

RESOLUTION 36-23

A RESOLUTION OF THE BOARD OF ALDERMEN OF THE CITY OF
PLANTERSVILLE, TEXAS ADOPTING FINANCIAL PROCEDURES FOR GRANT
FUNDS

WHEREAS, the Board of Aldermen of the City of Plantersville find it necessary and
essential to adopt Financial Procedures for Grant Funds, and

WHEREAS, Financial Procedures will make financial management a standard practice
for managing grant funds, and

WHEREAS, Financial Procedures are required for a municipality to follow to be eligible
for certain grants and awards, and


WHEREAS, such participation does not obligate nor imply that the City of Plantersville
will contribute to the cost of the project in any way; and

BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF
PLANTERSVILLE, TEXAS, THAT:


The City of Plantersville is adopting Financial Procedures attached hereto as attachment
A and incorporated herein for all purposes.

PASSED AND APPROVED by a vote of 6 "ayes" in favor and 0 "nays" against
on the first and final reading on the 20th day of February, 2023.

ATTEST:


Marilyn Bettes
City Secretary

APPROVED:


Karen Hale
Mayor

**City of Plantersville
Financial Procedures
RESOLUTION 36-23 ATTACHMENT A**

INTRODUCTION

The purpose of financial management policies is to provide sound guidelines in planning the City's financial future. The City of Plantersville considers the expenditure of funds to be an important responsibility and requires all persons involved with the purchase of goods or services to exercise good judgment in spending taxpayers' money.

SCOPE OF AUTHORITY

The Board of Aldermen is responsible for the expenditure of all City funds.

Financials

A. Bank Depository

The City maintains funds in a Bank, designated as its depository for banking services. The Board of Aldermen reviews the selection every five years unless circumstances deem otherwise.

B. Accounts Payable

Three (3) individuals are authorized to sign checks written on the bank depository account: Mayor, Mayor ProTem, and City Secretary. All checks require two authorized signatures. No exceptions.

C. Accounting

The Mayor is responsible for establishing the structure for the City Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Mayor shall provide financial reports to the Board.

D. Audit of Accounts

An independent audit of the City accounts is performed annually. The Auditor is retained by and is accountable directly to the Board of Aldermen. The Board of Aldermen reviews the selection every five years unless circumstances deem otherwise.

E. Internal Controls

Whenever possible, written procedures will be established, maintained, and assessed per 2 CFR 200.303 by the Mayor for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

Whenever possible, the City ensures duties and responsibilities are segregated so that no one individual has complete authority over a financial transaction.

PROCEDURES

1. Input Invoice into Record Keeping System – Excel Spreadsheet
2. Review of Invoice – Invoices reviewed by Board and approved as Due and Payables each month
3. Timeline for Payment – payment monthly after the monthly board meeting
4. Issue Payment – Board of Aldermen approve payment and checks are signed by two of the authorized signers
5. Payment Reconciliation – monthly by Mayor

6. Record Keeping – Mayor keeps these records

PROCEDURES FOR GRANT PAYMENTS

1. Invoice is received and, if necessary, a request for payment is prepared by grant consultant and proper signatures obtained from Mayor as authorized in original grant approval. Auditor's office reviews the invoice and compares it to the grant budget.

2. Invoice must be approved by a City official involved in the grant implementation or the County Judge/Mayor. Approval is acknowledged by initialing the original invoice or through Council/Court action.

3. Once grant funds are received and invoice approval acknowledged by signature on the original invoice, a demand check is entered into the system by the Finance Director's office, then printed and disbursed by the Mayor. Both Mayor and City Secretary or the Mayor and the Mayor ProTem signatures appear on the approved checks. Checks are then disbursed to the appropriate vendors. The Mayor is responsible for ensuring that checks are signed and disbursed within five (5) calendar days for the Texas Department of Agriculture and three (3) calendar days for the Texas General Land Office of receiving grant funds.
4. Copies of the request for payment, invoice, canceled check copy and bank statement showing receipt of grant money is retained in the grant file in the Mayor's office.

The Board of Aldermen authorize payments and issues of checks. Two signatures are required on each check, either the Mayor, Mayor ProTem, or City Secretary. The Mayor is responsible for reconciling the monthly bank statements.

CASH MANAGEMENT AND DISBURSEMENT - TIMELY EXPENDITURES

The City shall make timely payments to vendors and minimize the time between transferring funds from the State Treasury and disbursement of funds to vendors in compliance with the terms and conditions of the federal contract, grant, regulation, or statute.

To ensure vendor compliance, invoices/pay applications/pay estimates will be reviewed for accuracy for such items but not limited to change order approvals, outstanding lien/payments to subcontractors, labor standards, and verification of work completed as invoiced prior to disbursement or request for funds from State Agency. The City shall notify a vendor of an error in an invoice submitted for payment by the vendor.

ADVANCE PAYMENT PROCEDURES

All advanced payments using federal grant funds will be disbursed within five (5) business days from the date of the transfer of funds in accordance with 2 CFR 200.305(b), and in accordance with the provisions in the contract with the vendor.

Advance payments of federal grant funds will be deposited and maintained in a separate insured account. The City will maintain advance payments of federal awards in interest-bearing accounts, unless one or more of the following apply: City receives less than \$120,000 in Federal awards per year; the City is not expected to earn interest in excess of \$500 per year on Federal cash balances; or the depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources. (2 CFR 200.302(b)(6) and 200.305)