payroll with general employees.

TRAVEL AND TRAINING

PURPOSE: To establish the policies regarding in-state and out-of-state travel and reimbursement of related expenditures.

POLICIES/PROCEDURES:

I. The policy of the Town of Camp Verde is to encourage training opportunities for employees and supervisors so their services rendered to the Town can be made more effective, and that employees may become, at the same time, qualified for promotion to higher-level positions. The department head, consistent with the budget and this policy, may authorize attendance at conferences, seminars, meetings, conventions and other courses that directly benefit the Town of Camp Verde.

II. In addition, ~~a~~ All out-of-town state travel shall be approved by the Town Council ~~Manager~~ prior to scheduling.

III. ELIGIBLE INDIVIDUALS

- A. Town employees (classified, part-time classified, and non-classified employees)
- B. Others - Members of boards, commissions, authorities, council members and committees who are not employees of the Town yet serve the Town as members on these boards, commissions, authorities, councils and committees.

IV. GENERAL TRAVEL PRINCIPLES - The Town shall authorize employee travel in accordance to the following principles:

- A. All Town travel arrangements should reflect an understanding of the Town of Camp Verde's Travel and Training Policy.
- B. Travel is usually warranted when personal contact is the most economical method of conducting official Town business.
- C. Employees may attend educational or training seminars if funds for that purpose are available and such training is directly job related.
- D. The most economical method of transportation shall be selected in terms of expense to the Town (or grantor agency) and the employee's time away from the office. If the employee chooses an alternate method of transportation, reimbursement shall be capped at the most economical method's cost.
- E. Employee travel, in-state and out-of-state, is conducted according to the Town Travel and Training Policy regardless of funding source (i.e. Grant requirements do not supersede the Town requirements; however, any grant requirements that are more restrictive must be followed.).

- F. Shared lodging is encouraged, wherever possible. Non-shared lodging requires approval of the department head.

TRAVEL AND TRAINING

- G. Any travel reimbursement claims shall be submitted to the Finance Department using the "Training/Travel Advance/Reimbursement Report Form" (Exhibit H) within five (5) business days after the end of the trip.
- H. Any expenses incurred for items such as alcohol, telephone calls (except when business related), in room movies, etc. shall not be covered by the Town and are the employee's responsibility.

IV.V. PROCEDURES

- A. Employees desiring to attend schools, conferences, conventions, seminars, and other official meetings shall complete a "Training/Travel Authorization and Expense Advance Form" (Exhibit I) and submit to their department head for approval request approval from their respective department heads. If the travel is out-of-town~~state~~, it shall first be approved by the Town Council ~~Manager~~ prior to scheduling.
- B. ~~Upon approval of the training/travel request, the department designee~~ The department head notifies the Assistant to the Town Manager of approved travel requests. ~~The Assistant to the Town Manager makes the necessary travel arrangements and prepays lodging and other travel costs as appropriate. All travel/training arrangements are recorded on the "Training/Travel Authorization and Expense Advance Form". The Town Manager may authorize other individuals to make travel arrangements in the event the Assistant to the Town Manager is unavailable or in the event special circumstances require an individual or department to make the arrangements directly.~~
- C. For advances of per diem allowances, employees must submit a complete and approved "Training/Travel Authorization and Expense Advance Form" "Travel Advance/Reimbursement Report" (Exhibit I) to the Finance Director or his/her designee ~~Department~~, not later than ten (10) working days prior to the date that travel for such schooling or training is to commence.

V.VI. TRAVEL COMPENSATION GUIDELINES

- A. Tips and other gratuities for all meals are included in the per diem.
- B. Alcohol shall not be reimbursed and shall not be considered as part of the meal per diem.
- C. The Town shall compensate expenses only when the expenses are incurred during the performance of official duties of the Town employee and for the Town's benefit.
- D. Subsistence shall not be permitted when the training received is for the direct benefit of the employee and not required by the job.

- E. An employee on Town travel status who extends the travel for his/her own convenience or enjoyment when such is not required by the Town, is not entitled to the allowance for that meal or if applicable, lodging.

TRAVEL AND TRAINING

- F. The department head approves or disapproves the "Training/Travel Authorization and Expense Advance Form -Advance/Reimbursement Report" (Exhibit I) or "Training/Travel Reimbursement Form (Exhibit H)."
- G. If approved, the ~~department employee requesting travel funds submits~~ the "Check Request Form" (Exhibit O) ~~with a copy of the "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I) or "Training/Travel Reimbursement Form" to~~ the Finance Department for check disbursement.
- H. Employees shall be responsible for any fines or traffic violations incurred while traveling on Town business in either a Town vehicle or personal vehicle.

~~VI-VII.~~ LODGING AND MEAL PER-DIEM

- A. Lodging - the following policy is to be utilized by eligible individuals who are contemplating traveling for Town business or training related purposes.
 - 1. Eligibility
 - a. Employee must be on authorized travel status.
 - b. Travel must be outside a 75-mile radius of the corporate Town limits and a multi-day event or an early morning meeting.
 - c. Early morning meeting requirement is 8:00 a.m. or earlier.
 - d. Events starting after 8:00 a.m. are not eligible for lodging and per diem for the day before the event begins unless the event is located in an area outside the traveling distance of the greater Phoenix area (ex: Tucson).
 - ~~b.~~
 - e. Lodging must be at a commercial establishment.
 - f. Lodging is covered at the single room rate unless sharing a room with another Town employee.
 - 2. Documentation
 - a. The commercial establishment's original receipt is required.
 - b. Lodging receipts must be itemized.
 - c. If original lodging receipt is lost or destroyed:
 - 1) A photocopy may be submitted with the statement Treat as the Original.
 - 2) The employee and the department head must sign the photocopy.
 - 3) If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the payment of the lodging may be used.
- B. Meals and Incidental Expenses (MIE) - Per Diem
 - 1. Eligibility
 - a. Employee must be on authorized travel status.
 - b. In accordance with IRS guidelines, per diem is paid when the travel requires an overnight stay.
 - c. Meals must be at a commercial establishment.

2. Documentation - Compensation is based on the schedules listed in Section C & D. Since the meal reimbursement has been established as a per diem, receipts are not required to be submitted with the "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I).
3. Per Diem Allowances for "Travel Days" (The trip must include an overnight stay in order to be reimbursable.)

TRAVEL AND TRAINING

- a. Breakfast - Reimbursable when travel commences on or before 6:00 a.m. or returns after 10:00 a.m..
 - b. Lunch - Lunch is only reimbursable if the traveler leaves prior to 11:30 a.m. or returns after 1:30 p.m..
 - c. Dinner - Reimbursable when travel commences prior to 6:00 p.m. or returns after 7:00 p.m.
4. Meals Provided
- a. Traveler is not entitled to a per diem allowance for meals provided at the conference, seminar or lodging site.
 - b. If a special meal is required due to dietary restrictions, notice must be given in writing at the time of compensation request.

C. Per Diem Rates by Meal (per Council approval on 7/6/05)

Breakfast Meal	\$7.00
Luncheon Meal	\$12.00
Dinner Meal	\$18.00

D. Per Diem Rates per Day (Overnight Travel Only)

Depart Camp Verde on or prior to 6:00 a.m. or return to Camp Verde after 7:00 p.m.	\$37.00
Depart Camp Verde prior to 11:30 a.m.	\$30.00
Return to Camp Verde after 1:30 p.m.	\$19.00
Depart Camp Verde prior to 6:00 p.m.	\$18.00
Return to Camp Verde after 10:00 a.m.	\$7.00
Daily rate for full days away	\$37.00

Lodging - As approved by the department head and Finance Director in accordance to the lodging policy. (See Section V. A.)

~~VI-VIII.~~ TRANSPORTATION - Compensation shall be made only for the method of transportation, which is in the best interest of the Town considering travel expense, vehicle condition, as well as the employee's time. When more than one employee uses the same motor vehicle, only one claim for mileage compensation shall be allowed.

- A. Requirement for Using Town Owned Vehicle
- 1. Authorization - by the department head prior to use of Town owned vehicle.
 - 2. Driver's license - a valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit on Town business.

TRAVEL AND TRAINING

3. Vehicle Reservation - Each department shall reserve a pool vehicle with the Assistant to the Town Manager or Receptionist/Town Clerk's Office at least 24 hours before needed.
4. Reporting - Pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, destination, purpose of travel, and fuel level.
5. Return of Pool Vehicle - Fuel level must be full upon return from an out-of-town trip and any problems or incidents with the vehicle must be reported to the Assistant to the Town Manager Fleet Manager. The vehicle shall be returned in a clean state (all soda cans, paper & trash shall be removed).
6. NO SMOKING OR ALCOHOL in Town vehicles.
Only Town Staff, Council, Board & Commission members or another municipality staff may ride in a Town Vehicle. No unauthorized passengers or drivers will be allowed to either operate or ride in Town vehicles. Transporting family members in Town vehicles shall be allowed only when the family member is accompanying an employee to a business meeting or official function. No additional expenses to the Town should be incurred as a result of the family member traveling in a Town vehicle. The driver of a Town vehicle MUST be a Town employee or official.

B. Requirement for using personal vehicle

1. Authorization - By the department head prior to use of personal vehicle.
2. Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.
3. Condition of Vehicle - Employees are responsible for ensuring personal vehicles are safe for travel.
4. Current Vehicle Insurance - Liability insurance coverage with a minimum coverage of \$15,000 per person and \$30,000 per accident.
 - a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy, including any deductibles. If the amount exceeds that coverage, the Town's insurance, at the time, covers the amount over the policy limits if the traveler was acting within the course and scope of their employment.
 - b. If a traveler driving a privately owned vehicle on Town business is involved in an accident, regardless of fault, the Town shall not reimburse for any physical damage to the motor vehicle.
5. Compensation Basis
 - a. Compensation is based on map mileage using official state highway maps or mapping programs. Odometer mileage may be submitted for travel to dining or multiple event locations within reason (ex. traveling long distances to eat at a certain restaurant rather than those within close proximity to the event is excessive and will not be reimbursed).
 - a. —
 - b. Beginning address and ending location address must be submitted for compensation.
 - c. Compensation is based on using the most direct route.

d. Mileage compensation shall be at the lower of the Arizona Department of Administration approved rate or the IRS standard mileage rate. When the Arizona Department of Administration and/or the IRS standard mileage rate adjust, the Town automatically adjusts the mileage rate. The mileage rate includes all travel and maintenance expenses of the vehicle.

C. Requirement for using leased vehicle:

1. Authorization - By the department head prior to leasing a vehicle for Town business.
2. Driver's License - A valid Arizona driver's license is required if the employee is driving a Town, personal or rental unit and on Town business.

TRAVEL AND TRAINING

~~e.~~ If the traveler drives their privately owned vehicle, a Town credit card may not be used for gasoline purchases. The traveler must submit a "Training/Travel Authorization and Expense Advance Form" (Exhibit I) to request funds prior to the trip or a "Training/Travel Advance/Reimbursement Report Form" (Exhibit H) for mileage reimbursement at the conclusion of the trip.

IV-IX. MISCELLANEOUS TRAVEL ISSUES

A. Communication Expense

1. Business communication charges, including faxes and copies, are reimbursable if documented by receipts.
2. Business calls are reimbursable and should be noted as such on the hotel receipt. The number called should be visible.
3. No personal calls shall be reimbursed.

B. Extending Business Trips with Vacation Time

1. With the department head's approval, traveler may extend a business trip using vacation time.
2. The Town covers the lodging, map mileage and per-diem for the period that the traveler is conducting Town business. Additional costs to extend the trip shall be borne by the traveler.

C. Local Transportation, Tolls and Parking

1. Taxi, bus, and streetcar use is classified as local transportation and can be claimed with receipts. Whenever possible, hotel-provided shuttles should be used.
2. Claims for local transportation shall not be allowed where the Town provides for other transportation (Town, personal or rental vehicle).
3. Bridge and road tolls are reimbursable with receipts.
4. Travelers must use the free or discounted parking, when available, when traveling on Town business.
5. Receipts are required for reimbursement of allowable parking fees.

D. Rental Cars

1. If travel necessitates the use of a rental car, Department Head authorization must be obtained prior to booking the rental car.
2. The rental car must be a mid-size or smaller vehicle.
3. Insurance shall not be purchased from the rental car agency as the Town's insurance policy covers rental cars.

E. Airline Travel

1. Department Head authorization must be obtained if airline travel is requested.
- 1-2. The Town will only fund coach seating in airline traveling. If the employee wants to upgrade the seating type, the employee is responsible for the difference in cost.

CASH RECEIPTS

PURPOSE: To describe the policies and procedures for obtaining and receipting all revenues received by the Town of Camp Verde.

