

HAYWOOD COUNTY NORTH CAROLINA

The seal of Haywood County, North Carolina, is a circular emblem. It features a central shield with a plow and a sheaf of wheat. The shield is surrounded by a wreath. The outer ring of the seal contains the text "HAYWOOD COUNTY" at the top, "1808" at the bottom, and "GREAT SMOKES" on the right side. The words "PLANT" and "BRIDGE" are also visible on the left side of the seal.

Office/Department Fiscal Procedures

FISCAL YEAR
2016-2017

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Overview of Office/Departmental Fiscal Procedures

The following procedures have been established to facilitate uniformity and efficiency for all finance related functions within your office/department. These procedures cover purchasing, accounts payable, line item transfers, cash handling and other general information.

Purchasing Procedures - According to the Department of State Treasurer Policies Manual – Purchasing Policy, Section 35: “The purchasing process is designed to provide a proper system of internal control over purchasing, to insure that proper authorizations are obtained **before** items are purchased, and to ensure that statutory requirements for purchasing are followed.”

Any item or a combination of items from a single vendor costing \$1,000 or more **requires a signed *Purchase Order* before** the item(s) can be **ordered**.

If any item or combination of items of \$1,000 or more is purchased without proper approval (signed *Purchase Order*), an *Explanation for Unauthorized Purchase* form must be completed **before** the invoice can be paid. This form must be approved and signed by the county manager. Any item not approved may become the responsibility of the person incurring the expense. **Copies of all *Explanation for Unauthorized Purchase* forms are kept in the finance department and will be forwarded to the county manager at his request for the purpose of annual reviews.**

Office and Janitorial Supplies – All standard office and janitorial supplies must be approved and purchased through the finance department. See Office/Janitorial Supply procedures. You may use the standard *Purchase Requisition* form to order office or janitorial supplies.

Capital Outlay – Obtain written quotes whenever possible; making sure that any additional charges are included in the quote (shipping, installation, etc.). Ideally, at least three written or documented telephone quotes should be obtained.

North Carolina state statutes **require formal bidding** procedures for certain items. Please see the finance department for these requirements. Formal bidding procedures apply to purchases of apparatus, supplies, materials and equipment of **\$90,000** or more, or construction costs of **\$500,000** or more.

Contracts – In order to maintain accurate records of current obligations by the county, **a copy of all contracts should be forwarded to the finance department once these have been finalized.** This includes lease agreements, contracts for services and maintenance agreements, as well as cell phone agreements.

Please be reminded that office/department heads are **not** authorized to sign contracts, including leases and rental agreements, on behalf of the county. All contracts must be signed by the county manager after they have been reviewed by the finance director and the county attorney. Any deviation from this policy may void the contract and could cause the person that signed the contract to be held personally responsible for payment, as well as any additional charges incurred. Contracts should cover the fiscal year period from July 1 to June 30 to coincide with the county budgets. Contracts over \$50,000 must be preapproved by the Board of Commissioners. Pre-audit certification must be included on any contract and it must be signed by the finance director. E-verify affidavits are required for formal contracts of purchases of apparatus, supplies, material, and equipment estimated to cost \$90,000 and above and contracts for construction or repair work estimated to cost \$500,000 and above. Notice of Iran Divestment Act Certification is also stated on the county POs and contracts requiring a contracting company to certify it is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 147-86.59.

Purchase Requisition for Contracts - Once the contract has been approved and all proper authorizations are obtained, the office/department head should generate a *Purchase Requisition* and forward, along with the supporting paperwork, to the purchasing manager for processing. The contract amount will be fully encumbered at the beginning of the contract and funds will be paid as outlined in the contract payment agreement.

Accounts Payable Procedures – Accounts payable procedures are established in order to streamline the process of paying vendors, as well as to monitor expenditures. *Check Request* forms should be used for non-invoiced items.

Travel and Per Diem Procedures – Travel and per diem procedures are established in order to properly reimburse employees for business related travel expenses and meals while on meeting and training related trips (overnight trips outside of Haywood County).

Payroll Procedures – Payroll procedures are established to ensure the prompt and accurate compensation of all employees' time worked and/or benefits due.

Driver Disclosure Procedures – A Driver's Disclosure Form is required to be completed and submitted to the finance department for any employee who is driving a vehicle on county business. The form is from the North Carolina Department of Transportation, Division of Motor Vehicles, Traffic Records Section, and is necessary in order to access the records as required by the County vehicle fleet policy.

