

Chapter 1

INTRODUCTION

Section 1.1—Purpose: The purpose of this manual is to provide a guide for county departments and employees regarding all policies and procedures established by the Financial Management Committee (The Committee) as required by the adoption of the County Financial Management Act of 1981 (The Act). This system requires a County Financial Management Committee that establishes policies, procedures and regulations to implement a sound, efficient county financial system. T.C.A. § 5-21-105

The Act provides the basis for a centralized Department of Finance to administer the finances of the county.

This manual was approved by the Warren County Financial Management Committee at its meeting on January 18, 2012 and supersedes any previous guidance on the matters herein.

Section 1.2—Implementation: The Act was adopted by the Legislative Body of Warren County, Tennessee during regular session on June 20, 2011 through Resolution No. 17-2011. The Act allows an implementation period beginning July 1 of the next fiscal year (2011) and ending by August 1 of the second fiscal year (2012), making the fiscal year ending June 30, 2013 the implementation year for Warren County.

Section 1.3—Suspension of Private or Local Acts: Upon ratification by the county legislative body and the full implementation of The Act, the operation of all private or local acts relative to county finances, budgeting, and purchasing that conflict with the policies and procedures approved by The Committee are suspended.

Section 1.4—Distribution: This manual will be distributed to all members of the County Commission and Financial Management Committee, County departments, and other County employees involved in areas covered by this manual. All recommended changes or corrections should be forwarded in writing to the Finance Director, Warren County Finance Department, 201 Locust Street, Suite 2, McMinnville, TN 37110.

Section 1.5—Revisions: This manual is to serve as a permanent, up-to-date guide of all approved Financial Management Committee Policies and Procedures. As additions and revisions are approved by The Committee, the added sections or revised pages will be forwarded to all county departments as users of the manual for updating.

Chapter 2

GENERAL POLICIES

Section 2.1—Financial Management Committee: The Financial Management Committee is charged with establishing policies, procedures and regulations for implementation of a sound and efficient financial system for administering the funds of the County. Per TCA § 5-21-104(b), the committee shall consist of the county mayor, supervisor of highways, director of schools, and four (4) members elected by the county legislative body at its regular September session of each year or at any subsequent session.

The Financial Management Committee has the authority to request information or itemized reports from any or all County Department(s) and any or all Non-Profit, Civic, or Charitable Organizations receiving funding from Warren County, Tennessee.

Any person appointed to serve as a member of the Financial Management Committee may not have any member of his/her immediate family employed by Warren County. (Immediate family member is defined as spouse, child, grandchild, parent, sibling, grandparent, stepchild, stepparent, stepbrother/stepsister.)

Any person appointed to serve as a member of the Financial Management Committee may not be employed by Warren County during his/her service on the Committee, with the exception of Warren County Commissioners.

Any person appointed to serve as a member of the Financial Management Committee may not be contracted by Warren County during his/her service on the Committee.

Section 2.2—Finance Department Personnel: Employees performing the functions of purchasing, payroll, accounting and budgeting shall be supervised by the Director of Finance. The Finance Director has the exclusive authority to hire or terminate employees of the Finance Department. All financial books and records, including contracts, are to be maintained under the control of the Finance Director.

Finance Department employees are responsible for purchasing, accounting, budgeting, payroll, cash management and reporting for the County and will be held to high professional and ethical standards. Finance Department employees will be deemed “at will” employees and may be terminated for failure to satisfactorily perform their duties or simply at the will of the employer, but they shall not be terminated for a discriminatory or illegal purpose.

Appropriate training and staffing are necessary to provide expected levels of service to county offices and officials. The ability to provide expected and necessary information will be assessed as deemed necessary to determine if the needs of the County are being met under present staffing. Changes in needs shall be addressed during the budget-planning process and incorporated into appropriation requests.

Section 2.3—Conflict of Interest: It is a breach of ethical conduct for any employee or official to participate, directly or indirectly, in a contract or procurement when he/she or any immediate family member has a financial interest in the transaction. County officials and employees shall not solicit, nor may they accept, gratuities, favors of any monetary value from

contractors/vendors, potential contractors/vendors, or other parties with financial interest in any arrangement. This does not include incidentals such as pens, coffee mugs, notepads, or other similar items.

