

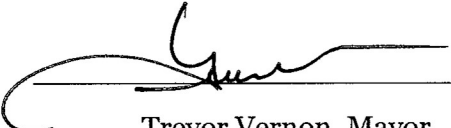
**BILL NO. 45-2024**  
**ORDINANCE 45-2024**

AN ORDINANCE ADDING CHAPTER 170. FINANCIAL POLICIES OF THE MUNICIPAL CODE OF THE CITY OF ELDON, MISSOURI

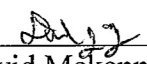
NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ELDON, MISSOURI, AS FOLLOWS:

- Section 1. That Chapter 170. Financial Policies, of the Municipal Code of the City of Eldon, Missouri is hereby added.
- Section 2. Chapter 170. Financial Policies shall be substantially the same in form and content as attached hereto as Exhibit A.
- Section 3. This Ordinance shall be in full force and effect from and after its passage and approval.

**READ TWO TIMES, PASSED** by the Board of Aldermen and **APPROVED** by the Mayor this 27<sup>th</sup> day of August 2024.

  
Trevor Vernon, Mayor

ATTEST:

  
David Mckenney, City Clerk

# Chapter 170. Financial Policies

## Article 1. Budget Process

### Section 170.010 Policy

- A. It is the policy of the City to prepare an operating budget for each fiscal year.

### Section 170.020 Requirements

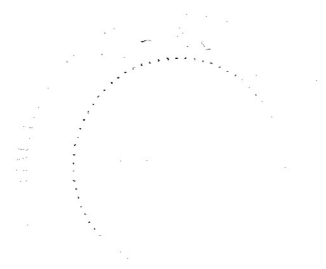
- A. There shall be an operating budget prepared for each active fund for the City.
- B. The budget shall detail the expenses expected to be incurred by each account for each department and each fund.
- C. The budget shall be approved before the end of the previous fiscal year.
- D. No spending shall be allowed until the budget is reviewed and approved.
- E. No additional funding shall be allowed if general fund is in a deficit

### Section 170.030 Responsibilities

- A. The City Administrator shall be responsible for managing and delivering the consolidated budget to the City Council no later than the 1<sup>st</sup> council meeting in December of each year.
- B. Department heads shall prepare operating budgets for their respective departments and submit them to the City administrator for review and revision prior to the final submission.
- C. The City Clerk is responsible for providing input data to the budgeting process for past and any potential future influence for the budget process. The clerk will also set the budget timeline and schedule milestones on the city Council agenda to meet the deadlines.
  - a. October 1<sup>st</sup> BOA Meeting      Start of Cycle
  - b. November 1<sup>st</sup> BOA Meeting      1<sup>st</sup> Pass Due to City Council
  - c. December 1<sup>st</sup> Board Meeting      Final Pass due to City council
  - d. December 2<sup>nd</sup> Meeting      Backup
- D. The Mayor and City Council are responsible for Approving the proposed budget.
- E. The City Clerk is responsible for submitting the budget to the local paper for communication.

### Section 170.040 Inputs

- A. The following inputs are to be used to prepare the budget.
  - a. Prior Year Actual revenues and Expenses.
  - b. Awarded Grants
  - c. Known Capital Investments



- d. Headcounts
- e. Financial Transfers
- f. Debt
- g. Prior Year Audit Results

#### Section 170.050 Outputs

- A. The budget shall consist of the following items.
  - a. Title Page
  - b. Overview Narrative
  - c. A Master Data File of all revenues and expenses
  - d. A detailed Revenue and Expense breakdown by Fund
  - e. A detailed Revenue and Expense breakdown of the General Fund by Department
  - f. A listing of Key City Staff
  - g. A listing of Overhead Transfers
  - h. A listing of Debt Obligations
  - i. An organization chart showing roles and responsibilities.
  - j. A listing of current cash balances.

#### Section 170.060 Approval

- A. The budget shall be approved by the City council by a majority of votes by the members present.
- B. In case of a tie vote, the mayor will cast the deciding vote.

#### Section 170.070 Revisions

- A. Periodic revisions to the budget may be made if the expenditure meets the following criteria.
  - a. The change is less than \$10,000.
  - b. The change does not impact the overall cash balance projection for the end of the year.
  - c. The change does not cause the fund to dip into additional reserves.
- B. Changes outside of the above criteria shall be presented to the City Council for review and Approval/Rejection. Approval of the changes requires a majority vote.