Line Item Transfer Procedures – Line item transfers (*Request for Transfer Between Objects of Expenditure*) are used to keep departmental budgets in line.

Cash Handling Procedures – Cash handling procedures are established to maintain control over all cash and checks taken in by county departments and offices.

Petty Cash Procedures – Petty cash procedures are established to ensure measures are in place to properly record expenses and to prevent misuse of county funds.

Office/Departmental Fiscal Procedure Forms – All office/departmental fiscal procedure forms are now available in Microsoft Excel format and can be found via the intranet.

A *Purchase Requisition* may be e-mailed or faxed directly to the purchasing manager for processing. For departments who generate purchase requisitions within MUNIS, please inform by e-mail or fax and attach the required quotes and backup. Only e-mails coming from authorized signers will be accepted. Please forward copies of all supporting paperwork (e.g., quotes and authorized signers signature, etc.) for all purchase requisitions to the purchasing manager. You can forward the paperwork either by scanning and attaching to the e-mail, faxing at the time of the request, or hand delivering the paperwork. The supporting paperwork will be attached to the *Purchase Order* and centrally filed in the finance department. The purchasing manager will hold the *Purchase Requisition* form or the MUNIS generated *Purchase Requisition*, until all appropriate paperwork is received.

Explanation for Unauthorized Purchase forms may be completed on the computer, printed out and signed prior to taking them to the purchasing manager. Faxes and e-mails will not be accepted for this form, as it requires a handwritten signature by the office/department head.

Check Requests and *Statement of Travel Expenses* (travel reimbursements) may be completed on the computer, printed out and signed prior to bringing them to the accounts payable manager for processing. Faxes and e-mails will not be accepted for these forms, as they require a handwritten signature and supervisor approval.

Accounts Payable Re-code Requests and *Accounts Receivable Re-code Requests* may be completed on the computer, printed out and signed prior to bringing them to finance for processing. The purpose of these forms is to request a reclassification for any amount that was originally coded to the wrong account.

Payroll Adjustment Authorization Form must be used for any deviation from the normal Kronos and MUNIS payroll process.

Day Travel Meals Expense form must be used for employees to be reimbursed for day meals when transporting a client (DSS) or transporting an inmate (Detention). The form is submitted through payroll.

Uniform/Clothing Benefit form is required for clothing allowances paid to or for employees.

Time and Edit Logs should be used to document any changes/corrections that will be made to an employee's time record in the KRONOS Timekeeping system.

Driver Disclosure Forms must be completed for all employees who do any driving for county business.

Request for Transfer Between Objects of Expenditure (line item transfer forms) may be completed on the computer and e-mailed to the appropriate finance department person or sent by inter office mail, however FAX copies are **not** accepted.

Cash Reconciliation Reports should be completed and compared to the daily deposit slip. The purpose of this form is to assist with preparing your daily deposit slips and to account for all receipts. The forms are to be filed in your department along with the bank validated pink copy of the deposit slip.

Daily Collection Reports may be completed on the computer, printed out and attached with the bank validated yellow copy of the deposit slips, which should then be delivered to the accounts receivable manager for posting.

Petty Cash Reimbursement forms should be completed each time petty cash needs to be replenished. The amount requested should be whatever amount is needed to bring the balance back up to the department's assigned petty cash balance.

Purchase Requisition Procedures

Once a need has been determined, the office/department head fills out a *Purchase Requisition* and submits it to the finance department.

The purchase of a product or service that will cost \$1,000 or more including shipping requires a *Purchase Order*. There are no exceptions to this, not even for contracts, advertising costs, training, subscriptions, or membership dues. **Do not include sales tax in the requisition amount. However, always include freight and shipping in the requisition amount.**

The *Purchase Requisition* form is prepared by the office/department making the request, and should include the following information:

- Date requested
- Quantity needed
- Complete description of the item requested **or** attach complete specifications with a notation "per attached specifications" typed on the requisition
- Department account number
- Unit price or estimated price
- Total extended price for each item
- Name and address of the vendor, if known
- Name of department and "Ship To" address
- Authorized departmental signature
- Date signed

If any of the above information is not supplied or if the description is too vague, the requisition will be returned for more complete information. If a quote was obtained that matches the requisition, please attach it when submitting your request.

Please make a notation on the requisition if you want the purchasing manager to place the order once the purchase order is completed, otherwise it will be the responsibility of the department to contact the vendor and place the order.