Section 2.4—Government Records: T.C.A. § 39-16-504 states that it is unlawful for any person to:

- a) Knowingly make a false entry in, or false alteration of, a government record;
- b) Make, present or use any record, document or thing with knowledge of its falsity and with intent that it will be taken as a genuine government record; or
- c) Intentionally and unlawfully destroy, conceal, remove or otherwise impair the verity, legibility or availability of a government document.

Any violation of this section is a Class A misdemeanor.

Chapter 3

ACCOUNTING

Section 3.1—General: Under The Act, a Finance Department is created to administer the finances of the County. Records are to be maintained in conformity with generally accepted principles of government accounting, and the rules and regulations established by the state Comptroller of the Treasury, state Commissioner of Education, and state law. T.C.A. § 5-21-124

Section 3.2—Purpose: The objectives of accounting are to provide information for decision making concerning the use of limited resources, effective direction and control of human and material resources, and control of and accountability for expendable financial resources. The primary considerations of the governmental environment are compliance and accountability. Therefore, accounting, reporting and auditing of the governmental unit are principally tools of compliance control and accountability demonstration.

The Governmental Accounting Standards Board (GASB) is the authoritative source for governmental accounting and is responsible for establishing accounting standards for activities and transactions of state and local governments.

Section 3.3—Audit: An annual audit is required to provide reasonable assurance that the financial statements of Warren County present fairly the financial position, results of operation and cash flows or changes in financial position in accordance with generally accepted accounting principles. Legal compliance is considered an integral part of both managerial responsibility and accountability of the fiscal audit.

Chapter 4

COUNTY PERSONNEL POLICIES

Section 4.1—General: The State Legislature has placed authority over personnel with various individual officeholders. Therefore, the County Commission cannot adopt personnel policies and apply them to all county employees without the agreement of the officeholders.

The County Uniform Highway Law provides that the chief administrative officer of the highway department has control of and responsibility for personnel policies for the highway department employees. T.C.A. § 54-7-109

The Sheriff establishes personnel policies for the sheriff's department. The sheriff has authority to hire and fire employees pursuant to the policies established. T.C.A. § 5-23-108

The County Board of Education is responsible for establishing personnel policies for both certified and classified personnel and is responsible for personnel matters for the Department of Education. T.C.A. §§ 49-2-203, 49-2-209

State statutes give elected county officials authority over personnel matters within their offices. These officials can develop separate personnel policies for their staff. Any official who chooses to develop separate policies must include policies for leave, wage and hour, non-discrimination and sexual harassment, and drug and alcohol testing for those employees who are required by law to be tested. § 5-23-104

All other county employees and employees of county officials without separate policies are governed by the policies and procedures developed by the County Executive and the County Commission.

Section 4.2—Employee Handbooks: As part of the hiring process, employees shall be provided the appropriate personnel handbook by their department head or supervisor. Questions concerning personnel policy may be answered by the department head. Questions may also be addressed to the Finance Department, as it is responsible for payroll and benefit administration.

The Finance Department must be provided with copies of personnel handbooks and with updates and revisions as they occur. It is the responsibility of the department head and elected official to ensure the Finance Department is kept current so that it may effectively and accurately administer payroll and benefits.

Chapter 5

PAYROLL

Section 5.1—General: The Finance Department has the responsibility for processing payroll for the County, including County General, Highway, and Schools. An orderly process for notification of new hires, changes in pay and payroll status, leaves of absence and both voluntary and involuntary termination is essential to the payroll operation.

The supervisor is responsible for notification of changes, additions and termination of employees. The information shall be forwarded to the appropriate department head, who is then responsible for notification to the Finance department. It is imperative that this information is received timely.

Section 5.2—New Hires, Payroll Changes and Terminations: It is the responsibility of the Finance Department to ensure that the appropriate paperwork and supporting documentation are on file so that compliance with State and Federal laws is documented.

All new hires shall be directed to report to the Finance Department for processing of appropriate paperwork, including completion of Forms W-4 and I-9, and enrollment in the County's insurance programs and benefits.

The Finance Department must be notified promptly by the appropriate department head of changes in pay rates, regularly scheduled hours, leaves of absence and terminations. Prompt notification is required for proper processing of payroll and record-keeping.