POLICIES/PROCEDURES

- I. All Town revenues received are receipted in the receiving department's "Cash Receipt Book" (ex: Exhibit J) or and entered into the department's cash register.
- II. Cash registers are opened with a \$100.00 change fund.
- III. All checks are stamped "For Deposit Only, Town of Camp Verde" immediately upon receipt.
- IV. Each department prepares a "Daily Cash Reconciliation Report" (Exhibit K) reconciling the receipts to the cash monies collected. For departments that accept credit cards, a batch report for all credit cards processed for the day shall be generated at the end of each day and reconciled to applicable receipts.
- ~~I.V. By 4:45:00 p.m. each day, As much as practicable all monies received monies, along with the "Daily Cash Reconciliation Report", batch reports, receipts, and/or cash register tapes, should be are-remitted to the Finance Department. Large amounts of cash should be secured in the event that staff is unavailable to receive funds.-The Finance Department receipts in all monies received.~~
 - ~~A. Funds deposited directly to Town bank accounts are entered by the Finance Accountant into the computer when the confirming deposit facsimile arrives.~~
 - ~~B. Monies received from the other departments are counted at the time of submittal by the Finance Clerk- Finance staff in the presence of the department representative. If a discrepancy exists, the discrepancy should be investigated, and the necessary correction should be made and initialed by the department representative and the Finance Clerk-Finance employeestaff.~~
 - ~~C. The Finance Clerk-employeestaff records all monies received in the Finance Department cash register.~~
 - ~~D. The Finance cash register is balanced on a daily basis by the Finance Clerk, and. Staff The Senior Accountant prepares a deposit is prepared the following morning when the amount of monies on hand exceeds \$100 in cash or \$1,000 in checks.~~
 - ~~E. The "Deposit Master" (Exhibit J) deposit slip is created by the Finance Clerk-staff Senior Accountant using the receipts received from all departments and reconciling these to the receipts issued by the Finance Department. At such time, the Finance Clerk-Senior Accountant staff accounts for the numerical sequence of receipts. The "Deposit Master" deposit slip-is reviewed and reconciled to the register tape by the Finance- Senior Accountant Finance Director, initialing and dating as evidence of review. A separate Finance employeestaff then reviews the deposit slip reconciling the amounts listed to the register tape and receipts issued, initialing and dating as evidence of review.~~
 - ~~F. A deposit slip is completed and the The monies are deposited into the Town's general bank account by staff the Finance Clerk-Senior Accountant. The deposit receipt is attached to the "Deposit Master" (Exhibit J) and given to the Finance Accountant for coding of the deposit copy~~

of the deposit slip, Finance receipts issued, and "Daily Cash Reconciliation Reports" received from the Town departments.

CASH RECEIPTS

G. The "Cash Report" (Exhibit L) report is created by ~~staff~~ the Finance Accountant using the receipts received from all departments and reconciled to the receipts issued by the Finance Department. The "Cash Report" report is compared to the "Deposit Master" and the register tape and deposit receipt to verify that all amounts are accounted for. Once verified, the report is entered into the finance computer program by the Finance Accountant, ~~reviewed by the Finance Director (initialing and dating as evidence of review)~~, and filed.

~~II-VI.~~ The Town Pool maintains a cash register for the receipt of funds. The cash register is opened with a \$100.00 change fund. The Town Pool cash box is closed out daily (when the pool is in operation) by the Head Life Guard and the Cashier. A "Shift Balance Sheet" report (Exhibit M) is completed at the end of the day by the Head Life Guard and submitted with the deposited monies to the Finance Department. ~~The cash register is opened with a \$100.00 change fund.~~

~~III-VII.~~ All bank accounts are reconciled monthly by the ~~staff~~ Finance Senior Accountant (initialing and dating upon completion), reviewed by the Finance Director (initialing and dating as evidence of review), and filed. (See the Bank Reconciliations Section for further details.)

~~IV-VIII.~~ Customer Complaints. Customer complaints regarding payments to the Town should not be handled by the same person who receives the monies in dispute. If the person receipting monies receives a customer complaint regarding such monies, the customer should be directed first to a supervisor. If the complaint is not resolved, it shall be forwarded as follows until resolution is achieved:

- Finance Director
- Town Manager
- Town Council

Note: For non-Finance related complaints, please reference the Complaint Policy.

SPECIAL EVENT CASH HANDLING PROCEDURES

PURPOSE: To describe the policies and procedures for collecting and reporting amounts received during special event functions. The Special Event Cash Handling Procedures is part of the Parks & Recreation Procedure Manual.

POLICIES/PROCEDURES

- I. The cash box will start with the appropriate amount according to the event and area of use. Upon preparing the starting banks for each cash box, the amounts will be counted and verified by two (2) Parks & Recreation employees.
- II. "Special Event Start Bank Form" (Exhibit N) will be included in each box.
- III. Cash boxes will be picked up at the Parks & Recreation office. Employee and volunteer will count and verify the starting bank amount and sign off on the starting bank form.
- IV. Cash registers and central ticket areas will be used for food, drink, and admission.
- V. One Parks & Recreation employee and one Deputy will pick up overflow cash during the event. Cash will be taken from the cash box and secured in a tamper proof bag. Employee and Deputy will take the money to the vault, at which time they will both sign the "Drop Off Verification Sheet" (Exhibit O).
- VI. When making change, the exact amount must be returned to the cash box that was taken from the cash box. Example: four (4) fives for a twenty.
- VII. All money, including change, is to be kept in the vault at all times. Vault is to be kept closed and locked at all times. Only full time employees such as Parks & Recreation Director, Events Coordinator, Recreation Supervisor, Parks & Recreation Administrative Assistant, and the Finance Director shall have the combination to the vault.
- VIII. At the end of the event, one Parks & Recreation employee and one Deputy are to carry the cash boxes to the office, put money in tamper proof bags, and lock them in the vault. No money is to be counted at this time.
- IX. The first work day following the special event, a minimum of two (2) Town employees shall count and receipt in the funds, and in another department, two (2) Town employees shall count tickets. Amounts are to be recorded on the "Special Event Cash Count Sheet" (Exhibit P). Funds and ticket counts will then be turned over to the Finance Department for verification.

DISHONORED CHECKS

PURPOSE: To describe the policies and procedures for recording and collecting amounts due from dishonored checks.

POLICIES/PROCEDURES

- I. Upon receipt of notice from the bank that a check has been dishonored, the Finance Department issues a letter to the Payor (the party that issued the check) demanding payment for the amount of the check plus a \$25.00 returned check fee as established by Council resolution. This notice allows the Payor five (5) days from the receipt of the letter to remit the total amount due to the Finance Department or face collection from the Yavapai County Attorney Bad Check Program. A copy of this letter, a copy of the notice from the bank, and the original dishonored check are placed in a file for follow up.
- II. The Finance Department notifies the department from which the check was collected of the dishonored check.
- III. The original notice from the bank is placed in a file for bank reconciliation as backup.
- IV. A Journal Entry is prepared to record the reduction from the Town's bank account as well as record the amount of the check as an accounts receivable in the proper fund (General Fund, HURF Fund, etc.). Upon payment of the total amount due, the amount of the check is coded to accounts receivable, the returned check fee is coded to Miscellaneous Revenues, and the total is coded to the Town's bank account.
- V. If the Payor has not made payment in full, or payment arrangements, within the allowed timeframe, the check is forwarded to the Yavapai County Attorney Bad Check Program for collection. A copy of the Yavapai County Attorney's form as well as all of the backup is retained in the file for future reference. Note: The Yavapai County Attorney Bad Check Program will NOT collect the \$25.00 returned check fee, only the amount of the check.
- VI. Upon payment from the Yavapai County Attorney Bad Check Program, the backup from the file is attached to the receipt for reference.
- VII. All payments on dishonored checks must be collected by the Finance Department directly. Departments are not authorized to collect payments or make payment arrangements.

ACCOUNTS RECEIVABLE

PURPOSE: To establish procedures for proper management of accounts receivable.

I. POLICIES/PROCEDURES

A. COURT RECEIVABLES

1. The Municipal Court maintains records of outstanding receivables.
2. On a monthly basis, the Court Supervisor identifies delinquent accounts and forwards the accounts to the collection agency.
3. Each month, the Court Supervisor forwards a listing to the Finance Department for recording of accounts receivable activity in the Town's general ledger.

B. CDBG-LOAN REVOLVING LOAN FUND RECEIVABLES

1. ~~The Housing Department Staff Town Clerk's Office (or as assigned)~~ maintains subsidiary ledgers by payer for each Revolving Loan Fund CDBG loan receivable account identifying the loan amount, monthly payments, and remaining balance owed.
2. On a monthly basis, the ~~Housing Department staff Town Clerk's Office (or as assigned)~~ reviews the subsidiary ledgers for any delinquencies.
3. On a monthly basis, ~~staff the Finance Department~~ Accountant updates the receivable balance based on monthly statements and payments made.
4. ~~Staff The Finance Department Housing Department Town Clerk's Office (or as assigned)~~ forwards maintains copies of the subsidiary ledgers to the Finance Department at the end of each fiscal year for reconciliation to the master control account in the Town's general ledger.
5. The Finance Director Senior Finance Accountant reconciles the subsidiary ledgers to the general ledger, investigating and correcting any discrepancies.

C. MISCELLANEOUS RECEIVABLES

1. Following each fiscal year end, the Finance Director Senior Finance Accountant reviews July and August cash receipts to identify any unrecorded receivables.
2. Any amounts collected by the Town prior to June 30 and remitted to the bank after June 30 are recorded as cash on hand.
3. Any amounts collect after June 30 for services provided prior to June 30 are recorded as accounts receivable.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

PURPOSE: To establish procedures to reflect regarding the amount of receivables that are annually estimated as "uncollectable" by the Finance Director management estimates will be uncollectible. The establishment of an allowance account ensures that the Town's receivables are not overstated for financial reporting purposes.

I. POLICIES/PROCEDURES

- A. Management- The Finance Director (or designated staff) shall establish an allowance for doubtful account.
- B. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.
- C. Generally Accepted Accounting Principles allows for the allowance to be based on a percentage of "net charges" on an annual basis, or based on a percentage of aged receivables.
- D. Court fines are more unique and could be based on collection efforts.
- E. The estimated Allowance for Doubtful Accounts shall be updated on an annual basis.

PROCUREMENT

PURPOSE: To establish standard policies and procedures for the procurement of goods and services for the Town of Camp Verde to ensure that all goods and services received are properly authorized.

POLICIES/PROCEDURES:

- I. The Finance Director shall be the Purchasing Agent for the Town. No purchase or contract for services of any kind or description, payment for which is to be made from funds of the Town, shall be made by the Purchasing Agent, or any officer, employee or agent of the Town, except in the manner set forth below, and unless said purchase is in accordance with the adopted Town Budget. The Town Code supersedes if there is conflicting information.

II. ORDERING PROCEDURE

- A. Due to Town cash flow needs and limited storage facilities, departments are expected to maintain only minimal supplies on hand.
- B. Purchases of less than \$50 may be made with petty cash funds upon approval from the department head. See Petty Cash Section for detailed procedures.
- C. Purchases of less than \$25,000 may be made with approval from the department head.
- D. A pre-numbered "Purchase Order" (Exhibit Q) shall be written for all purchases (excluding normal recurring operating expenditures such as utility expenses, rental payments, and payroll taxes and expenditure payments, as well as Council approved contracts/distributions, etc.) of \$25,000 or more. Each department prepares the "Purchase Order" and forwards it to the Finance Director for approval PRIOR to expending funds and/or placing orders. "Purchase Orders" of \$20,000 or more must be approved by the Town Manager PRIOR to expending funds and/or placing orders. Any department that repeatedly submits "Purchase Orders" for approval after orders are made or expenditures incurred shall be reported to the Town Manager. Once approved, the pink copy of the "Purchase Order" is retained by Finance Clerk the Finance Department, and the white and yellow copies of the "Purchase Order" are returned to the originating department for ordering. The department sends the white copy of the "Purchase Order" to the vendor.

Open "Purchase Orders" may be used when multiple payments to the same vendor for the same service/product will be made within the same fiscal year (ex: ordering Library books from the same vendor throughout the year; the "Purchase Order" can be made out to the vendor for the total amount expected to spend with this vendor throughout the fiscal year; each invoice will be applied to the "Purchase Order" until the total amount is expended). The "Purchase Order" should be completed using the total amount of the purchases. Each invoice paid will be applied against this total. Each invoice must be signed by the department head authorizing the application of the invoice against the "Purchase Order".