Separate requisitions shall be used for different types of purchases. For example, each of the following items shall be requisitioned separately:

- Office Supplies
- Janitorial Supplies
- Print jobs
- Furniture
- Services
- Automobiles

- Contracts and lease agreements
- Training
- Advertisements
- Computers (As a reminder, please contact IT before computer or technology related items are requested to obtain an ITPR form.)

The product description or specifications shall provide enough detail so that the finance department will fully understand what is to be purchased. The use of brand names is discouraged. The following guidelines shall be followed when writing specifications:

- Be specific, without mentioning a manufacturer or brand name if possible. If one brand name product is preferred over another, please state in detail your reasons why, and enclose any necessary literature to justify your reasons.
- Do not write specifications based upon only one manufacturer's product. Specifications shall include information about the quality of products needed when applicable. The finance department will strive to obtain a product that meets or exceeds the quality specified. If a variance in product quality is found between vendors, the purchasing manager shall be consulted before a final product selection is made.

Do not wait until your supply is completely depleted to re-order. Be advised that some items may require additional time for delivery from the vendor.

Office and Janitorial Supply Procedures - All office and janitorial supplies needed by departments shall be ordered through the finance department. The office and janitorial supplies can be submitted on the standard *Purchase Requisition* form prepared by the department making the request, and should include the following information:

- Date requested
- Quantity needed
- Description
- Department account number
- Name of department
- Authorized departmental signature
- Date signed

The finance department has fully implemented a desktop delivery system for office and janitorial supplies. This process is efficient and ensures that items received are exactly what were requested. **Office supply requests** are accepted **weekly** by **Tues. at 5 p.m.** unless otherwise notified. Anything received after the Tues., 5 p.m. deadline will be held until the next weekly order.

Janitorial Supply orders will be delivered **monthly** on the first Friday of each month. **Requests for janitorial supplies** will need to be received by the purchasing manager by 5 p.m. on the third Tuesday of the prior month unless otherwise notified. Orders will be placed by the purchasing manager on the third Wednesday of the prior month for the next month delivery.

Under no circumstances should office and janitorial supplies be purchased without first checking with the purchasing manager.

Purchase Order Procedures

The purchase of a product or service that will cost \$1,000 or more, including shipping, requires a *Purchase Order*.

Once a need has been determined, the office/department head fills out a *Purchase Requisition* and submits it to the purchasing manager along with the quotes and appropriate signatures and/or other necessary paperwork for review. The purchasing manager will then process the *Purchase Order*. Once the *Purchase Order* is processed and approved by the finance director, 4 copies will be distributed as follows:

- Office/Department
(2 copies: 1 signed copy with terms for Vendor, 1 for filing)
- Accounts Payable
- Purchasing (filed along with 2nd signed Vendor copy)

These orders will be shipped directly to the departments' physical address. All departments receiving packages shall do the following:

- Remove and retain the packing slip to match and attach with the invoice.
- Inspect all packages for defects or shortages before packaging is discarded. It is always wise to keep packaging for the warranty period of the product.
- Contact the finance department if any problem arises with delivery or if the material or service does not conform to the *Purchase Order* or the *Purchase Requisition*. If the order originated from the finance department, the purchasing manager shall take corrective action. However, if the department placed the order, then the department shall be responsible for corrective action.

If merchandise needs to be returned, notify the finance department, contact the vendor and obtain authorization for the return within 30 days of order. Please store any items to be returned in a safe place. If applicable, call the finance department to liquidate the *Purchase Order* for any items cancelled. Failure to notify the finance department will result in the *Purchase Order* remaining charged to your departmental budget, reducing the actual funds available.

Office/department heads or their designees are responsible for monitoring the status of *Purchase Orders* charged to their department. A report of outstanding *Purchase Orders* will be generated by the purchasing manager and will go out to the departments for review at least once a year. Please inform purchasing or accounts payable if the status needs to be changed.

Unauthorized Purchase Procedures

Failure to obtain a *Purchase Order* for a purchase that equals or exceeds \$1,000 may result in an employee being held responsible for that purchase. Any invoice that equals or exceeds \$1,000 not accompanied by a *Purchase Order* and submitted for payment shall be returned to the office/department head. In order for the invoice to be paid by the county, the office/department head must submit the invoice and an *Explanation for Unauthorized Purchase* form for approval. The form requires three signatures: (1) office/department head, (2) purchasing manager and the (3) county manager. If the purchase is approved, the invoice and attached explanation will be submitted to accounts payable for payment.

