

CHAPTER 36: FINANCE AND REVENUE

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GENERAL PROVISIONS

§ 36.01 FISCAL YEAR.

The fiscal year shall be from July 1 to June 30 as provided by the General Statutes of North Carolina.

('81 Code, § 2-1)

§ 36.02 BUDGET PROCESS.

The budget process of the town shall be that set forth in the Local Government Finance Act.

('81 Code, § 2-2)

§ 36.03 DISBURSEMENT OF FUNDS.

No money shall be disbursed from the town treasury unless the item for which the disbursement is made has been provided for in the annual budget, or can be provided for by a proper transfer within the budget as the Board of Commissioners may authorize.

('81 Code, § 2-4)

§ 36.04 NONSUFFICIENT FUNDS CHECKS.

The town shall charge \$10 for the handling of all checks returned for nonsufficient funds.

(Ord. passed 5-10-76)

§ 36.05 PURCHASING.

All purchasing of goods or services shall comport with state law.

('81 Code, § 2-5)

CASH MANAGEMENT POLICY

§ 36.10 COMPLIANCE.

All employees of the town shall follow the cash management plan and provisions of this subchapter and the willful or continued failure to do so is sufficient cause for immediate dismissal from town employment.

(Ord. 1990-2, passed 3-12-90)

§ 36.11 AUTHORITY OF FINANCE OFFICER, PROVISIONS OF POLICY.

The Board of Commissioners hereby charges the Finance Officer, with the cooperation of all town departments and officials, to implement a cash management plan which addresses cash receipts, cash mobilization and management of available resources (investments), cash disbursements, banking relations, and monitoring and reporting on the plan.

(Ord. 1990-2, passed 3-12-90)

§ 36.12 INDEPENDENT AUDITOR TO MONITOR PLAN; ANNUAL REPORT.

The independent auditor for the town shall monitor the town's compliance with the established cash management plan and the reports of the Finance Officer thereon. He shall report his findings and recommendations to the Board of Commissioners annually as a part of the town audit.

(Ord. 1990-2, passed 3-12-90)

§ 36.13 CASH RECEIPTS.

The following procedures are hereby established in the cash receipts section of the cash management plan:

(A) Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of the town shall be deposited in an official depository in accordance with G.S. § 159-32.

(B) Moneys received shall be deposited daily in the form and amounts received, except as otherwise provided by statute. These moneys shall be deposited in such a manner as to receive the current day's credit.

(1) Deposits are to be made every Friday, or whenever moneys on hand amount to \$250. In any event deposits are to be made on the last business day of the month.

(2) For high-volume periods during the year, the Finance Officer will make personnel reassignments, if necessary to assure that prompt deposits are made.

(3) For checks received and deposited which are returned to the Finance Officer due to insufficient funds, prompt action will be undertaken to collect good funds.

(4) Any adjustments or corrections for either overpayment or underpayment will be made after the moneys have been deposited. For routine deposits it is very seldom necessary or appropriate to return a check because it was made out in the wrong amount. Do not delay in depositing moneys for errors of this type on regular receipts.

(C) Moneys due to the town either by another governmental agency or by an individual shall be promptly billed, collected and deposited. The Finance Officer shall monitor the status of all uncollected moneys owed to the town and implement measures to collect any and all delinquent accounts except as otherwise provided by law.

(1) Applications and reports to the state or federal government for reimbursement of claims are to be filed promptly.

(2) (a) Utility meters will be read by the 10th day of each month and bills will be mailed no later than the 20th of the same month. Utility customers' due date shall be the 15th of the following month. Any bills that are not paid by the 15th of the following month will be considered past due. A late payment fee as set forth in the Town's Schedule of Fees will be assessed to all delinquent accounts on the 16th day of each month. When the 15th and or the 16th of any given month falls on any day the Town Hall is not open, the due date and past due date will be the next day of operation.

(b) All customers who become TEN (10) days delinquent in paying their accounts will be assessed an administrative fee as set forth in the Town's Schedule of Fees. If the bill is not paid by 5:00 p.m. on the 25th of the month, the water will be automatically turned off with no further notice at 9:00 a.m. on the 26th. When the cutoff day falls on any day the Town Hall is not open, the cut off day will be the next day of operation. To reconnect the service, the customer must pay a reconnect fee as set forth in the Town's Schedule of Fees plus ALL unpaid fees and delinquent bills.