B.F. _____ All orders are placed according to the guidelines below:

1. ~~Nowithstanding the provisions of Section 3-3-5, No purchase shall be made by or on behalf of the Town without first obtaining Council approval in the following instances:~~
 - a. ~~Where prior approval is required by state law or Town code;~~
 - b. ~~Where the purchase of the item is not included in the category of expenditures provided in the budget as adopted;~~
 - c. ~~Where funds for the purchase are not provided in the budget as adopted;~~
 - d. ~~For the expenditure of funds in an amount in excess of \$20,000, ten thousand dollars, even if included in an approved budget.~~
2. ~~The Finance Director shall serve as the Purchasing Director and shall direct and control all purchases of goods and services made by or on behalf of the Town.~~
3. ~~The Purchasing Director shall approve or deny all purchase requests and shall report to the Council on any purchase requiring Council approval.~~
4. ~~In case of an emergency which requires immediate purchase of supplies or services and when time is of the essence and applicable state law does not provide otherwise, the Mayor shall be empowered to authorize the Purchasing Director to acquire goods or services without complying with the requirements and procedures in the Town Code. A full report of the circumstances of such emergency and the goods or services obtained shall be made to Council at its next regular meeting.~~
5. Purchases in General; Bids and Proposals
 - a. ~~Purchases or contracts for services of under \$2,500~~20,000. ~~Whenever the contemplated purchase or contract for services is for the sum of less than \$20,000, upon completion of a requisition form and purchase order form, the Purchasing Director may obtain the goods or~~ ~~may be ordered by the Department without further formality.~~
 - a. ~~\$2,500 to \$10,000 inclusive. Whenever any contemplated purchase or contract for services is for the sum of at least \$2,500 but not more than \$10,000, after completion of a requisition form, the Purchasing Director shall obtain at least three bids or proposals. At the discretion of the Purchasing Director, bids or proposals may be solicited electronically or in writing. Documentation of the bids or proposals solicited is to be maintained and attached to a completed purchase order form. Upon review of the bids and proposals, the Purchasing Director shall award the purchase or contract to the lowest responsive and responsible bidder in the case of bids, or to the proposer who submits the most responsive and responsible proposal determined to be the most advantageous to the Town, in the case of proposals.~~
 - b. In Excess of \$20,000. Whenever any contemplated purchase or contract is for a sum in excess of \$20,000, the Purchasing Director shall advertise for bids or proposals according to the procedures provided in the Town Code. The purchase or contract shall be awarded to the lowest responsive and responsible bidder, in the case of bids, or to the proposer who submits the most responsive and responsible proposal to be determined to be the most advantageous to the Town, in the case of proposals, but the Town shall reserve the right to reject any and all bids and proposals and re-advertise. Written bids or proposals are not required when items are purchased from a vendor on the State Procurement List. No purchase or contract in an amount in excess of \$20,000 shall be awarded without prior Council approval. The Purchasing Director shall present the bids or proposals obtained to the Council and shall report to

- them on the need for the goods or service and the advantages or disadvantages of the contract and bid proposals. The Council reserves the right to reject any and all bids and re-advertise.
6. Bidding and Proposal Procedures. Except as provided in state law, the Purchasing Director shall follow the procedure set forth in this section for all purchases and contracts subject to the bidding process:
- a. Obtain a project/bid number from the Town Clerk's Office.
 - b. Publication of a notice of solicitation. A.R.S. § 41-2533 B) An invitation for bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the procurement. C)... the notice may include publication one or more times in a newspaper of general circulation a reasonable time before bid opening. The publication shall be not less than two weeks before bid opening and shall be circulated within the affected governmental jurisdiction. Send the notice to the League of Arizona Cities and Towns, plan rooms, and all vendors who have requested to be placed on the bid list.
 - c. A notice of solicitation for bids shall state the date, time and place of opening, and the place and time period within which bids shall be submitted. The time of bid opening should be at least 15 minutes after the deadline to submit bids.
 - d. The notice shall state with particularity the goods or services required and shall state the place where specifications may be examined.
 - e. Bids shall be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not received within the time period allowed shall be rejected.
 - f. All bids shall be date and time stamped upon receipt.
 - g. All bids shall be opened in public at the time and place specified, and a tabulation of all bids shall be posted at in Town Hall for public inspection.
 - h. All bidders shall be notified in writing of the award or rejection of any and all bids.
 - i. Proposals shall be requested and evaluated pursuant to procedures consistent with the State Procurement Code (A.R.S. § 41-2534, as may be amended).
 - j. Original bid documents are maintained on file in the Town Clerk's Office in accordance with the Town of Camp Verde Records Management Manual.
7. Unless the bids are rejected, the following shall be considered in determining the lowest responsible bidder:
- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - b. Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.
 - c. The quality of performance of previous contracts.
 - d. The previous and existing compliance by the bidder with the laws and ordinances of the Town.
 - e. The financial resources and ability of the bidder to perform the contract.
 - f. The quality, availability, and adaptability of the supplies or service.
 - g. The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.
8. Performance and Payment Bonds. The Purchasing Director shall have the authority to require a performance bond, in such amount as the Purchasing Director may deem sufficient for contracts other than contracts for construction, and the Purchasing Director

shall require performance and payment bonds for contracts for construction as required by law (in excess of \$20,000). In all cases of construction to which state law applies, any requirement for a bond shall be incorporated into the contract.

9. Exclusive Service. In the event that there is only one person or entity capable of providing a particular commodity or service, the requirement of the Town Code concerning bidding procedures shall not be applicable. However, for auditing purposes, sole-source proof shall be maintained.
10. Professional and Technical Services
 - a. The provisions of the Town Code shall not apply to professional or technical services.
 - b. No person or firm practicing in a professional or technical field for which a license is required by state law shall be engaged by the Town unless possessing a current license in good standing.
 - c. Upon engagement, the Town shall enter into a written agreement or memorandum of understanding for the performance of the services for which engaged, setting forth the scope of services and the unit or total price therefore.
11. Cooperative Purchasing. The Town Code shall not apply to purchases made by, through, or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding or proposal process whenever other governmental units have done so for the same item or service, if, in the opinion of the Purchasing Director, a separate bidding process is not likely to result in a lower price for such items or services.
12. Grants. The provisions set forth in the Town Code or Financial Operations Guide, Article 3-3 may be superseded by bidding, proposal, or qualification requirements in federal and state grants.
13. Purchases from Mayor or Council Members. Pursuant to ARS § 38-503(C), as may be amended, the Town, through its common Council, may purchase supplies, materials, and equipment not to exceed three hundred dollars in cost in any single transaction or a total of one thousand dollars annually, or as may be adjusted by law from the Mayor or any member of the common Council without using competitive public bidding procedures according to an annually adopted Town policy.

PROCUREMENT

2. ~~Purchases or contracts for services of \$2,500 to \$10,000 require the solicitation of at least three quotes. The quotes may be solicited by phone or in writing. Documentation of the quotes solicited is to be maintained. The original quotes shall be sent to the Town Clerk's Office for filing. A copy of the quotes shall be attached to a completed "Purchase Order" form and submitted to the Finance Department for approval PRIOR to placing the order. Upon "Purchase Order" approval, the purchaser may award the purchase or contract for service to the lowest responsible bidder or to the bidder who submits the most responsive and responsible quote determined to be the most advantageous to the Town. The reasons for selecting other than the lowest bidder should be documented and attached to the completed "Purchase Order".~~
3. ~~Purchases or contracts for services contemplated to be \$10,000 or more follow the procedure below. No purchase or contract shall be awarded without prior Council approval. The Council reserves the right to reject any and all bids and re-advertise.~~
 1. ~~The Department Head or representative shall cause to be published in two issues of a newspaper with general circulation in the County, a notice inviting bids for the purchase or contract at least 10 days prior to the date set for the receipt of the bids. Whenever feasible, bid requests should indicate that preference will be given to local vendors.~~
 2. ~~The Department Head or representative posts a notice inviting bids for the purchase or contract at Town Hall.~~
 3. ~~Both of the above notices include a general description of the item or services to be performed and the date, time and place for opening bids along with the place and time period within which bids are submitted.~~
 4. ~~A notice inviting bids may also be mailed to responsible perspective suppliers and all potential vendors on the Town's bid list maintained by the Town Clerk.~~
 5. ~~All notices and solicitations for bids shall state the date, time and place for opening the bids.~~
 6. ~~Bids are submitted in a sealed envelope and identified as bids on the envelope. Any bid not received within the time period allowed shall be rejected.~~
 7. ~~All bids shall be date and time stamp upon receipt.~~
 8. ~~All bids shall be opened in public on the date, time and place stated in the public notice.~~
 9. ~~A tabulation of all bids shall be posted in Town Hall for public inspection.~~
 10. ~~All bidders shall be notified in writing of the award or rejection of any and all bids.~~
 11. ~~The Department Head or representative shall present the bids to the Council for approval and advise the Council of the advantages or disadvantages of the purchase or contract bids.~~

PROCUREMENT

4. ~~The Department Head, for purchases or contracts of under \$10,000, or the Council, for purchases or contracts for services of \$10,000 or more, shall have the authority to reject any and all bids and parts of bids and re-solicit bids.~~
5. ~~Unless the Department Head or the Council rejects the bids, the following shall be considered in determining the lowest responsible bidder.~~
 1. ~~The ability, capacity and skill of the bidder to perform the contract or provide the service required.~~
 2. ~~Whether the bidder can perform the contract or provide the services promptly or within the specified period of time without delay or interference.~~
 3. ~~The quality of performance of previous contracts.~~
 4. ~~The previous and existing compliance by the bidder with the laws and ordinances of the Town.~~
 5. ~~The financial resources and ability of the bidder to perform the contract.~~
 6. ~~The quality, availability and adaptability of the supplies or service.~~
 7. ~~The reasons for selecting other than the lowest bidder shall be documented and filed with the bid documents.~~
 8. ~~Bid documents are maintained on file in the Town Clerk's office in accordance with the Town's record retention policies.~~
6. ~~The Department Head has the authority to require a performance bond, in cash or otherwise, for such amount as he/she may deem sufficient to secure the execution of the contract.~~
7. ~~Exceptions~~
 1. ~~In the event there is only one firm or company capable of providing a particular service or commodity, such purchase or contract for services can be secured without bidding by approval by Council.~~
 2. ~~In the case of an emergency which requires immediate purchase of supplies or services and when time is of the essence, the Mayor is empowered to authorize the Department Head to purchase or secure services without following the above procedures. A full report in writing of the circumstances of any emergency purchase is filed by the Department Head with the Town Council at its next meeting.~~
 3. ~~Unless required by the Council, the above procedures shall not apply to professional services rendered on an open account on an as needed basis including, but not limited to, the following: physicians, attorneys, accountants and engineers.~~

PROCUREMENT

4. ~~The above procedures shall not apply to purchases or contracts made by, through, or with the State of Arizona or its political subdivisions. The Town may make purchases or award contracts for services without a formal bidding process whenever other government units have done so for the same item or service if, in the opinion of the purchasing agent, a separate bidding process is not likely to result in a lower price for such items or services.~~
5. ~~Used equipment. Upon recommendation of the Town Manager, the Council may elect to waive the bid procedures with respect to the purchase of used equipment.~~
6. ~~Public Works. All Public works contracts are bid in accordance with these Arizona statutory provisions currently codified in A.R.S. § 34-201 et seq. as may be amended from time to time.~~
7. ~~Lease Purchase Agreements. This article shall not apply to acquisitions made through lease purchase agreements that have been approved by the Council.~~
8. ~~The Town currently can make purchases through the State of Arizona Procurement office or Mohave Education Services Cooperative, without going out to bid, due to the bid guidelines these entities have set up.~~

* For detailed bid procedures, please contact the Town Clerk's Office for a bid procedure packet available on both CD and paper.

RECEIVING

PURPOSE: To establish standard policies and procedures for the accurate receipting of all purchases or services received by the Town of Camp Verde.

POLICIES/PROCEDURES

- I. All items purchased by the Town require a written receipt of the items at the time of delivery.
- II. A title or deed acts as the receiving document for the purchase of vehicles, land or buildings. The sales contract acts as the invoice.
- III. Items purchased with petty cash are documented by the purchaser as being received by the purchaser's signature on the detailed receipt or with a signed, written description of the items purchased if a detailed receipt is not available. It is then placed in the petty cash drawer and marked "PAID" as proof of the use of funds.
- IV. Items purchased and paid for at the time of receipt with a Town check or a Town credit card must include an itemized receipt that is signed by the purchaser. The proper account code is identified, and the receipt is forwarded to the Finance Department for payment Finance Clerk.
- V. All other items received are documented on a packing slip, bill of lading or a vendor invoice.
 - A. Items received are signed for and dated by the department head or their designee upon inspection by that person that all items on the receiving document are indeed delivered to the Town in good condition.
 - B. Receiving documents for items purchased with a "Purchase Order" (Exhibit Q) include the "Purchase Order" number.
 - C. Items received via a parcel shipping company are signed for at the time of receipt from the delivery company as receipt of a number of boxes or envelopes. Upon delivery of the parcel(s) to the appropriate department, the department head or his/her designee inspects the contents of the delivery, sign and date the accompanying packing slip or invoice and note the amount and the condition (if necessary) of the items received.
 - D. After completing the above procedure(s), all receiving documents are attached to the invoice and forwarded to the Finance Clerk Finance Department for payment.
 - A.E. If any item purchased exceeds \$5,000, notification shall be made to the Finance Department to include the item on the Capital Asset Listing. See the "Capital Asset" policy in on page 43 of the Financial Operations Guide for proper reporting procedures.

CASH DISBURSEMENTS

PURPOSE: To establish standard policies and procedures for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde, for ensuring that all services and items delivered were authorized and accounted for properly, and for maintaining accurate vendor files.