- Unauthorized Purchases should occur only in an emergency situation. Poor planning does not constitute an emergency situation.
- In an emergency situation, determine what action would expeditiously correct the problem. If the emergency occurs during business hours, the purchasing manager shall be contacted for immediate assistance.
- Check to determine if a maintenance agreement covers the broken machinery or equipment before calling for repairs. Most county equipment contracts include maintenance. Call the contract vendor first, since contacting outside vendors may result in unnecessary charges.
- If an emergency occurs during non-business hours, the office/department head shall take necessary action to correct the problem. If outside assistance is required, the office/department head shall contact any legitimate vendor that can render the necessary emergency supplies or services. As soon as possible, the office/department head shall notify the county manager, in writing, with a full explanation of the emergency and the action taken.
- A copy of the *Explanation for Unauthorized Purchase* form and all invoices for the services performed or the supplies purchased shall be submitted to the purchasing manager for processing. Once the due diligence is performed on verifying funds are in the budget and the proper explanation and backup is included, the purchasing manager will obtain the county manager's signature of approval.
- By proper planning and preventive maintenance, most emergencies can be avoided. There are usually additional charges for rush orders and especially for work performed during overtime hours.
- Anyone who "accidentally" creates an emergency situation must follow all unauthorized purchase procedures, and may ultimately be held responsible for the purchase.

Purchases should never exceed the amount stated on the *Purchase Order*. If the invoice does exceed the *Purchase Order* amount, an *Explanation for Unauthorized Purchase* will be required explaining why. For those departments that are issued "blanket purchase orders" for large quantities of items in multiple orders, be sure a new *Purchase Order* is obtained before the current *Purchase Order* is depleted. We will not

increase a *Purchase Order* once it has been issued and an order placed using that P.O. number. As a reminder, if a “blanket purchase order” has been obtained, all invoices from that vendor must be applied to that *Purchase Order*, no matter the dollar amount of the invoice.

Capital Assets

When purchasing capital outlay, written quotes should be obtained whenever possible; making sure that any additional charges are included in the quote (shipping, installation, etc.). Ideally, at least three written or documented telephone quotes should be obtained.

The capitalization threshold for capital assets is \$1,000 for the annual budget and \$5,000 for financial reporting. The established procedures for purchase requisitions and purchases orders will be followed for making capital purchases.

North Carolina state statutes **require formal bidding** procedures for certain items. Please see the finance department for these requirements. Formal bidding procedures apply to purchases of apparatus, supplies, materials and equipment of **\$90,000** or more, or construction costs of **\$500,000** or more.

Annually, a list of assets will be given to each department head so the list can be verified that all assets are still being used by the department. The department head should inform the Purchasing Manager of any equipment, etc. no longer of use or in possession of the department. It is then determined if the equipment, etc. has been relocated to another department, disposed, or ready for surplus and sale or transfer to another department in County government. The Board of Commissioners have adopted procedures for the disposal or exchange of surplus personal property valued at less than \$30,000 for any one item or group of items, authorizing the Purchasing Manager to dispose by electronic means, typically through GovDeals, an electronic auction for government property (www.govdeals.com). Surplus items disposed in this manner are reported quarterly to the Board of Commissioners.

Surplus Property - Any surplus personal property valued over \$30,000, donations to others, public auctions or real property sales must be approved in advance by the Board of Commissioners and according to North Carolina General Statutes. Any sale of real property is handled by the County Attorney, County Manager and Finance Director. In all cases, the Purchasing Manager must be notified of any county property that may be available for surplus.

Transfers to other county departments/offices- The Purchasing Manager determines if personal property item(s) can be used by other county departments. If so, then she will arrange for item(s) to be viewed by interested departments. A work order is then submitted to Maintenance for assistance to move to desired department. The County Manager must be notified of any transfers between departments.

Unusable/Unsellable items - If an item is not usable by county departments or if it is deemed unsellable, a work order is submitted to Maintenance to dispose through appropriate means at the county landfill.

Usable /Sellable – Preparation for Surplus – If the item is deemed not usable by county departments, but sellable, the department head will submit the appropriate completed GovDeals Inspection Form, whether Office Equipment, Vehicles, or Equipment that describes item(s), identifies condition and details, including VIN #, serial #, mileage, color, whether operable, etc. This information is used on GovDeals website with description. The General Accountant is notified to obtain title(s) for Purchasing Manager and to remove from insurance (if applicable) once item is sold.