#### Article II Separation of Duties

##### Section 170.100 Policy

- A. It is the policy of the City of Eldon to provide staffing for appropriate separations of duties for employees engaged in financial transactions.

#### Section 170.110 Requirements

- A. No single employee shall have complete control over any single receipt or disbursement transaction.
- B. No single transaction shall be performed by only 1 employee.

#### Section 170.120 Responsibilities

- A. City Administrator: Final approving authority on purchase orders before payments are made. Approves payment of pre-approved recurring payments on contractual monthly payments.
- B. City Clerk: Approves payments for purchase orders when City Administrator is unavailable. Approves payment of pre-approved recurring payments on contractual monthly payments when City Administrator is unavailable. Pays employees, payroll taxes, and payroll related deductions when Deputy Clerk isn't available.
- C. Departments heads: Initial approving authority on purchase orders.
- D. Deputy City Clerk: Pays employees, payroll taxes, and payroll related deductions.
- E. Deputy Collector: Collects, keeps a record of, and inputs payments made to the city.
- F. Accounts Payable Clerk: Confirms invoices, receipts, and purchase orders. Makes payments for the city.

#### Section 170.130 Inputs

- A. Receipts
  - a. Cash
  - b. Checks
  - c. Credit Cards
  - d. ACH
  - e. On-line Payments
- B. Disbursements
  - a. Cash disbursement from petty cash shall be limited to \$100 per transaction. The City Collection will issue a receipt for the transaction.
  - b. Checks. The Accounts Payable Clerk will prepare and print checks for payments. Checks require 2 signatures from signors listed in the bank signature card register.
  - c. Credit Cards. The City will issue Credit Cards to the City Clerk and the City Administrator for convenience transactions. Receipts must be kept and reconciled monthly for credit card payments.

- d. ACH
- e. Contracts
- f. Payment Claims

C. Transfers

- a. 3<sup>rd</sup> Party
- b. Inter Fund
- c. Intra Fund

D. Adjusting Journal Entries

- a. Monthly Repetitive Transaction
- b. Monthly Administrative Cost Transfers
- c. Bank Reconciliation Adjustments

Section 170.140 Outputs

- A. Checks
- B. ACH

Section 170.150 Approvals

- A. Matching. The Accounts Payable Clerk will match Purchase Orders to Invoices to Packing Lists prior to vouchering payments.
- B. Bi-Monthly Claims Report. A claims submittal request shall be part of each City council Meeting. The Accounts Payable Clerk will submit a listing of all disbursement requests on record. The City council shall approve these requests prior to disbursing payment to vendors.
- C. Contract Payments. Repetitive Contract payments authorized by City Council votes may be paid directly without additional city council approvals.
- D. Disbursements
  - a. All Checks require 2 Signatures.
  - b. All ACH Transactions require validation by a 2<sup>nd</sup> party.
  - c. All Bank transfers require validation by a 2<sup>nd</sup> party.

Section 170.160 Revisions

- A. Revisions to this section require approval by the majority of votes of the City council.

Article III Internal Control

Section 170.200. Policy.

- A. The City will establish methods of internal control to prevent undetected or unauthorized transactions.

#### Section 170.210 Requirements

- A. The City shall conduct an annual external audit to ensure compliance with state statutes and accepted accounting principles.
- B. The Audit shall be started within 180 days of the end of the fiscal year. If the prior years audit is not finished the current years audit shall be started within 180 days of the date the prior audit was completed.
- C. The City administrator shall deliver to the City Council a Monthly statement of Revenues and Expenses.
- D. The city Administrator shall deliver to the local media 6 month Statement of Finances and an end of year Statement of finances.

#### Section 170.220 Responsibilities

- A. City Council. The City council shall review and approve the financial statement monthly.

#### Section 170.230 Inputs

- A. ERP System Financial Data
- B. Bank Cash Balances
- C. Records of Receipts
- D. Records of Disbursement
- E. Records of Cash Reserves

#### Section 170.240 Outputs

- A. Monthly statement of Revenues and Expenses
- B. Monthly Statement of On Hand Cash Balances
- C. Monthly Comparison of Bank Balances to ERP Balances

#### Section 170.250 Approvals

- A. The City Council shall vote to accept/reject the financial statements at the 2<sup>st</sup> council meeting following the end of month as part of the consent items agenda item.

#### Section 170.260 Revisions.

- A. Revisions to this article may be made by the majority vote of City Council