I. POLICIES/PROCEDURES

- A. When placing orders, departments shall notify vendors that all invoices shall be mailed directly to the Finance Department.
- B. Upon receipt of invoices, ~~staff the Finance Clerk~~ logs the invoice in a tickler file and forwards invoice to the applicable department for coding and department head approval.
- A. All coded and department approved invoices (or demands for payment) are forwarded to the Finance Clerk, along with applicable receiving documents. The Finance Clerk batches invoices for payment based on due date and when received. Invoices received by Monday at 12:00 p.m. will be included in the batch paid on Thursday. If an invoice does not require immediate payment, it may be held for payment until a subsequent batch. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.
- B-C. Staff The Finance Clerk matches all invoices with the receiving documents and "Purchase Orders" (Exhibit Q) for invoices totaling \$25,000 or more.
- G-D. Each department completes a "Check Request" form (Exhibit R) for each invoice totaling less than \$25,000. A completed form includes account cost allocations and must be approved by the department head. The matching invoice(s) and the receiving document(s) are attached to the "Check Request" and forwarded to the Finance Department Clerk.
1. Invoices for items that do not contain receiving documents (ex: repair order, fuel receipt, hardware bill, etc.) shall be initialed by the employee who received the items verifying the expense as a valid expenditure. The invoice is then forwarded to the department head for approval.
- E. Staff The Finance Clerk batches invoices for payment based on due date and when received. Invoices received by Monday at 12:00 p.m. will be included in the batch paid that week. If an invoice does not require immediate payment, it may be held for payment until a subsequent batch. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.
- D-F. Staff The Finance Clerk reviews each "Check Request" and makes any necessary corrections, noting the vendor number and any other needed information.

- ~~E.G.~~ Staff ~~The Finance Clerk~~ reviews invoices for possible duplicate payments. Once it has been determined that the invoice is not a duplicate, ~~staff the Finance Clerk~~ enters the approved invoices into the accounting computer program, recording the invoice numbers paid in the accounting system for printing on the check stubs.
- ~~H.~~ Staff ~~The Finance Clerk~~ then runs a "Preliminary Check Register" and submits the "~~Preliminary Check Register~~" and all invoices, check requests, etc. ~~to the Finance Director Accountant or Senior Accountant for review, reviews the accuracy of the report.~~ If a correction is necessary, ~~staff the Finance Clerk~~ reenters the corrected data and runs a new "Preliminary Check Register".

CASH DISBURSEMENTS

- ~~I.~~ Upon completing an acceptable "Preliminary Check Register", ~~staff the Finance Clerk prepares to print the checks (including a copy) and runs a "Check Register".~~
- ~~J.~~ Until such time as they are needed, blank checks shall be kept in a locked storage cabinet.
- ~~K.~~ Staff ~~The Finance Clerk~~ verifies the beginning check number in the computer software program ~~to the beginning check number in the blank check stock. If the numbers do not match, an investigation will take place to determine the reason for the discrepancy.~~
- ~~F.I.~~ Upon verification that the check number in the computer software program and the blank check stock match, ~~staff the Finance Clerk prints the checks (including a copy) and runs a "Check Register".~~
- ~~G.M.~~ Staff ~~The Finance Clerk~~ forwards the approved ~~printed~~ checks, with copy attached, and the invoices to the Finance Director for signature ~~and review.~~
- ~~H.N.~~ The Finance Director reviews the invoices and checks, notes any exceptions, and signs the checks, if approved. If the Finance Director is unavailable, the Town Clerk performs the review and signs the checks. The checks, along with invoices approved by the Finance Director or Town Clerk as applicable, are then forwarded to the Mayor (or Vice Mayor) for signature. If the Mayor (or Vice Mayor) is unavailable for signatures, the ~~Finance Director and Town Clerk~~ may sign the checks. ~~All attempts to gain both a staff signature and an elected official signature must be exhausted prior to having both signatures be staff signatures.~~ If due to absences, the required signatures are not available, signature stamps may be used with prior authorization by the absent authorized check signer.
- ~~I.O.~~ The Mayor (or Vice Mayor) reviews the checks and any invoices approved by the first signer, notes any exceptions, and signs the checks, if approved. The checks are then forwarded to the ~~Town Clerk's Office Finance Department~~ for mailing.

~~J.P.~~ Finance staff other than the individual that produced the checks ~~The Town Clerk's Office~~ separates the signed checks, mails the original and any remittance stubs to the payee, and forward the "yellow" copy to the Finance Clerk. The Finance Clerk ~~same employee~~ attaches the invoice(s) and any supporting documentation to the "yellow" copy of the check and marks the invoice(s) as paid.

~~K.Q.~~ Staff ~~The Finance Clerk~~ files the "yellow" copy of the check attached to the invoice and other supporting documentation in the appropriate vendor file.

~~L.R.~~ Any voided checks are marked void, the routing number, account number, and signature area torn off, and filed in a reconciliation file.

~~M.S.~~ The Town operates on a cash basis during the fiscal year, and accruals are recorded at year end. Only those goods or services received on or before June 30 and paid after June 30 are accrued to the previous fiscal year. After June 30, ~~staff the Finance Clerk~~ reviews all invoices being processed to determine in which fiscal year the invoice should be recorded.

~~N.T.~~ Departments shall submit all prior year invoices to the Finance Department no later than August 31.

~~Q.U.~~ Once all prior year invoices have been recorded, ~~staff the Finance Senior Accountant~~ prepares a detail listing of all invoices accrued to the prior fiscal year and reconciles the listing to the accounts payable control account on the general ledger. ~~Staff The Finance Senior Accountant~~ prepares any necessary journal entries to correct the control account balance and to reflect the correct allocations of accounts payable balances between funds.

~~P.V.~~ Each January, ~~staff the Finance Clerk~~ compiles and reconciles a preliminary list of 1099s to be issued in accordance with IRS regulations. The Finance Director ~~Senior Accountant~~ reviews and approves the preliminary determination of 1099s to be issued. Once approved, ~~staff the Finance Clerk~~ prints the final 1099s for distribution to vendors and the IRS.

SIGNATURE STAMPS

PURPOSE: To establish standard procedures for the use of signature stamps for the disbursement of funds to vendors for items or services purchased by the Town of Camp Verde.

I. POLICIES/PROCEDURES

- A. All check signers have a signature stamp. Check signers include the Mayor, Vice Mayor, Finance Director, and Town Clerk (per Resolution 2008-744).
- B. The signature stamp shall be placed in a secure location in the check signer's department.
- C. The signature stamp shall be placed in a separate location from blank checks.
- D. Each check signer is responsible for the safekeeping and authorized usage of the stamp.
- E. Each department shall have a designated employee(s) authorized to use the signature stamp in the check signer's absence, and this authorization shall be made in writing.
- F. Each check signer may stipulate that they be contacted for approval of the use of their signature stamp for each occurrence.
- G. In all cases, at least one signature shall be "live".
 1. Only in an extreme emergency, and after contacting the check signers to obtain authorization, may a check be issued with both signatures being from signature stamps.
 2. Upon return of the check signers whose signature stamps were used, a written explanation containing signatures from both check signers verifying that the use of the signature stamps in this manner was authorized shall be obtained and filed with the yellow copy of the check and supporting documentation.

Comment [c2]: Staff is requesting that the Mayor reconsider his objection to having a signature stamp. Signature stamps are archived for historical purposes.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

PURPOSE: To establish standard procedures for the use of Town credit cards and business charge cards.

POLICIES/PROCEDURES: The purpose of the credit card is principally for use in making travel arrangements or other purchases where the vendor requires such use. Credit card purchases are intended to be small in scope and of a 'non-capital' nature. All purchasing of budgeted capital items must have the proper approval of the Finance Director and must be purchased via the Purchase Order process. Business charge cards are also available for certain frequently used vendors.

I. CARD RESTRICTIONS

- A. Credit cards/business charge cards are to be signed out at the Finance Department and returned promptly after use. When the card is returned, it must be accompanied by a fully completed "Credit Card Use Form" (Exhibit S) with all receipts and other supporting documentation attached. In addition, the employee must sign the credit card log to acknowledge return of the credit card.
- B. Town employees and officials may sign out credit cards/business charge cards in accordance with this policy. If an individual needs a card to keep in his/her possession, a "Request for Credit Card" (Exhibit T) needs to be filled out by the department head, turned into the Town Manager for signature and forwarded to the Finance Department. Once the request is approved, the individual must sign the "Credit Card User Agreement" (Exhibit T) before the card is issued.
- C. Any approved credit card or business charge card accounts shall be opened by the Finance Director, or his or her designee. No other individuals are authorized to open credit card or business charge card accounts.
- D. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle are as follows:
 1. Single Purchase Limit - Not to exceed \$1,000
 2. Billing Cycle Limit - Not to exceed \$2,500Any exception to these limits must be obtained in writing, in advance, from the Finance Director or Town Manager.

II. USE OF CREDIT CARD/BUSINESS CHARGE CARD

- A. The credit card/business charge card is to be used for Town purchases only.
- B. No person other than the one who signed out the card is authorized to use it. Employees must not retain credit card numbers for future use when not signed out.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

- C. Questions regarding credit card/business charge card accounts and procedures should be directed to the Finance Director.
- D. The credit card may be used at any business establishment, which accepts credit cards for payment, as long as the expenditure complies with Town policy requirements.
- E. All other methods of procurement should be exhausted before using the credit card (i.e., purchase orders or invoicing).
- F. The employee must be able to justify that the use of the card was necessary and for official Town business purpose.
- G. The employee shall take all necessary precautions to keep the card and card number in a secure location. The Finance Department is to be notified immediately if card is lost or stolen.
- H. The department is responsible for all charges incurred on department issued cards including any annual service fees and finance charges.

III. TELEPHONE, FACSIMILE, AND INTERNET ORDERS

- A. When placing a telephone/facsimile order, the employee shall confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.
- B. All telephone/facsimile/internet orders must be recorded on the "Credit Card Use Form" (Exhibit S) when the transaction occurs.
- C. For telephone/facsimile orders, the employee shall request that the vendor send, via facsimile, a copy of the invoice. ***The original invoice is still necessary by the Finance Department for reconciliation purposes.***
- D. For internet orders, employees must print a copy of the receipt/order confirmation and attach to the "Credit Card Use Form" (Exhibit P).
- E. If no receipt is available for the telephone/facsimile order, complete the "Credit Card Use Form" (Exhibit P) detailing the purchase in entirety. This form shall be used as the documentation when reconciling the monthly statement of account.
- F. NO backorders are allowed.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

IV. DOCUMENTATION

- A. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the monthly statement of account.
- B. The Town shall not be responsible for any charges incurred if the criteria listed in (A) and supporting documentation is not received in a timely manner by the Finance Department.
- C. All purchases made by telephone and facsimile are to be recorded on "Credit Card Use Form" (Exhibit S). This form must be maintained as charges occur.
- D. If, for any reason, the employee does not have documentation for a transaction, the employee must attach a "Credit Card Use Form" (~~Exhibit P~~), providing: a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to ensure proper documentation in the future. In addition, the employee and the Finance Director's department head's signature are required on the form.
- E. If receipts are related to travel, it is the employee's responsibility to photocopy the receipts to attach to their "Training/Travel Authorization and Expense Advance/Reimbursement Report Form" (Exhibit I). The originals must be forwarded to the Finance Department for reconciliation with the monthly statement.
- F. Copies of all necessary forms are enclosed within the exhibits section of the Financial Operations Guide as well as on the shared network. Files in the shared network are located in the Financial Operations Guide folder located in the Finance Department's Public Folder.
- G. An original invoice/sales order must accompany the credit card receipt. It should be in detail, to allow clear understanding of the purchased items or service. If the purchaser is unable to provide such documentation, the charges will be the responsibility of the purchaser.

V. PROHIBITED CHARGES

- A. The following uses of a credit card are **prohibited**:
 1. Cash advances.
 2. Personal purchases. Employees may not charge any personal items on the Town credit cards/business charge cards.
 3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation shall be required.
 4. Alcoholic beverage purchases.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

Any prohibited use of cards shall be reported to the applicable department head and/or the Town Manager.

- B. Per Diem. Per diem requests are processed through Accounts Payable prior to travel. Refer to the Travel and Training Section.
- C. Employees shall also comply with any applicable departmental restrictions on usage.
- D. Employees may not violate any procurement requirements, where it pertains to obtaining quotes, when using the Town credit card.

VI. RECONCILIATION AND PAYMENT

- A. After each purchase, the department must submit the completed "Credit Card Use Form" (Exhibit S) to the Finance Department to hold for reconciliation to the monthly statement.
- B. The employee attaches any additional documentation necessary to the "Credit Card Use Form" (~~Exhibit P~~), complete the form fully and assure that all necessary signatures have been obtained.
- C. This form is reconciled with both the receipts and the credit card's monthly statement of account by the Finance Department.
- D. If unable to submit the required documentation by the due date, please contact the Finance Department as soon as possible.
- E. Payment shall be made promptly and before the due date to avoid any service or finance charges.
- F. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the credit card account shall be assessed the finance charges imposed by the issuing financial institution.

VII. TERMINATION/RESIGNING EMPLOYEES

- A. All efforts shall be made by the Finance Department to obtain the credit card, any receipts, "Credit Card Use Forms" (Exhibit S) and other related forms when a Cardholder employee is terminated or resigns.

CREDIT CARD/BUSINESS CHARGE CARD POLICY

- B. If the credit card cannot be collected, notify the Finance Director immediately to ensure the card is canceled.

VIII. POLICY VIOLATIONS

Failure to follow this policy may result in loss of card privileges and, for employees, may result in disciplinary action, including termination of employment.

PETTY CASH ACCOUNTS

PURPOSE: To account for minor disbursements when immediate payment is required.

I. POLICIES

- A. The petty cash reimbursement and reconciliation shall be reviewed by someone other than the custodian or person who purchased the items.
- B. Petty cash shall be properly safeguarded at all times.
- C. At a minimum, the Petty Cash Custodians shall request replenishment when the petty cash balances are more than 50% below the imprest balance and an immediate need for replenishment is anticipated.
- D. All petty cash receipts shall be submitted for reimbursement at fiscal ~~year-end~~ year-end to ensure all amounts are coded to the correct fiscal year.
- E. Petty cash funds may not be used for personal services/items.