Invoice Processing Procedures

When invoices are received, office/department heads should review them for accuracy. Packing slips, bills of lading, statements, etc. are not considered invoices. It is the office/department head's responsibility to submit invoices in a timely manner to avoid late charges on accounts.

The invoice needs to have the following information printed on the invoice in the designated area or highlighted when applicable:

- Amount to be paid (if partial payment, please specify amount)
- Account Number – department code and line item number
- Vendor number
- Signature of office/department head or designee to authorize payment
- Date approved
- *Purchase Order* number, if applicable
- Invoice number highlighted or circled
- "Remit To" address highlighted or circled
- Attach supporting paperwork to the invoice (e.g., packing slips, service tickets, *Purchase Order* copies, etc.)

If a *Purchase Order* is required, mark "**incomplete**" or "**complete**", whichever is applicable, so the *Purchase Order* can be properly liquidated or modified.

When invoices exceed *Purchase Order* amounts, an *Explanation for Unauthorized Purchase* needs to be attached to the invoice and given to the county manager for payment approval.

The deadline for invoices to be submitted to accounts payable is Wednesday at noon each week unless otherwise notified. This also applies to the remote sites that are entering their own invoices.

If checks are to be held in the finance department for pickup, please indicate on the invoice in red ink or highlighting, or they will be mailed. If copies of the invoices need to be mailed with the check, you must attach copies prior to submission. Checks are generally ready **Friday mornings at 8 a.m.**

Emergency Offline Checks – Emergencies can, and do, occur. We have established the following procedure to accommodate **emergency** needs:

- Requests for emergency checks will be approved by the finance director. The off line run will be at 3 p.m. with the check available at 4:30 p.m.
- Requests received after 3 p.m. will be held until the next day's run.

Check Request Procedures

The *Check Request* form is designed to be initiated by the requesting department and used when a vendor invoice is not applicable.

Haywood County receives refunds of sales tax on purchases paid by the county directly to the vendor. Please keep in mind that purchases made by an employee who then requests reimbursement are not eligible for this refund, therefore these types of purchases/reimbursements are strongly discouraged.

Follow the directions below in completing the form. Attach **appropriate supporting documentation** and forward directly to the finance department. Any check request submitted without proper documentation will be returned. An example of proper documentation would be a copy of a completed application for a training program, hotel confirmation with dates included, or receipts for reimbursement.

Directions:

Vendor Number – (The number assigned to a vendor in MUNIS.) This is **required** for all invoices submitted for payment. See partial vendor list, *Frequently Used Vendors*, included in the following pages. Space is provided so that you may add vendors that you use on a regular basis. Please call accounts payable if you need a vendor number that is not on the list.

Date Requested – (The date paperwork is submitted to accounts payable.)

Vendor name and address – Enter the correct and complete vendor name and address. Provide the federal identification number or social security number if a new vendor.

Purchase Order Number – Enter the *Purchase Order* number for all purchases of a product or service \$1,000 or more. If the check request is generated for a contract agreement, enter the *Purchase Order* number obtained at the beginning of the contract.

Description – Enter a narrative description of the services for which payment is requested.

Account Number – Please code with the correct department and **line item number**.

Amount – (Pre-tax amount). Freight/shipping should be included in this line. If tax is not charged, this should be the total for the request.

State Tax (4.75%) – Enter if applicable.

Local Tax (2.25%) – Enter if applicable.

Total – The total should agree with the supporting documentation.

The form **must** be signed by the office/department head or authorized designee.

Check requests should be used for all non-invoiced items, including the following:

- Insurance premiums
- Legal services and fees
- Memberships and dues
- Postage permits
- Refunds
- Rentals
- Registrations
- Reimbursements

Travel Advance and Reimbursement Procedures

Travel reimbursements and per diem requests should be submitted on the *Statement of Travel Expenses* form. Travel advances for hotel accommodations should be submitted on a *Check Request* form. Any allowable Day Travel Meals should be submitted through payroll on a *Day Travel Meal Expenses* form. The employee is responsible for completing the form accurately and with sufficient information, including attaching the appropriate paperwork so that a third party reviewing the form can be confident the reimbursement is accurate and justified. An agenda or other supporting documentation for the workshop, conference or seminar must be provided with each request. The finance department has the responsibility to monitor all requests for travel advances and reimbursements. Any discrepancy must be reconciled with the appropriate office/department head or designee. Travel reimbursements should be approved by the authorized signer within the department and all office/departments heads must have their travel approved by the County Manager.