(c) Any customer who comes into the Town Hall before their service is disconnected may request a payment agreement, the issuance and terms of which shall be in the discretion of the Town Manager. Payment agreements must be signed by both the customer and the Town Manager. After the second failure to comply with the terms of a

payment agreement, the customer's water will be automatically turned off with no further notice and all fees and delinquent bills must be paid in full before service will be resumed.

(d) Water and/or sewer customers will be charged a deposit as set forth in the Town's Schedule of Fees when service begins. The deposit will be refunded and/or applied toward the last invoice at time service is terminated.

(e) Any customer requesting service must make the request in person in the Tryon Town Hall during normal working hours. The customer must provide photo identification and fill out and sign an application before service will be connected. Any individual requesting service without photo identification will be denied service until such time as photo identification can be provided. An out of town resident wishing to have water service connected prior to moving to Tryon must fill out, sign, and mail an application to the Town Hall along with a photocopy of their driver's license and the applicable deposit. When a customer requests that water service at a residence or business be taken out of their name, the water meter will be turned off until the new owner or renter opens a new water account in their own name.

(f) Failure to receive bills mailed or notices shall not prevent the bills from becoming delinquent nor relieve the consumer from payment.

(Ord. 1990-2, passed 3-12-90; Am. Ord. 1990-7, passed 6-11-90; Am. Ord. 1990-8, passed 11-12-90; Am. Ord. 1996-1, passed 01-22-96; Am. Ord. 1998 – 5, passed ___-__-98; Am. Ord. 1999-2, passed 06-18-99; Am. Ord. 2002-1, passed 2-18-02; Am. Ord. 2013-09, passed 05-21-13; Am. Ord. 2014-11, passed 10-21-14; Am. Ord. 2014-12, passed 11-18-14)

(3) (a) Tax bills are to be mailed as soon as possible after the budget is adopted and tax rate established, but not later than one month after the adoption of the budget.

(b) A second notice will be mailed to all delinquent tax payers promptly after January 6. The Board of Commissioners will direct the Tax Collector to advertise tax liens on real property for failure to pay tax liens on the second Monday in February in accordance with G.S. § 105 – 369.

(c) The Tax Collector may begin attachment and garnishment procedures on January 7 or the next business day. The unit does not obtain a lien on personal property until the Collector completes the procedure of either attachment and garnishment or levy. The Tax Collector may request a law enforcement officer capable of serving summonses to deliver the notices to property owners.

(d) On March 1, if it appears that the procedure of attachment and garnishment will not provide for the payment of all delinquent taxes by June 30, the Tax Collector will advertise tax liens per G.S. § 105-369, upon Board approval of the

advertising date.

(D) The Finance Officer periodically shall review each revenue source of the town and examine the methods for prompt billing, collection, depositing and reporting of those sources. These methods shall be analyzed with the person responsible for the particular revenue source and changes shall be instituted if quicker and more efficient means of revenue realization are possible.

(Ord. 1990-2, passed 3-12-90; Am. Ord. 1990-7, passed 6-11-90; Am. Ord. 1990-8, passed 11-12-90; Am. Ord. 1996-1, passed 01-22-96; Am. Ord. 1998 – 5, passed ___-___-98; Am. Ord. 1999-2, passed 06-18-99; Am. Ord. 2002-1, passed 2-18-02; Am. Ord. 2013-09, passed 05-21-13)

§ 36.14 INVESTMENTS.

The following procedures are hereby established and shall be incorporated in the cash mobilization and management of available resources (investments) section of the plan:

(A) The Finance Officer shall establish a central depository system for the town, with Board of Commissioners approval.

(B) Pursuant to G.S. § 159-25(4), the Finance Officer shall receive and deposit all moneys accruing to the town into the town's accounts, unless another officer or employee is duly authorized to do so and is supervised by the Finance Officer.

(C) (1) Moneys shall be deposited into the official depository no later than 2:00 p.m. to ensure that the deposit will be credited for that day. The deposits shall be made by the Finance Officer or by department officers or employees duly authorized to do so and supervised by the Finance Officer.

(2) Any department officers or employees duly authorized to make deposits shall notify the Finance Officer by 4:00 p.m. of the amount of deposits made on or before 2:00 p.m. They also shall promptly forward copies of deposit tickets to the Finance Officer for deposit verification.