II. PROCEDURES

A. DISBURSEMENTS

1. The requesting employee shall obtain the department head approval before purchases are made.
2. The requesting employee completes the "Petty Cash Withdrawal Request" form (Exhibit V).
3. The Petty Cash Custodian receives all "Petty Cash Withdrawal Request" forms and vendor receipts and ensures the form is complete and properly approved before any disbursement is made from the Petty Cash Account.
4. The Petty Cash Custodian maintains a "Petty Cash Disbursement/Replenishment Log" (Exhibit W), either in hard copy form or in Excel, for all disbursements and replenishments.
5. The Petty Cash Custodian checks the amount requested for mathematical accuracy and notes any discrepancy.
6. Upon disbursement of cash to the employee, the employee signs the "Petty Cash Withdrawal Request" form for acknowledgement of receipt of cash.
7. If change is being returned, the employee signs the form acknowledging return of monies, and the Petty Cash Custodian validates the amount to the vendor receipt and the total amount originally given.
8. The Petty Cash Custodian stamps the "Petty Cash Withdrawal Request" form and vendor receipts "PAID", to prevent reuse.

PETTY CASH ACCOUNTS

B. RECONCILIATION

1. On a monthly basis and whenever replenishment is requested, using the "Petty Cash Disbursement/Replenishment Log" (Exhibit W), the Petty Cash Custodian reconciles the disbursement and change returned amounts listed on the various "Petty Cash Withdrawal Request" forms.
2. The Petty Cash Custodian also reconciles the Petty Cash Fund imprest total to amounts disbursed and remaining cash.
3. The Petty Cash Custodian researches and resolves any discrepancies.
4. The department head reviews the reconciliation.
5. The Petty Cash Custodian prepares a "Check Request" (Exhibit R) to replenish petty cash funds, when necessary.
6. The Petty Cash Custodian receives a petty cash fund reimbursement check made payable to the applicable petty cash custodian for the purposes of replenishing the petty cash fund.

BANK ACCOUNTS AND RECONCILIATION

PURPOSE: To ensure that all activity within the general ledger is complete and properly reconciled to the bank.

I. POLICIES

- I. In accordance with Arizona Revised Statutes (A.R.S.), each bank account that the Town maintains over the FDIC insured amount shall be collateralized by the bank for the amount over the FDIC insured amount.
- II. All bank accounts and related activity shall be properly recorded in the general ledger.
- ~~III. Bank statements, for each account, shall be received by the Town on a monthly basis.~~
- ~~IV-III.~~ Prior to opening or closing of, all bank accounts, shall be Council authorization shall be obtained by the Town Council.
- ~~IV.~~ Only the Mayor, Vice-Mayor, Finance Director, and Town Clerk are authorized check signers on the Town's accounts as established in Resolution 2008-744.
- ~~V.~~ Authorization may be given by Council for selected Finance Staff to initiate and approve direct transfers of funds between Town bank accounts to provide for the payment of accounts payable and payroll transactions as well as other authorized transactions.
- ~~VI.~~ Bank statements, for each account, shall be received by the Town on a monthly basis.
- ~~V-VII.~~ Each bank account shall be reconciled monthly and on a timely basis to resolve any discrepancy. Reconciliations shall be signed and dated by the preparer.
- ~~VI-VIII.~~ The Finance Director shall review the bank statement reconciliation and sign and date as evidence of the review.

II. PROCEDURES

- A. Upon receipt of the bank statements, ~~staff the Senior Finance Accountant~~ verifies that all cancelled checks listed agree with the Town's accounting records. Cancelled checks are reviewed for alterations, irregular endorsements, and authorized signatures.
- B. ~~Staff The Senior Finance Accountant~~ compares transaction amounts listed on the bank statements to the Town's records to ensure that amounts were accurately debited or credited.
- C. ~~Staff The Senior Finance Accountant~~ forwards all reconciliation documentation to the Finance Director to review that the reconciliation was properly completed and all items reconciled.

- D. Upon receipt of the collateralization statements, the ~~Finance Director~~ ~~Senior Finance Accountant~~ ensures that any amounts over the FDIC insured amount are collateralized.

BANK RECONCILIATION

- E. In addition to the monthly bank reconciliations, the Finance Director or ~~Senior Finance Accountant~~ will review the detail general ledger monthly for items such as mispostings, duplicate payments, etc.

III. INTERFUND BORROWING

- A. The General Account serves as the general operating bank account of the Town and represents the pooled cash of all funds, except those amounts retained in separate bank accounts for legal or operational purposes.
- B. Each fund's share of the pooled cash is recorded on the general ledger as Equity in Pooled Cash.
- C. Once all bank accounts have been reconciled for the month, the Finance Director ~~Senior Finance Accountant~~ reviews and reconciles the Equity in Pooled Cash balances to ensure the amounts agree to the offsetting entries in the General Fund.

CAPITAL ASSETS

PURPOSE: To establish standard policies and procedures for the accurate tracking of capital assets.

POLICIES: Capital assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$5,000 or more. Stewardship assets are described as any item (property, vehicle, equipment, etc.) that has a purchase price or valuation (for donated items) of \$1,000 to \$4,999. The majority of capital expenditures will be tracked in the Capital Improvement Projects Fund (CIP Fund). All non-CIP Fund capital expenditures are coded to an 8XXX object code to ensure proper classification and to facilitate the reconciliation of capital asset additions.

I. PROCEDURES

A. Departments must notify the Finance Department when any item is acquired, disposed of, or transferred to another department when the item was purchased for or valued at \$1,000 or more.

B. For items valued at \$1,000 or more, the department must complete an "Asset Acquisition Form" (Exhibit X) and submit to the Finance Department for inclusion on either the Capital Asset Listing or the Stewardship Asset Listing.

~~B.C. _____ In addition to the Capital Asset Listing, the Finance Accountant also maintains a Stewardship Listing of items purchased for or valued at \$1,000 or more and less than \$5,000. Each year staff the Senior Accountant forwards an updated Capital Asset Listing and Stewardship Listing to the Risk Manager Town Clerk for insurance purposes.~~

~~C.D. _____ Capital assets are depreciated on a straight-line basis.~~

~~D.E. _____ In consultation with department heads, the Finance Director Senior Finance Accountant assigns useful lives to individual assets based on asset category.~~

~~E.F. _____ When equipment items are acquired, departments shall request property tags from the Finance Department to be affixed to the assets, if feasible. Property tags should not be affixed to any item if this would seriously impair the item's value or usefulness. Engraving or other means of identification of such items is recommended to facilitate their possible return if they are lost or stolen~~

~~Departments indicate the property tag number assigned on the vendor invoice before forwarding to the Finance Department. Staff The Finance Clerk or Accountant provides copies of such invoices to the Finance Department Senior Finance Accountant for updating of the Capital Asset/Stewardship Listings.~~

~~F.G. _____ If an asset has been donated to the Town, the receiving department shall complete the "Donated Capital Asset Acquisition Form" (Exhibit P) and submit to the Finance Department at the time of receipt of assets. The Finance Department will issue a property tag~~

| as applicable, and ~~staff the Senior Finance Accountant~~ will update the Capital Asset/Stewardship Listings.

CAPITAL ASSETS

G.H. Departments shall complete the "Request for Authorization to Dispose of/Transfer Equipment" (Exhibit Y) and submit to the Finance Department at the time of disposal or transfer of assets. The Finance Director reviews and approves all "Request for Authorization to Dispose of/Transfer Equipment" forms.

Disposals of assets must comply with approved methods. Refer to the section titled "Asset Disposal" for the policies and procedures regarding the disposal of surplus or impaired assets. Assets generally cannot be donated unless it can be demonstrated that the donation serves a public purpose.

Departments shall report lost, stolen, or destroyed assets within ten working days of discovery to the Risk Manager and the Finance Department.

H.I. For capital projects (assets acquired through construction or assets acquired through similar multiple payments), a separate account code shall be created to track the costs to be capitalized. For existing assets, projects should be identified as to whether they are improvement projects or repair/maintenance projects. Improvement projects significantly extend the useful life of an asset or increase the value of an asset. Repair/maintenance projects generally maintain the condition of an asset so that the expected useful life is attained.

I.J. Once a year, the Finance Department distributes current equipment listings for verification and physical inventory by department heads or designees, along with instructions regarding how physical inventories are to be performed. If there are any discrepancies, the proper corrections to the listing are indicated noting the date of the change and any other needed information (price, useful life, etc.). In addition, during the physical inventory process, the department heads or designees examine assets for possible impairments and designate surplus assets available for auction/disposal. The listings are returned to the Finance Department. The Finance Director ~~Senior Finance Accountant~~ researches and resolves any discrepancies between the physical inventory and the Capital Asset Listing. Each year, the Finance Department will physically sample a random selection of the Capital Asset Listing for verification that the items are still in the possession of the Town and are in working condition. During this review, staff will also search for items not listed on the Capital Asset Listing.

J.K. ~~Staff~~ The ~~Senior Finance Accountant~~ reviews and reconciles the Capital Asset Listing to the general ledger, at least quarterly. The Finance Director reviews the reconciliation, initialing and dating as evidence of review.

~~NOTE: For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property; therefore, supplies and/or assets cannot be donated to other organizations.~~

ASSET DISPOSAL

PURPOSE: To establish standard policies and procedures for the disposal of surplus or impaired assets.

I. POLICIES/PROCEDURES

- A. The Town utilizes the Public Service website to dispose of surplus supplies and/or assets. This website adheres to the specific procurement requirements that public agencies must follow in disposing surplus supplies and/or assets. The website address is <http://www.publicsurplus.com/sms/campverde.az>.
- B. For smaller dollar items under the stewardship and capital asset thresholds, disposals must be in compliance with A.R.S. State statutes prohibit "gifts of public funds" which includes government property. Therefore, surplus supplies and/or assets cannot be donated to other organizations. The law does allow for donation to other governmental entities. ✓
- C. The following steps shall be followed in the disposal of surplus supplies and/or assets:
1. The department head must authorize the disposition of surplus supplies and/or assets.
 2. Send an email to "All Employees" describing the item (include a photo if available) available. Allow at least four (4) working days to allow requests for the item to be transferred to another Town department.
 3. If no requests to transfer the item to another Town department are received, prepare the item for submission to the Public Service website as follows:
 - a. Take a digital photo of the item.
 - b. Complete the "Vehicle Property" or "General Property" description form (Exhibit Z or Exhibit AA).
 - c. Email the description form, digital photo, and any suggestions for a start price or reserve (minimum amount for the item) if applicable to auctions@campverde.az.gov. Indicate whether the item has instruction manuals and/or accessories, as well as the working condition and general condition of the item. Provide as much information as possible.
 - d. Indicate in the email who should be contacted to pick-up the item when sold and when it will be available for pick-up.
 4. At the end of the auction timeframe, if the item sales, a "Closing Notification" report is generated from the Public Surplus website detailing the item sold as well as the sales price and the purchaser. A copy of this report is to be given to the Finance Department. This report is used to update the assets listed on the Stewardship and Capital Asset listings.
 5. When the purchaser pays for the item, an "Auction Receipt" report is generated. A copy of this report is to be given to the Finance Department. Payment from the purchaser is received by Public Surplus and transmitted to the Town.

UNCLAIMED PROPERTY

PURPOSE: To establish standard policies and procedures for recording and handling unclaimed property.

I. POLICIES/PROCEDURES

A. Unclaimed Property

1. On a monthly basis, review all checks in the "Check Sign-Out Book", and prepare a letter to the payee advising them that monies are being held for them to pick up.
2. If checks have not been picked up, the Finance Department will mMail the check etter certified, return receipt requested, and place a copy of the letter and check in the vendor or employee's file.
3. If the letter is returned, Finance Department staff shall On a monthly basis, remove the checks from the "Check Sign-Out Book" and place them in the "Unclaimed Check File." Void the check and place a copy of it in the vendor or employee's file.
4. Record the voided check amount in the "Unclaimed Property" liability account.
5. If the vendor, or employee, contacts Finance after the check has been voided, reissue another check and remove the amount from the "Unclaimed Property" liability account. Place a copy of the reissued check in the vendor or employee's file.
6. On an annual basis (on July 1), review all amounts in the "Unclaimed Property" liability account and identify those that have reached the period when payment must be turned over to the state. The dates used on the "Unclaimed Property Report" are July 1 through June 30. The report is due November 1.
7. Send the completed "Unclaimed Property Report" to Accounts Payable for payment.

JOURNAL ENTRIES

PURPOSE: To maintain balanced accounts and to make necessary adjustments to resolve unbalanced accounts.

I. POLICIES/PROCEDURES

~~A. Journal entries shall be approved by the Finance Director prior to entry into accounting system.~~

A. A "Journal Entry" form (Exhibit AB) is completed detailing the adjustments needing to be made. Any supporting schedules or other documentation are attached. The employee preparing the journal entry shall sign and date the "Journal Entry" form.