Transportation Expense - A county vehicle will be provided for travel when a vehicle is available. An employee's personal vehicle may be used when a county vehicle is not available. The employee will be reimbursed for mileage at the federal standard mileage rate which is currently .54 cents per mile. A record of mileage driven must be maintained on the *Statement of Travel Expenses* with sufficient information so that payment can be made and a third party reviewing the form can be confident the reimbursement is accurate and justified. As a last resort, employees may rent a vehicle to use for travel. Haywood County has an account with a local leasing company and will write a check directly to that company.

When necessary, air travel will be reimbursed. Written pre-approval from the county manager is required for all air travel. The employee is responsible for finding the lowest reasonable fares and must fly coach.

Accommodations - Accommodations for overnight stays should be paid directly to the hotel. The employee is responsible for finding adequate and reasonable, non-luxury accommodations. A confirmation with rates and confirmation number should be submitted on a *Check Request* form along with an agenda or other supporting documentation for the workshop, conference or seminar. Please submit the paid receipt to the finance department upon your return.

Meals and Incidentals - Meals will be advanced or reimbursed based on standard federal per diem rates that the county allocates on a per meal basis. The current allocation is broken down as follows:

\$ 11.00	breakfast
12.00	lunches
<u>23.00</u>	dinners
<u>\$46.00</u>	total allowance per day

Meals provided by the conference must be excluded from the per diem request. The county manager may, in unusual circumstances, approve meals to be reimbursed at a rate higher than current standard per diem rates. Tips and snacks are considered incidental expenses and are included in the per diem amounts.

Day Travel - Transportation will be reimbursed as discussed above. Meals for travel that does not require an overnight stay will not be reimbursed unless transporting a client (DSS) or transporting an inmate (Detention). These Day Travel Meals reimbursements are considered by the IRS as a taxable fringe benefit and will be paid through payroll in the next bi-weekly payroll cycle after the form is submitted. *Day Travel Meal Expense* reimbursement forms must be received in the finance office the Friday before the next payroll cycle.

Registration Fees - The County will reimburse for conference, convention, or training registration fees but prefers to pay the fees in advance directly to the vendor. A paid receipt must be provided for reimbursement. An agenda or other supporting documentation must be included as backup whether requesting an advance or requesting reimbursement.

Other Travel Expenses - Reimbursements can be provided for other travel expenses with a paid receipt. Examples of other travel expenses include the following:

- Parking fees
- Taxi fares
- Toll fares

Non-reimbursable expenses - Examples of non-reimbursable expenses include, but are not limited to:

- Alcoholic Beverages
- In Room Movies

Other Travel - Traveling with a non-county employee or family member is permitted. The county will not reimburse for expenses incurred by the secondary party. The county will reimburse for meals and accommodations for the employee only, the employee is responsible for any additional costs associated with the secondary party.

Payroll Procedures

The Fair Labor Standards Act (FLSA) requires that employers keep detailed records of time worked and wages paid for all employees. Haywood County utilizes two methods to record clocking in and out for work. Each employee will be assigned to one method.

Kronos Web-time - Employees who utilize the Web-time System must do so using a designated County computer, as assigned by Haywood County Information Technology department staff. Employees must complete a *Time and Edit Log* if Web-time System is unavailable at any time during the pay period.

Kronos Tele-time - Employees who utilize the Tele-time System must do so by using any County telephone at their assigned work site. Field workers may be asked to provide the phone number they will be dialing from for clocking in and out. Audit procedures will be utilized to ensure employees are at their work site when clocking in and out. Employees must complete a *Time and Edit Log* if Web-time System is unavailable at any time during the pay period.

Office/department heads or their designated timekeepers should be made aware of all edits as soon as the employee is aware that his/her time records need to be adjusted. The *Time and Edit Log* should be used to document any changes/corrections that will be made to an employee's time record in the Kronos Timekeeping system. This log should be completed by the employee in order to have their time record edited. The form should be signed by both the employee and the supervisor. Examples of changes would include:

- Correcting missed punches
- Adjusting the clock in or clock out times
- Correcting lunch punches that were entered incorrectly
- Entering sick, vacation or other time used

It is the responsibility of the appropriate office/department head or designee to review and approve his/her department's timecards. The office/department head or designee must approve all employees' timecards by 10:00 a.m. on the Monday after that pay period ended on Sunday. After timecard approval, no changes may be made to any employee's time unless it is discovered that a correction needs to be made. At that point, the payroll manager must be notified.