(3) Once the daily deposit reports have been received, the Finance Officer shall review the deposits and disbursements made on that day to determine the amount of moneys available for investment. If an investment shall be made, the Finance Officer will select and purchase that investment at 11:00 a.m. the following morning.

(4) The town shall remain 100% invested at all times with the exception of moneys held out for petty cash and change purposes (100% invested refers to actual investments as well as the use of interest- bearing checking accounts).

(D) (1) Eligible investments shall be limited to obligations of the U.S. Government, such as treasury bills, bonds and notes; time deposits with any bank or savings and loan whose principal office is in the state and the North Carolina Cash Management Trust. Time deposits in excess of the federal deposit insurance of \$100,000 shall be placed with only those financial institutions which have been analyzed and determined credit-worthy by the Finance Officer. Repurchase agreements shall be permitted, provided the seller transfers the underlying securities to the unit's custodian who shall place them in an account in the name of the town.

(2) Collateralization for deposits shall be in accordance with Title 20, Chapter 7 of the North Carolina Administrative Code. All deposits for the town shall be fully protected through deposit insurance and eligible collateral securities pursuant to 20 NCAC 7. When utilizing an Option 1 financial institution, the Finance Officer immediately shall require additional collateral to be pledged should the value of securities pledged for the town's deposit fall to a level that is materially less than the amount of deposits. All escrow agreements for Option 1 financial institutions shall be executed between the depository and the escrow agent as found in 20 NCAC 7.

(3) For all deposits held in financial institutions which utilize the Option 2 method of collateralization, the Finance Officer shall maintain all necessary documentation to show that the responsibility of monitoring collateralization levels is now with the State Treasurer.

(4) The Finance Officer shall be responsible for obtaining custody and providing safekeeping of securities and deposit certificates according to G.S. § 159-30(d). All securities purchased by the town shall be delivered to the town's custodian and placed in the town's custody account. The custodian agent promptly will provide the town with a custody receipt. All such custodial agreements shall be between the town and the custodian.

(5) Certificates of deposit purchased by the town shall be delivered to the Finance Officer.

(E) The Finance Officer shall strive to keep 100% of the town's moneys invested at all times.

(1) The Finance Officer shall ensure proper diversification of the investment portfolio in order to minimize risks brought on by economic and market changes. To achieve this diversification:

(a) No more than 50% of the town's moneys shall be invested in a particular investment vehicle.

(b) No less than 30% of the total investment portfolio shall mature within 30 days. No less than 75% of the portfolio shall mature in 90 days and 100% of the portfolio shall mature within one year.

(2) The Finance Officer shall constantly monitor the investment portfolio and make adjustments as necessary. The Finance Officer shall, no less than weekly, compare to market the book value of securities owned by the town. If the market value is significantly higher than the cost of the security, the Finance Officer will examine opportunities to sell the security, realize a gain from the premium and invest other eligible investments. Conversely, if the market value is significantly below the cost of the security, the Finance Officer should pursue measures to liquidate the security to avoid further losses.

(3) The Finance Officer shall review daily the cash position of the town and decide what moneys can be invested for certain periods of time. If any investments are to be made, the Finance Officer will make this determination by 11:00 a.m. each morning and then institute a bidding process for town moneys as follows:

(a) Approved financial institutions shall be contacted by the Finance Officer requesting bids on time deposits. All bids shall be submitted by 12:00 p.m. with interest rates quoted on the desired number of days basis. In the event of matching bids, the financial institutions will be contacted, notified of similar bids and asked if an upset bid will be placed. All certificates shall be delivered to the Finance Officer by 2:00 p.m.

(b) For other eligible investment vehicles, the Finance Officer shall solicit offers from an approved list of financial institutions and broker/dealers. The Finance Officer shall review the various offers and determine which investment vehicle is appropriate, considering such factors as rate, maturity and safety of the investment. All interest rates shall be quoted on a discount basis. For securities purchased by the town, the Finance Officer shall instruct the seller that securities are to be delivered to the town's escrow agent, who will disburse money for the purchase once the securities are delivered.

(4) Telephone quotes shall be received by 12:00 p.m., recorded and delivered to the Finance Officer. The names of the financial institution and its representative shall be included in the report. The Finance Officer will be responsible for notifying the financial institution which placed the highest bid.