B. Journal entries shall be approved by the Finance Director prior to entry into accounting system.

C. Once approved, ~~the Finance Accountant~~ staff enters journal entries into the accounting system. ~~Staff~~ The Finance Accountant verifies that the total debits and credits posted by the system match the totals on the "Journal Entry" form, notes the system-assigned journal entry on the bottom of the "Journal Entry" form, and signs and dates to indicate entry is complete.

II. AUDIT ADJUSTING JOURNAL ENTRIES

A. The Finance Director shall review to determine the validity of any audit adjusting journal entry(ies).

B. Upon consensus, the audit adjusting journal entry(ies) is input into accounting system.

GRANTS

PURPOSE: To ensure grants are properly approved and accounted for.

I. POLICIES

- A. Only grants approved by the Town Council may be applied for or accepted.
- B. The Department administering the grant shall be responsible for the submission of any required quarterly and annual financial reports required by the granting agencies.

II. PROCEDURES

A. REIMBURSEMENT GRANTS

1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures is generated from the Finance Department.
2. All expenditures are reviewed for reasonableness for compliance with the grant requirements.
3. Once verified, the reimbursement claim is prepared, reviewed by someone other than the preparer, and submitted to the granting agency. A copy of the reimbursement claim is forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the reimbursement claim prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reimbursement claim.
4. ~~Staff The Finance Senior Accountant~~ prepares journal entries to record related receivables, ~~and transfer of monies for any matching requirements, or adjustment of expenditures as needed.~~
5. ~~Staff The Finance Senior Accountant~~ maintains a file of pending reimbursement claims. Upon receipt of grant monies, ~~staff the Finance Senior Accountant~~ ensures that the reimbursement received reflects the amount requested. If not, ~~staff the Finance Senior Accountant~~ researches and resolves the discrepancy.
6. ~~Staff The Finance Senior Accountant~~ periodically reviews the file of pending reimbursement claims to determine if any outstanding claims have not been received in a timely manner.

B. ADVANCE-TYPE GRANTS

1. Monthly or quarterly as required by the granting agency, the department representative shall obtain a total listing of all applicable grant expenditures is generated along with the grant amounts advanced from the granting agency from the Finance Department.

GRANTS

2. All expenditures are reviewed for reasonableness for compliance with the grant requirements.
3. Once verified, any required financial status reports are prepared, reviewed by someone other than the preparer, and submitted to the granting agency. Copies of the reports are forwarded to the Finance Department. Any discrepancy between the expenditures incurred and the financial status reports prepared shall be documented by the department representative and submitted to the Finance Department with the copy of the reports.
- ~~3.~~
4. The Finance Director - Finance Senior Accountant prepares journal entries to transfer monies for any matching requirements, or adjustment of expenditures as needed.
5. Prior to completion of the grant, the balance of any unspent grant monies is determined.
6. A determination is made if the remaining grant funds will be returned or if there is an allowable expenditure for which the funds could be used.

CREATING NEW FUNDS

PURPOSE: To establish policies for creation of Town funds.

I. POLICIES/PROCEDURES

- A. All funds must be approved by the Town Council.
- B. New funds generally are requested and approved as part of the annual budget process; however, if the need arises during the year, a request for creation of a new fund should be submitted to the Town Council for approval.
- C. When approved, the Finance ~~Senior Accountant~~ staff creates the new fund in the accounting system.
- D. The Finance Director notifies applicable employee(s) of the uses and non-uses of the new fund.

OPERATING TRANSFERS

PURPOSE: To establish policies regarding the proper approvals and accounting of operating transfers between funds.

I. POLICIES/PROCEDURES

- A. All operating transfers shall be authorized by the Town Council and within the amounts budgeted.
- B. Operating transfers are requested and approved as part of the annual budget process. If an unbudgeted operating transfer becomes necessary or if the amount budgeted was insufficient, approval for the transfer or the increase in amount must be obtained from the Town Council.
- C. Operating transfers are recorded through a journal entry (refer to the Journal Entries Section).
- D. Operating transfers shall be recorded in a timely manner. Depending upon the nature and purpose, operating transfers shall be recorded monthly, annually, or at such time that the event triggering the operating transfer occurs.

BUDGET POLICY

PURPOSE: To establish policies and procedures to carefully account for public funds, manage the finances wisely, and plan for adequate funding of services that are desired by the public. The following budget policy provides guidance for preparing the Town of Camp Verde's annual budget (all funds) as well as adoption, implementation, and monitoring of the budget.

I. POLICIES

- A. Budget Philosophy. The Town of Camp Verde's budget philosophy includes funding the service delivery system using the resources provided through current revenue collection while planning for future needs through capital funding and maintenance.
- B. Balanced Budget. Arizona law (Title 42 Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget. The Town of Camp Verde will develop a balanced budget where projected revenues meet or exceed projected expenditures. In the event that projected revenues are not adequate to sustain the service delivery system desired by the Town's citizens, a draw on fund balance may be authorized by the Town Council in accordance with Town Code Section 3-4-5 Fund Balance Policy. In addition, the Town will not use one-time (non-recurring) revenues to fund continuing (recurring) expenditures.

II. PROCEDURES

A. BUDGET PROCESS

1. The budget process begins in February with an off-site retreat of Council Members and Department Heads to discuss the departments' priorities and obtain guidance from Council on strategic objectives and special funding requests.
2. In March, the Finance Department compiles information, makes projections, and completes non-departmental revenue estimates. Based on the revenue estimates projected, the Finance Department determines the subsidy allocation to be provided to each department through a General Fund Subsidy Allocation. These allocations are distributions of the monies provided from general purpose revenues (non-departmentally generated revenues) to help fund the department's operations. A meeting is held with the Department Heads to convey the budget direction, discuss the budget process, and explain the General Fund Subsidy Allocation amounts allocated to each department.
3. Department Heads develop the budgets for their departments as they best understand the operational needs of their departments. The Finance Department completes the salary related projections for the Manager's Recommendation column and will provide estimates for Department Heads relating to current and requested staffing levels.
4. In April, Department Heads submit their completed budget requests to the Finance Department for compilation of the budget work papers. Individual meetings are held with each of the Department Heads to discuss their budget requests and to assure that the Departments' narratives are complete.

5. In May, the draft budget is distributed to Council Members and Department Heads. Budget Work Sessions are held to present each budgetary unit to Council, answer questions that may arise, make adjustments as directed, and obtain Council's preliminary approval of the requests. The Finance Department makes final adjustments to the budget and verifies that all information is properly included in the budget document.
6. In June, the Tentative Budget is approved by Council and the budget is advertised in the local newspapers for two consecutive weeks.
7. In July, Public Hearings on the Tentative Budget are held. If no changes have been directed, the Final Budget is adopted and implemented.

B. BUDGET AMENDMENT POLICY

1. Once the tentative budget is adopted, the expenditure limitation amount is set for the fiscal year. The Town Council may not approve additional appropriations above that amount. Throughout the fiscal year, amendments may be made to the adopted budget. All budget amendments must be approved by the Town Council. Budget amendments include, but are not limited to, transfers of appropriations between departments, transfers of appropriations from the Contingency to departments and/or funds, and transfers of appropriations between funds. NO REALLOCATION IS NEEDED IF THE ITEMS ARE CONTAINED IN THE SAME DEPARTMENT.

2. BUDGET CHANGE/RE-APPROPRIATION

- a. All budget changes/re-appropriations shall be authorized by the Town Council and within the amounts budgeted.
- b. To request a budget change/re-appropriation, complete the "Budget Change/Re-Appropriation Form" (Exhibit AC). Submit the completed form to the Finance Director for approval.
- c. The Finance Director shall submit the completed "Budget Change/Re-Appropriation Form" to Council for approval.
- d. Upon approval from Council, the Finance Director shall make the appropriate change in the budget document and in the financial software system.

C. BUDGET MONITORING

1. The Finance Department, along with each Department Head, monitors the budget continuously throughout the fiscal year. The Town focuses on the object level (total salary expenditures, total operational expenditures, etc) of tracking rather than focusing on the sub-object level (each specific line item). This means that instead of tracking each line item to ensure that it remains within the budget appropriation, the focus is on whether the Department as a whole operates within its total budget appropriation.
2. Revenue projections are monitored monthly and statistically projected throughout the remainder of the fiscal year to determine the need to decrease expenditure appropriations in order to maintain a balanced budget.
3. Financial reports are given to the Town Council and Department Heads monthly detailing the status of each department and the Town as a whole. Along with these reports, the Finance Department also presents a report to Council detailing the revenue projections through the end of the fiscal year and makes recommendations as needed to decrease appropriated expenditures, as a result of any shortfall in our revenue base, which may materialize.

D. BUDGET CALENDAR

1. In February of each year, the Finance Director shall brief Council and obtain approval of the budget calendar for the following fiscal year.

E. FUND ACCOUNTING

1. The Town utilizes fund accounting, which is a method of tracking revenues and expenditures based on restrictions being placed on the revenues requiring that they be used for specific purposes only. Each fund is considered a separate accounting entity. All funds except agency funds are included in the budget document. Agency funds are not required to be included in the budget document as they are monies belonging to separate entities, which the Town holds in trust for them.

F. GOVERNMENTAL FUNDS

1. General Fund - The General Fund is the main operating fund of the Town of Camp Verde; it accounts for the majority of the departments within the Town.
2. Special Revenue Fund - Special Revenue Funds are separate accounting records used to track revenues (and the related expenditures) that are legally restricted for specific purposes.
3. Debt Service Fund - Debt Service Fund is used to account for the funding allocations and the payments of general long-term debt principal, interest and related costs.
4. Capital Project Fund - Capital Project Funds are used to track the financial resources to be used for the acquisition or construction of capital assets. A capital asset is defined by the Town as any item with an extended useful life whose purchase price (or value if donated) is \$5,000 or more.
5. All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means that the amount of the transaction can be determined. Available means that the funds are collectible within the current period or soon thereafter to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred.

G. FIDUCIARY FUNDS

1. Agency Fund - The Agency Fund is used to account for monies belonging to other agencies that the Town holds in a trustee capacity. This currently consists of monies held for the Grasshopper Swim Team and Special Olympics.
2. Fiduciary Funds are accounted for using the accrual basis of accounting. This method of accounting recognizes the financial effects of transactions and other events and circumstances that have cash consequences in the periods in which transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

A.H. BUDGET BASIS

1. The Town maintains its financial records in accordance with Generally Accepted Accounting Principals (GAAP) for government entities. The budgets of General Government Funds are prepared on a modified accrual basis. This includes all fund types managed by the Town of Camp Verde.

DEBT POLICY

PURPOSE: To establish policies and procedures to provide for the preservation and eventual enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions and required disclosures to investors, underwriters, and rating agencies. These policy guidelines will also be used when evaluating the purpose, necessity, and condition under which debt will be issued. These policies are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, City Charter, federal tax laws, and the Town's current bond resolutions and covenants.

The Town utilizes long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an "intergenerational equity", as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the cost of the asset.

All projects funded with General Obligation Bonds or Revenue Bonds can only be undertaken after voter approval through a town-wide bond election.

I. POLICIES/PROCEDURES

- A. The overall debt management policy of the Town is to ensure that financial resources of Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.
- B. The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt "pay as you go" capital financing.
- C. The Town does not intend to issue commercial paper (CP) or bond anticipation notes (BANs) for periods longer than two years or for the term of a construction project. If CP or a BAN is issued for a capital project, it will be converted to a long-term bond or redeemed at its maturity.
- D. The issuance of variable rate debt by the Town will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner.
- E. Whenever the Town finds it necessary to issue revenue bonds, the following guidelines will be adhered to:
 - 1. Revenue Bonds are defined as a bond on which the debt service is payable from the revenue generated from the operation of the project being financed or a category of facilities, from other non-tax sources of the Town, or from other designated taxes such as Highway User's Revenues, excise tax, or special fees or taxes. For any bonds or lease-purchase obligations in which the debt service is paid from revenue generated by the

- project, that debt service is deemed to be revenue bonds and are excluded from the calculation of the annual debt service limitation.
2. Revenue Bonds of the Town will be analyzed carefully by the Finance Department for fiscal soundness. The issuance of Revenue Bonds will be subject to the most careful review and must be secured by covenants sufficient to protect the bondholders and the name of the Town.
 3. Revenue Bonds should be structured to provide level annual debt service over the life of the issue.
 4. Debt Service Reserve Funds should be provided when required by rating agencies, bond insurers, or existing bond covenants.
 5. Interest earnings on the reserve fund balances will be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.
 6. The term of any revenue bond or lease obligation issue will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.
 7. The target for the term of Revenue Bonds will typically be between twenty and thirty years. The target for the "average weighted maturities" for Revenue Bonds of the Town (except for those issued through the Arizona Water Infrastructure Finance Authority) will be twelve and one half (12 1/2) years.
- F. Improvement District (ID) and Community Facility District (CFD) Bonds shall be issued only when the formation of the district demonstrates a clear and significant purpose for the Town. It is intended that Improvement District and Community Facility District Bonds will be primarily issued for neighborhoods and business districts desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage. The District must provide a specific benefit to the property owner(s). The Town will review each project through active involvement of Town staff and/or selected consultants to prepare projections, review pro-forma information and business plans, perform engineering studies, and analyze minimum debt coverage and value to debt ratios, and other analyses necessary to consider the proposal against specific criteria. Both ID and CFD Bonds will be utilized only when it is expected that they will be outstanding for their full term.
- G. Refunding Bonds will be measured against a standard of the net present value debt service savings exceeding 5% of the debt service amount of the bonds being refunded, or if savings exceed \$750,000, or for the purpose of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town.
- H. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
- I. The Town shall comply with all requirements of Title 15.1 Arizona Revised Statutes and other legal requirements regarding the issuance of bonds and certificates of the Town or its debt issuing authority.