Payroll Adjustment Authorization Form should be used for any deviation from the normal Kronos and MUNIS payroll process.

All employees shall be paid on a bi-weekly basis every other Friday. If Friday falls on a holiday, then employees will be paid on the last working day before the holiday.

Checks are ready for pickup by 8:00 am Friday morning. Direct Deposits are generally posted by the bank in employees' accounts at 12:01 a.m. Friday. However, some credit

unions deposit money later on Friday morning.

Each office/department head or designee should review monthly budget reports for accuracy, and let the finance office and/or the payroll manager know if anything unusual is posted to the department line-items. It is the office/department head's responsibility to be sure that the salaries and benefits line items do not go over budget.

A *Personnel Action Form (PAF)* is required from the office/department head to add new employees or make any changes to the pay or profile for current employees. The Human Resource (HR) department is responsible for adding new employees into the timekeeping (Kronos) and payroll (MUNIS) software, adjusting employee's job/salary profile for merit increases or other changes and removing terminated employees from the system, using the information submitted on the PAF. The forms are then filed in the employee's personnel folder to substantiate the changes to the employee's job/salary profile.

A *Uniform/Clothing Benefit* form is required for clothing allowances paid to or for employees. It must be submitted to the finance office to be paid through payroll. Office or Department Heads are responsible for completing the form if they purchase clothing from a vendor directly. The form must be completed in a way so that the payroll manager can easily determine the amount to include in the employee's paycheck for calculating the taxes before the cost is withheld to pay the invoice. Each employee will notice a slight decrease in their net pay in the pay period the clothing purchase is run through payroll.

Driver Disclosure Procedures

It is the responsibility of the office/department head to notify the County insurance administrator, in the finance office of any new hires or any deletions of county drivers within their department. If you have a new employee who will be driving a county vehicle, the employee must fill out a *Driver's Disclosure Form* and attach a driver's license copy. If the employee will be driving their personal vehicle for county business, the declaration page from their personal insurance policy must also be included with the *Driver's Disclosure Form*.

Please return all required paperwork to the finance office. DO NOT e-mail or fax the forms. Employees should not be driving until the appropriate paperwork is received in the finance office.

It is the office/department head responsibility to be sure that all employees within their office/department who drive any vehicle on county business are aware of the Haywood County vehicle fleet policy.

Line Item Transfer Procedures

Line item transfers are used to move funds within a department in order to keep the account(s) within budget. It is up to the office/department head or designee to maintain his/her budget. If at any time you see that one of your accounts is nearly depleted and you plan to incur further expenditures in that account, a *Request for Transfer Between Objects of Expenditure* (line item transfer) must be completed before any invoices can be paid or a *Purchase Order* requested. **At no time will we issue a *Purchase Order* if there are insufficient funds in the budget line to cover the purchase.** If you do have an account that is overdrawn, please take care of it quickly so that your budget is in compliance.

A *Request for Transfer Between Objects of Expenditure* sample form is included in the following pages. The accounts can be customized for your department.

The *Request for Transfer Between Objects of Expenditure* may be e-mailed directly to Vickie Cagle in the finance office at vcagle@haywoodnc.net or sent by interoffice mail, however FAX copies are **not** accepted.

If you e-mail your *Request for Transfer Between Objects of Expenditure* do NOT submit a hard copy as duplications of requests can slow the process.

Cash Handling Procedures

Daily Deposits - North Carolina General Statute 159-32 requires funds to be deposited once \$250 or more is collected; but in any event a deposit should be made on the last day of the month, regardless of the amount. The deposit slip is in triplicate. All three copies are to be validated by the bank; the bank keeps the original; the pink copy stays with the department's records; the yellow copy is attached to the *Daily Collections Report* (described below) and given to the finance department. All deposits are to be made by the close of the banking day to ensure same-day credit. You should have your deposit to the finance department by 2:30 p.m. if you would like the finance department to carry your deposit to the bank as they go each day. Should you receive \$250 or more in cash after you take your deposit to the bank or the finance department, you must prepare another deposit and take it to the bank that day. Postponing the deposit will cause the county to lose interest on the funds as well as creating potential safety concerns.