(5) Wire transfers, both incoming and outgoing, shall be handled by someone other than the one receiving telephone quotes. Wires will be processed no later than 1:00 p.m. with written confirmation forwarded the next business day. These confirmations will be documented and delivered to the Finance Officer for review.

(6) A person shall be assigned by the Finance Officer to monitor the safekeeping of securities, both owned by the town and pledged for the town's deposits. Once securities are escrowed, this person shall receive next-day written confirmations from the safekeeping agent acknowledging delivery of the specified securities. These confirmations shall be recorded and forwarded to the Finance Officer for review.

(F) The Finance Officer shall continually forecast the town's future cash needs and

invest moneys for longer periods of time where practicable.
(Ord. 1990-2, passed 3-12-90)

§ 36.15 CASH DISBURSEMENTS.

The following procedures are hereby established and shall be incorporated in the cash disbursements section of the town's cash management plan:

(A) The method in which appropriations and other available resources are expended shall be performed pursuant to G.S. § 159-28(b).

(B) To create the maximum amount of funds available for investment, the Finance Officer shall pay the obligations of the town on the tenth and twenty- fifth day of the month. The effect of this payment cycle shall be on the town's purchase orders. The Finance Officer shall pay the obligations of the town by the due date. The Finance Officer shall determine whether the discount for cash payment is more beneficial than payment on the billing's due date. The Finance Officer periodically shall review the disbursement cycle and changes shall be instituted if the disbursement cycle can be extended.

(C) The Finance Officer shall develop a system of inventory and supply checks to ensure that the materials on hand are sufficient to keep the town operating in an efficient manner. Should these levels become excessive, the Finance Officer shall reduce orders for inventories and supplies until an acceptable level is reached.

(D) The Finance Officer will consolidate all payments to a particular vendor, rather than issuing separate checks for each billing to the extent practicable.

(1) The Finance Officer shall issue payroll checks weekly for nonexempt employees or twice a month for exempt employees.

(2) The Finance Officer shall submit payroll taxes on the due date.

(E) A cost-effective disbursement cycle shall be established to create the maximum amount of investible funds while at the same time ensuring all bills are paid by their due date. The disbursement cycle shall be reviewed periodically by the Finance Officer and changes shall be instituted when appropriate.

(Ord. 1990-2, passed 3-12-90)

§ 36.16 BANKING RELATIONS.

The following procedures are hereby established and shall be incorporated in the banking relations section of the cash management plan:

(A) The Finance Officer will maintain the minimum number of bank accounts for official operation subject to Board of Commissioners approval.

(B) The Finance Officer shall maintain in the town's accounts enough moneys to meet the town's daily obligations.

(C) An official depository shall be selected based on a competitive proposal. A Request for Proposal for Banking Services shall be submitted to those financial institutions the Finance Officer has determined to be financially sound, based on a comprehensive analysis selection process that will be carried out every three years. The Finance Officer shall recommend an official depository to be designated by the Board based on his evaluation of the proposals.

(D) Any financial institution not selected as the official depository but which may receive town funds for investment shall be analyzed by the Finance Officer for financial stability, if the amount of time deposits exceed the federal depository insurance coverage of \$100,000.

(Ord. 1990-2, passed 3-12-90)

§ 36.17 MONITORING AND REPORTING.

The following procedures are hereby established and shall be incorporated in the monitoring and reporting section of the cash management plan:

(A) The Finance Officer shall report monthly to the Town Manager and/or Board of Commissioners concerning the status of investments, the collateralization of town moneys and the comparison of actual receipts and disbursements to the budgeted figures and cash flow projections.

(B) Significant changes in banking services or costs and the issuance of a Request for Proposal for Banking Services will be reported to the Board of Commissioners.

(C) The Finance Officer shall report to the Town Manager and/or Board on delinquent accounts, both taxes and utilities.

(D) Each year the plan shall be reviewed by the Finance Officer during budget preparation. The Finance Officer shall amend the plan, as appropriate, to further enhance the town's cash management program. All plan amendments shall be presented to the Board for review at the next Board meeting, whereupon adoption may occur.

(E) Any deviations from the plan by any official or employee shall be reported to the Town Manager and/or Board at the next Board meeting after the deviation has occurred.

(Ord. 1990-2, passed 3-12-90)