J. The Town will maintain regular contact with rating agencies through meetings and visits on and off-site. The Town will secure ratings on all bonds issued if economically feasible.

FISCAL POLICY

PURPOSE: To establish policies and procedures to establish and maintain effective management of the Town's financial resources. The Town's formal policy statements and major objectives provide the foundation for achieving this goal.

I. POLICIES/PROCEDURES

A. GENERAL FINANCIAL GOALS

1. To maintain a financially viable Town that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic changes.
3. To maintain and enhance the sound fiscal condition of the Town.

B. OPERATING BUDGET POLICIES

1. The Town will adopt a balanced budget by June 30 of each year.
2. An annual base operating budget will be developed by conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.
3. Current revenues will be sufficient to support current operating expenditures and a budgeted positive operating position will be maintained.
4. Annual operating budgets will provide for adequate design, construction, maintenance and replacement of the Town's capital assets.
5. The purchase of new or replacement capital equipment with a value of \$5,000 or more and with a minimum useful life of two years will require budget approval.
6. The Town will annually project its equipment replacement and maintenance needs for the next five years. A maintenance and replacement schedule will be developed and followed.
7. The Town will annually review the General Fund operating position to determine if funds are available to operate and maintain future capital facilities. If funding is not available for operations and maintenance costs, the Town will delay construction of the new facilities.

C. REVENUE POLICIES

1. The Town will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.
2. The Town will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate. Revenue estimates adopted by the Town Council must be conservative.
3. User fees will be adjusted as necessary to recover the full cost of services provided, except when the Town Council determines that a subsidy from the General Fund is in the public interest.

4. One-time operating, capital and reserve revenues will be used for one-time expenditures only.
5. The Town will identify as necessary, developer fees and permit charges received from "non-recurring" services performed in the processing of new development and use those funds to meet peak workload requirements.

D. EXPENDITURE POLICIES

1. The Town will maintain a level of expenditures, which will provide for the public well-being and safety of the residents of the community.
2. The Town will decrease appropriated expenditures as necessary to keep total expenditures in line with projected revenues unless it materially affects the level of service provided to the public.

E. CAPITAL IMPROVEMENT BUDGET POLICIES

1. The Town will make all capital improvements in accordance with an adopted and funded capital improvement program and will include an annual six-year plan for capital improvements (CIP design, development, implementation, and operating and maintenance costs).
2. The Town will use intergovernmental assistance to finance only those capital improvements that are consistent with the Capital Improvement Plan and Town priorities, and whose operating and maintenance costs have been included in the budget.
3. The Town will coordinate development of the capital improvement budget with the development of the operating budget. All costs for internal professional services needed to implement the CIP will be included in the operating budget for the year the CIP is to be implemented.
4. The Parks Fund and other special development impact funds may only be used to fund facilities included in the Town's master plans.

F. SHORT-TERM DEBT POLICIES

1. The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval by ordinance or resolution.
2. The Town may issue interfund loans, rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations.

G. LONG-TERM DEBT POLICIES

1. The Town will confine long-term borrowing to capital improvements that cannot be funded from current revenues.

2. Where possible, the Town will use special assessment revenue or other self-supporting bonds instead of general obligation bonds.
3. The Town will establish and maintain a Debt Policy.

H. RESERVE POLICIES

1. The Town will maintain emergency reserves (rainy day fund) in the following amounts:
 - o General Fund - Four (4) months of maintenance and operations expenditures.
 - o HURF Fund - Three (3) months of expenditures.The primary purpose of these reserves is to protect the Town's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years), or other unanticipated or emergency expenditures that could not be reasonably foreseen during preparation of the budget.
2. The Town will establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The level of this reserve will be maintained as a level at least equal to projected costs for employees who are eligible for retirement.
3. Self-insurance reserves will be maintained at a level, which, together with purchased insurance policies, adequately protects the Town. The Town will maintain a reserve of three times its self-insurance retention for those claims covered by the insurance pool (of which the Town is a member). The Town will perform an analysis of past claims not covered by the insurance pool and reserve an appropriate amount to pay for uncovered claims.
4. The Town will establish a Capital Equipment Replacement Reserve and a Facilities/Maintenance Capital Asset Reserve for the accumulation of funds for the replacement of worn and obsolete equipment, other than vehicles, and for costs associated with the maintenance of all Town facilities. These reserves will be maintained at a level at least equal to the projected five-year capital asset replacement and maintenance costs.
5. The Town will establish a Fleet Replacement Reserve for costs associated with the replacement of vehicles and other rolling stock as they become unserviceable, obsolete, or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs.

I. INVESTMENT POLICIES

1. The Finance Director will submit an Investment Policy to the Town Council bi-annually on odd numbered years for review and adoption.
2. The Finance Director will invest the Town's monies in accordance with applicable laws, adopted investment policies, and direct the investment of bond or note monies on deposit with a trustee or fiscal agent in accordance with the applicable indentures or issuance document.

J. ACCOUNTING, AUDITING & FINANCIAL REPORTING

1. The Town's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles and standards of the Government Accounting Standards Board.
2. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion. The term for the external auditor will be no longer than three (3) years; the Town will then go to the RFP process for an independent public accounting firm; the firm currently serving the Town will not be eligible to participate in replying to the RFP.
3. A fixed asset system will be maintained to identify all Town assets, their condition, historical cost, replacement value and useful life.
4. Quarterly financial, Capital Improvement Program and Investment reports will be submitted to the Town Council as soon as practicable following the close of the quarter, and will be made available to the public.
5. Full and continuing disclosure will be provided in the general financial statements and bond representations.
6. Maintain a positive municipal credit rating.

INVESTMENT POLICY

PURPOSE: To establish policies and procedures to create a guide for the investment of Town of Camp Verde (hereinafter referred to as "the Town") funds. The Town currently has no written guidelines advising how the Town should invest its funds, nor guidelines detailing the desired outcomes and priorities. The Town also desires to take advantage of resources not available to the Town through the Local Government Investment Pool.

Therefore, it is the investment policy of the Town and its designee, the Finance Director (hereinafter referred to as "the Finance Director"), to maintain the safety of principal, maintain liquidity to meet cash flow needs and provide competitive investment returns as identified below. The Finance Director will strive to invest with the judgment and care that prudent individuals would exercise in their own affairs.

I. POLICIES/PROCEDURES

A. GOVERNING AUTHORITY

1. The investment program of the Town shall be operated in conformance with Federal, State and other legal requirements, primarily outlined in A.R.S. §35-323.

B. APPROVAL OF THE INVESTMENT POLICY

1. The investment policy shall be formally approved and adopted by the Town Council and reviewed on or about July 1 of every odd numbered year by the Town Council or their designee.

C. SCOPE

1. This policy is designed to apply to the investment needs of the Town.
2. The Town will consolidate cash and reserve balances from all funds in order to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs, except for cash in certain restricted and/or special funds, which are exempted from this policy.
3. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
4. The Finance Director will follow A.R.S. §35-323 and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 et seq.) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

D. INVESTMENT POLICY OBJECTIVES

1. The primary investment objectives of the Town in order of priority are:

- a. Safety
- b. Liquidity
- c. Optimal yield
- d. Collateralization

2. These objectives are defined below:

- a. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the Town that no investment is completely free of risk.
 - 1) Credit Risk - The Town will seek to mitigate credit risk, which is defined as the risk of loss due to the failure of the security issuer or backer. Mitigating credit risk is to be accomplished by:
 - a) Limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323;
 - b) Diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited. Specific diversification parameters will be noted in Section VIII. Portfolio Criteria;
 - c) Utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality.
 - 2) Interest Rate Risk - The Town will seek to mitigate interest rate risk, which is defined as the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase. This mitigation will be accomplished by:
 - a) Structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities in an adverse market environment prior to maturity;
 - b) Investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with the needs of the Town;
 - c) Utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.
- b. Liquidity - The investment portfolio shall remain sufficiently liquid to meet anticipated cash flow requirements. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs (static liquidity). Furthermore, because all possible cash demands cannot be anticipated, the portfolio

should consist of securities for which there exist active secondary markets (dynamic liquidity). Alternately, a portion of the portfolio may be placed in money market mutual funds or the Local Government Investment Pool, which offers same-day liquidity for short-term funds.

- c. Optimal Yield - Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The investment portfolio shall be designed to optimize the yield the Town obtains from the portfolio taking into account the criteria of the investment policy, the dynamic liquidity needs of the Town and the current interest rate outlook/economic condition.
- d. Collateralization – Securities will be registered in the name of the Town of Camp Verde.

E. INVESTMENT MANAGEMENT AUTHORITY

- 1. Authority to manage internally or to delegate the management of the investment program of the Town to an external manager is granted to the Finance Director. If authority to manage all or a part of the investment program of the Town is delegated to an external manager, the Finance Director is responsible for:
 - a. Periodic investment portfolio reporting;
 - b. Evaluating the performance of the externally managed portfolio;
 - c. Monitoring manager compliance with the investment policy;
 - d. Conveying the investment needs of the Town to the external manager;
 - e. Developing investment strategy with the external manager.

F. BROKERS/DEALERS

- 1. When the Town is investing directly with Brokers/Dealers, investment transactions shall only be conducted with financial institutions that are licensed, as may be required by law, to do business in Arizona. Primary government securities dealers or broker-dealers, engaged in the business of selling government securities, shall be registered in compliance with section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to A.R.S. §44-3101, as amended. In addition, investment transactions shall be conducted only with those direct issuers who meet both credit and capital requirements established by the Finance Director. It shall be the responsibility of the broker-dealer to provide the following:
 - a. Audited, most recent annual financial statements within six months of the close of the fiscal year;
 - b. Unaudited, most recent quarterly financial statements;
 - c. Proof of National Association of Security Dealers certification;
 - d. Proof of Arizona registration (as needed);

- e. A signed letter acknowledging that they have read and agree to abide by the investment policy.

G. PORTFOLIO CRITERIA

1. Acceptable Asset Classes

As of 4/16/2007, A.R.S. §35-323A defines the acceptable asset classes available for the Town to invest in as follows:

1. Certificates of deposit in eligible depositories.
2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in Section 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the state treasurer pursuant to § 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns or school districts.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district within this state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district in this state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
 - 1) The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

- 2) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
10. Commercial paper of prime quality that is rated "P1" by Moody's Investor Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.
11. Bonds, debentures and notes that are issued by corporations organized and doing business in the United States and that are rated "A" or better by Moody's Investor Service or Standard and Poor's rating service or their successors.
2. All other investments are thereby prohibited from consideration for investment. Furthermore, the Town may desire to be more conservative in its investment portfolio and restrict or prohibit certain of the investments listed above.

H. BENCHMARK

1. The performance of an actively managed portfolio on behalf of the Town will be expected to at least match the performance of the Local Government Investment Pool during any one-year period.
2. Occasionally, based on the liquidity needs and the portfolio strategy of the Town it may be reasonable and desirable to measure portfolio performance against a total return benchmark. The Finance Director shall define such a benchmark after consultation with professionals in the field of financial management and the Town Council.

I. MATURITY PARAMETERS

<u>Funds Maximum Maturity:</u>	<u>3 Years</u>
<u>Maximum Maturity for Repurchase Agreements:</u>	<u>180 Days</u>
<u>Portfolio Duration Target:</u>	<u>To be defined by the Finance Director in consultation with the Town Council.</u>
<u>Portfolio Duration Range:</u>	<u>+ / - 20% of the Portfolio Duration Target</u>

J. CONCENTRATION AND DIVERSIFICATION

1. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issued by any single entity. Debt backed by the United States Treasury or GSE's are exempt from this concentration criterion.

K. MINIMUM ACCEPTABLE CREDIT QUALITY

1. As indicated in the table below, all corporate portfolio holdings at the time of purchase must have a minimum rating (*) by at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO's).

	<u>S & P</u>	<u>Moody's</u>
<u>Short Term Rating</u>	<u>Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1)</u>	<u>Not lower than the Town of Camp Verde current G.O. Bond Rating or its commensurate short term rating * (see exhibit 1)</u>
<u>Long Term Rating</u>	<u>One grade higher than the Town of Camp Verde current G.O. Bond Rating *</u>	<u>One grade higher than the Town of Camp Verde current G.O. Bond Rating *</u>

*In no case shall the rating be lower than that required by A.R.S. §35-323, as amended.

L. SAFEKEEPING AND CUSTODY

1. Delivery vs. Payment - All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
2. Safekeeping - Securities will be held by a custodian selected by the Town and evidenced by custodial reports. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

M. REPORTING

1. The Finance Director shall produce for the governing body of the Town or their designee an investment report at least quarterly. The purpose of the report is to enable the Town to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should include:
- a. A list of individual securities held at the end of the reporting period;
 - b. The realized and unrealized gains or losses in the portfolio;
 - c. The duration of the portfolio and of each security held in the portfolio;
 - d. The maturity date of each security held in the portfolio;
 - e. The book value and market value of each security in the portfolio;
 - f. The percentage of the total portfolio market value that each security represents;
 - g. The yield to maturity of the portfolio and of each security held in the portfolio;
 - h. The periodic interest earnings of each security held in the portfolio;
 - i. The credit quality of each security held in the portfolio;

- i. A periodic summary of portfolio transactions, including fees incurred for external management and custody services.