Daily Collection Report - Each department should prepare a *Daily Collection Report* (see sample report) and a copy of the report should be attached behind the yellow copy of the bank validated deposit slip. The *Daily Collection Report* must show the amount of each deposit that is to be recorded into which revenue account. The accounts receivable manager can assist departments in creating or updating their *Daily Collection Report*. The *Daily Collection Report* and the bank validated deposit slip should be turned in to the finance department to ensure all receipts are posted as soon as possible. The accounts receivable manager is posting cash receipts daily and verifying cash activity weekly. A monthly reconciliation of cash receipts is performed by the internal auditor to verify all deposits have been posted in the correct period and reconciled to the bank. The *Daily Collection Report* is to be completed daily with totals verified to the *Cash Reconciliation Report* to ensure all receipts have been posted.

Daily Mail Collections - Reasonable internal controls should be established for the handling of funds received by mail. In order to adequately control receipts by mail, two people should be present to open any mail that contains checks – one person should open the mail and remove the checks and the second person should record these receipts in a daily mail collection log. The log should show the payee, the check number, and the amount of the check. The checks should be restrictively endorsed at the time the mail is opened. A stamp can be used for this endorsement, and the finance department can order a stamp for your department if one is needed. Once the log and the checks are totaled and reconciled, the checks should be forwarded to the person responsible for preparing the deposit.

Cash Collections - Any payments received by the cashiers should be controlled

at the point of collection. When a customer is paying in cash, the cash should be counted at the time of acceptance, calculated and counted again when giving change back to the customer. Should you have to change cashiers during the day, the cash drawer should be counted and reconciled each time and written records should be maintained with the cashier's signature.

Each cashier should be responsible for his/her own cash drawer. Under no circumstances should more than one cashier work out of a drawer. Cashiers should reconcile their collections and change funds at the end of the day and the reconciliation should be verified by the office/department head or designee. A signed reconciliation form should be maintained and kept on file. A sample *Cash Reconciliation Report* has been provided which can be modified to meet your department's needs.

Under no circumstances should monies be held for deposit. Arrangements must be made to enable DAILY deposits within the department. The finance department may assist in the deposits on a rare occasion when all other options have been exhausted.

Returned Checks – Payments made by check to Haywood County that are not honored by the bank will incur the maximum fee allowed by North Carolina General Statute 25-3-506:

§ 25-3-506. Collection of processing fee for returned checks.

A person who accepts a check in payment for goods or services or his assignee may charge and collect a processing fee, not to exceed twenty-five dollars (\$25.00), for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank.

If a collection agency collects or seeks to collect on behalf of its principal a processing fee as specified in this section in addition to the sum payable of a check, the amount of such processing fee must be separately stated on the collection notice.

The collection agency shall not collect or seek to collect from the drawer any sum other than the actual amount of the returned check and the specified processing fee.

The accounts receivable manager will give a copy of the returned check to the appropriate department. After confirmation from the department of the appropriate account, the payment will be reversed. The department will then be responsible to collect the returned check reimbursement along with the returned check fee. Returned check reimbursement payments must be in the form of cash, cashier's check, certified check, credit card, or money order.

A sign must be posted at any County collection point stating the dollar amount of the returned check fee before a fee can be collected.

This excludes Tax Collections which follows Statute 105-357 Payment of Taxes.

Petty Cash Procedures

Petty cash funds are generally immaterial but they are an easy target for misuse. Therefore, it is very important to following good internal controls to prevent misuse.

- Petty cash funds should be maintained at the minimum effective amount. One person should be responsible for the fund and should maintain sole control over it. However, back-up access to the fund should be available in the event of an emergency.
- Petty cash should only be used to reimburse employees for small purchases. Small purchases are considered to be anything \$50.00 and under. A check request is required for anything over \$50.00. Employees who require reimbursement from petty cash should present the cashier with the original receipt. The original receipt should have written on it the expense account being used for the purchase and the signature of the employee receiving the reimbursement. The cashier will prepare a proof of receipt showing the date, amount, expense account, and the name of the employee receiving the reimbursement. The petty cash cashier and the person receiving the reimbursement must both sign the proof of receipt. This receipt should be stapled to the original receipt and kept in the petty cash box until a *Petty Cash Check Request* is prepared. Petty cash should never be used to advance an employee funds for personal use.
- Petty cash funds should be replenished no less frequently than monthly, but more frequently if necessary. All proof of receipts and original receipts must accompany the *Petty Cash Check Request* (see sample form) to replenish the petty cash.
- All petty cash funds are subject to a surprise cash audit.
- Cash and checks should never be left unattended and should be kept in a secured, locked area inaccessible to customers.