N. CUSTODIAN RECONCILIATION

1. The report of investment holdings shall be reconciled within 30 days of the close of each month to the Finance Director's custodian bank. Discrepancies shall be reported to the Finance Director.

O. ETHICS AND CONFLICTS OF INTEREST

1. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose, within ten (10) days, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Town.

P. POLICY CONSIDERATIONS

1. Exemption – Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy. Any deviation from the preceding policy shall require the prior specific written authority of the Town Council.

Q. INVESTMENT TRAINING

1. Investment officials shall have a finance, accounting or related degree and knowledge of treasury functions. Investment training must take place not less than once in a two-year period and receive no less than ten hours of instruction relating to investment responsibilities from an independent source such as Government Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public Accountants, Government Finance Officers Association-Arizona, Arizona Society of Public Accounting or other professional organizations.
2. The Chief Financial Officer and all investment officials of the Town shall attend at least one training session relating to their cash management and investment responsibilities within 12 months of assuming these duties for the Town. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.

3. A report of the training(s) attended shall be submitted to Council at the time of the bi-annual review of the Investment Policy subject to Section 3-4-4.3.

FRAUD POLICY

PURPOSE: To establish policies and procedures to maintain an ethical environment as a top priority for the Town of Camp Verde. The Town's Fraud Policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Camp Verde is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Camp Verde's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

I. POLICIES/PROCEDURES

A. The Town of Camp Verde recognizes the importance of protecting the organization, its taxpayers, its employees, and its assets against financial risks, operational breaches and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.

B. The impact of misconduct and dishonesty may include:

1. The actual financial loss incurred
2. Damage to the reputation of the Town and our employees
3. Negative publicity
4. The cost of investigation
5. Loss of employees
6. Loss of public confidence
7. Damaged relationships with our contractors and suppliers
8. Litigation
9. Damaged employee morale

C. The Town of Camp Verde's goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

D. The Town of Camp Verde is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

E. Definitions - As used in this policy, the terms listed below shall have the following definitions:

- 1) Assets – the entire property of the Town of Camp Verde. Assets include, but are not limited to, all Town vehicles, building properties, office equipment, software, cash receivables, wages and benefits, equipment, and tools.
- 2) Corruption – the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity.
- 3) Embezzlement – any loss resulting from the misappropriation of the Town of Camp Verde's assets.
- 4) Employee(s) – all Town of Camp Verde employees, independent contractors, consultants, temporary workers, and volunteers.
- 5) Fraud – the intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.
- 6) Loss – the Town of Camp Verde losing possession or control of any type of asset through fraudulent activities.
- 7) Misappropriate – to take or make use of any item without authority or right.
- 8) Misapplication – illegal or improper use of lawfully held funds or property.

F. Zero Tolerance Policy - The Town of Camp Verde has adopted a zero tolerance policy regarding fraud. No employee of the Town shall remove any Town of Camp Verde asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town of Camp Verde asset. Any evidence supporting fraud, theft, or embezzlement of the Town of Camp Verde's assets and equipment may be subject to the following actions including, but not limited to: suspension, termination, restitution, and criminal charges. Any Town of Camp Verde employee who is aware of fraud being committed against the Town of Camp Verde by anyone shall report such activity to the Town Manager or the Ethics Hotline (aka Whistle-Blower Hotline).

G. Prohibited Acts

1. Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:
 - a. Falsification of expenses and invoices.
 - b. Authorizing or receiving compensation for goods not received or services not performed.
 - c. Theft of cash or any assets.
 - d. Forgery, unauthorized alteration or falsification of records.

- e. Improprieties in the handling or reporting of money transactions.
- f. Knowingly providing false information on job applications.
- g. Authorizing or receiving compensation for hours not worked.
- h. Embezzlement, bribery or conspiracy.
- i. Misappropriation, misapplication, destruction, removal, or concealment of Town of Camp Verde property.
- j. Misrepresentation of fact.
- k. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
- l. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

H. Deterring Fraud and Corruption

1. The Town has established internal controls and policies and procedures in an effort to deter, prevent, and detect fraud and corruption. All new full time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The Town may also verify all applicants' employment history, education and personal references prior to making an offer of employment.
2. All vendors, contractors, and suppliers must be in good standing and be authorized to transact business in the Town of Camp Verde. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.
3. When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
4. Town employees will receive annual fraud and corruption awareness training (ethics training). New employees will receive this policy as part of their training at orientation. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy and attended the awareness training.
5. Each department is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

I. Reporting of Fraud or Corruption

1. Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal and external audit reviews, or from any other interested parties.
2. All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.
3. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:
 - a. Dismiss or threaten to dismiss the employee.
 - b. Discipline, suspend, or threaten to discipline or suspend the employee.
 - c. Impose any penalty upon the employee, or
 - d. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including termination.

4. Concerns should be reported to any of the following:
 - a. Town Manager
 - b. Town Council
 - c. Human Resources Director
 - d. The employee's immediate supervisor
 - e. Anonymous Ethics Hotline (aka Whistle-Blower Hotline)
5. Reporting Procedures
 - a. Mayor and Town Council Responsibilities

- 1) If the Mayor or a Town Councilmember has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
- 2) The Mayor or Town Councilmember shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Town Manager (Town Attorney or Human Resources Director if the Town Manager is involved).
- 3) The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the Town Manager in consultation with the Town Attorney and the Human Resources Director.

b. Management Responsibilities

- 1) Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- 2) Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is, or was, in existence in his or her area.
- 3) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- 4) If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Manager or Human Resources Director if the supervisor is involved).
- 5) Department Heads should inform the Town Manager (or contact the Town Attorney or Human Resources Director if the Town Manager is involved).
- 6) Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- 7) Management should support the Town's responsibilities and cooperate fully with the Human Resources Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- 8) Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
- 9) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - a) Incorrect accusations.
 - b) Alerting suspected individuals that an investigation is underway.
 - c) Treating employees unfairly.
 - d) Making statements that could lead to claims of false accusations or other offenses.
- 10) In handling dishonest or fraudulent activities, management has the responsibility to:
 - a) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.
 - b) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.

- c) Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.
- d) Direct all inquiries from the suspected individual, or his or her representative, to the Town Manager or Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. All inquiries from the media should be directed to the Town Manager.
- e) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Human Resources Director, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

c. Employee Responsibilities

- 1) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
- 2) When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the Town Manager (or contact the Town Attorney or Human Resources Director if the next higher level of management and/or the Town Manager is involved).
- 3) If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the Ethics Hotline (aka Whistle-Blower Hotline).
- 4) The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager, Human Resources Director, Town Attorney, or law enforcement personnel.

d. Human Resources Department Responsibilities

- 1) Upon assignment by the Town Manager, the Human Resources Director will promptly investigate the fraud.
- 2) In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Human Resources Director, in consultation with the Town Attorney, will contact the Marshal's Department.
- 3) The Human Resources Director shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
- 4) If evidence is uncovered showing possible dishonest or fraudulent activities, the Human Resources Director will proceed as follows:
 - a) Discuss the findings with the appropriate management/supervisor and the department director.

- b) Advise management, if the case involves staff members, to meet with the Human Resources Director (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Town Personnel Rules and any applicable Memorandums of Understanding.
 - c) Report to the External Auditor such activities in order to assess the effort of the illegal activity on the Town's financial statements.
 - d) Coordinate with the Town's Risk Management insurer regarding notifications to insurers and filing of insurance claims.
 - e) Take immediate action, in consultation with the Town Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - i. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
 - ii. Preventing the individual suspected of committing the fraud from having access to the records.
- 5) In consultation with the Town Attorney and the Marshal's Department, the Human Resources Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- 6) If the Human Resources Department is contacted by the media regarding an alleged fraud or audit investigation, the Human Resources Department will consult with the Town Manager and the Town Attorney, as appropriate, before responding to a media request for information or interview.
- 7) At the conclusion of the investigation, the Human Resources Department will document the results in a confidential memorandum report to the Town Manager and the Town Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Marshal's Department for subsequent transfer to the County Attorney for disposition.
- 8) Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Human Resources Department no later than seven calendar days after notice is received.
- 9) The Human Resources Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- 10) Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Human Resources Department to that department.

6. False Allegations

- a. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

7. Corrective Action and Discipline

- a. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the Town Manager (or Town Council if the Town Manager is involved).
- b. Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.
- c. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:
 - 1) Disciplinary action (up to and including immediate termination of employment).
 - 2) Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
 - 3) Forwarding information to the appropriate authorities for criminal prosecution.
 - 4) Institution of civil action to recover losses.
 - 5) Where the Town of Camp Verde elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
 - 6) The Town of Camp Verde may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

8. Confidentiality

- a. All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

9. Questions or Clarifications Related To This Policy

- a. All questions or other clarifications of this policy and its related responsibilities should be addressed to the Town Manager, who shall be responsible for the administration, revision, interpretation, and application of this policy.

CELLULAR TELEPHONE POLICY

PURPOSE: The purpose of this policy is to provide guidance and procedures governing the use of Town owned cellular telephones. This administrative guideline will also help ensure consistency among Town departments using cellular phones.

I. POLICIES

- A. The Town of Camp Verde issues cellular phones to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not readily available and where such use will benefit the Town and its citizens.
- B. Cellular phones are intended for special applications such as safety purposes or to assist in the completion of an assigned task or official responsibility. They are not intended for personal convenience.

II. UNAUTHORIZED USES OF A TOWN OWNED CELLULAR TELEPHONE

- A. Any call which could suitably be made from a standard Town telephone or other electronic communications.
- B. Any call made in relation to an official's or employee's personal affairs or personal business enterprise.
- C. Any call for the purpose of entertainment, such as 900 numbers, movie links, etc.
- D. Any usage while driving or operating machinery.

III. PROCEDURES

- A. All requests for cellular telephones require completion of "Request for Cellular Telephone Form" (Exhibit AD), approved in advance by the department head and the Town Manager, and then forwarded to the Finance Department.
- B. The user of the cellular telephone shall be required to complete the "Cellular Telephone User Agreement" (Exhibit AE) prior to being issued a cellular telephone.
- C. The Finance Department tracks all cellular phones issued on the "Cell Sign In/Out Log" (Exhibit AF).
- D. All purchases of Town cellular telephones shall be through State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.

CELLULAR TELEPHONE POLICY

E. All cellular telephone bills shall be sent to the Finance Department and not to a home or business address.

~~F. The person responsible for the cellular telephone shall review each monthly cellular telephone bill, note any personal calls and reimburse the Town for the cost of the call within 30 days of the closing statement in which the call was recorded. According to the IRS, when the minutes do not exceed the plan limit, the "per minute cost" should be determined based on the plan rate divided by number of minutes used during the month. The calculated "per minute cost" should then be multiplied times the number of minutes of personal calls.~~

F. Cellular telephone bills shall be reviewed each month by the applicable department head and/or supervisor to ensure proper use of the phones.

~~G. The Finance Department will credit all reimbursements for personal calls in the appropriate account.~~

IV. POLICY VIOLATIONS

A. Failure to follow this policy may result in loss of cellular phone privileges and, for employees may result in disciplinary action, including termination of employment.

B. Excessive non-work usage of a Town owned cellular telephone is reviewed by the employee's supervisor to determine whether continued access to a cellular telephone is in the Town's interest.

V. TERMINATED EMPLOYEES

A. Any employees issued a Town owned cellular telephone must return it no later than the last day of employment. The employee shall be required to sign the "Request for Cellular Telephone Form" (Exhibit AD) and the "Cell Sign In/Out Log" (Exhibit AF) to indicate the phone was returned.

B. Any employees not returning Town owned cellular telephone as of their last day of employment shall be billed for the cost of the phone and any minutes used subsequent to termination.

CLAIMS/LAWSUITS AGAINST THE TOWN Items will be discussed in the Risk Management Policies and Procedures.

PURPOSE: The purpose of this policy is to provide guidance and procedures governing claims against the Town for property or other types of damage along with lawsuits filed against the Town.

I. POLICIES/PROCEDURES

- A. ~~Once notified of a claim or lawsuit against the Town, employees shall instruct the claimant to contact the Town Clerk and Town Clerk.~~
- B. ~~If the incident involves a Town employee, supervisors shall have the employee submit written documentation of the incident noting any witnesses.~~
- C. ~~The Town Clerk ~~Town Clerk~~ issues the claimant the "Notice of Claim" forms (Exhibit X) and the "Incident Report" forms (Exhibit Y). These forms must be completed and returned to the Town Clerk ~~Town Clerk.~~~~
- D. ~~Upon receipt of the "Notice of Claim" forms and the "Incident Report" forms, the Town Clerk ~~Town Clerk~~ date stamps the forms and notifies the insurance company of the claim to initiate the claims process.~~
- E. ~~The Assistant to the Town Manager then notifies the insurance company of the claim to initiate the claims process.~~

EXHIBITS

AB