A copy of the current Payroll Notification Form for new hires, payroll changes, and terminations is included in the forms section of this manual. Questions concerning the form may be addressed to the Finance Director.

Section 5.3—Schedule: A schedule for payroll processing shall be developed for in-house use. This schedule shall include for each pay category (Highway, School System, General Government, etc.) and for each payroll period the following information:

- the date time sheets or time cards are due to the Finance Department
- the date payroll must be run in-house
- the date deposits are due to the banks for direct deposit (mandatory direct deposit is currently being considered)
- the date deposits of Federal withholding and FICA taxes must be made
- the date deposits of voluntary deductions must be made
- the date payroll checks/stubs must be run and sorted
- the date payroll checks/stubs are available for distribution

The dates time sheets or time cards are due to the Finance Department and the dates payroll checks are available for distribution shall be shared with the department heads and supervisors for planning purposes.

Section 5.4—Payroll Warrants or Checks: Checks or warrants for payroll or payroll deposits for tax and voluntary deduction withholdings can be drawn under the name of the Finance Director.

Section 5.5—Fair Labor Standards Act: The Fair Labor Standards Act (FLSA) governs minimum wage and overtime pay standards, record keeping requirements and provisions regulating the employment of minors.

Non-exempt employees (per FLSA classifications) who work more than forty (40) hours during the work week must be paid the overtime rate for the excess hours. The employee, with approval of the employer, may choose compensatory (comp) time instead of receiving cash payment. Comp time accrues at the rate of one and one-half hours for each excess hour worked over forty (40) hours per week. Comp time cannot accrue over the maximum of two hundred forty (240) hours. Each department head/supervisor will have the authority to determine if compensatory (comp) time will be allowed within their department.

In order to comply with the FLSA regulations, and to prove compliance, the Finance Department must maintain certain records and information for each employee. These records and information include the employment application, date of hire, rate of pay, regularly scheduled hours of work, completed W-4 and I-9 forms, and time and attendance records for each pay period that accurately reflect the hours worked by the employee.

Section 5.6—Voluntary Deductions: The management and administration of voluntary payroll deductions is done as a courtesy. An example of a voluntary payroll deduction is a premium for insurance coverage not provided by Warren County Government and for which the employee pays 100% of the cost. In this instance, the Finance Department withholds the amount of the insurance premium from the employee's paycheck and then writes a check to the insurance provider.

In order to keep the number of voluntary payroll deductions to a manageable level, all voluntary payroll deductions must be within the guidelines of the appropriate governing body and require approval of the Finance Director before being offered to County employees. At least 20% of the eligible employees must enroll in the program offered in order for the program to be included as a voluntary payroll deduction. If enrollment meets the 20% guideline and later drops, the program is open for reevaluation and can be discontinued. This does not mean the employee loses the coverage, simply that the employee would be responsible for remitting payment.

Teacher dues and deductions taken out on a pre-tax basis, such as tax deferred annuities and employer offered health insurance, are excluded from the 20% minimum requirement but must meet a common sense standard to justify staff time required.

Chapter 6

CASH MANAGEMENT

Section 6.1—General: The Finance Department shall assist the Trustee in projecting cash flow resources and uses. This information shall be available when making decisions as to the investment of idle funds. The County Commission is responsible for establishing policies and procedures for the investment of idle funds. The Trustee is given the authority to make the investments within the guidelines set by law.

Chapter 7

BUDGETING

Section 7.1—General: The annual budgetary process is extremely important as it is an expression of public policy and intent. The budget is a financial plan that indicates the proposed expenditures for the next year and the means of financing them. The adoption of a budget implies that decisions have been made, on the basis of a planning process, as to how each department is to reach its objectives. The accounting system assists supervisors and administrators in monitoring the activities authorized in the financial plan, and prepares statements that permit comparison of actual operations with the budget and evaluation of the variances.

The Board of County Commissioners adopts the budget as the annual appropriation of the County at its regularly scheduled meeting in July of each fiscal year, but not later than the regularly scheduled meeting held in September of each fiscal year. When approved by the County Commission, the budgetary expenditure estimates become binding appropriations that both authorize expenditures and limit the amount that can be expended for each specified purpose. In the event that a budget is not approved by the County Commission before the lapse of the current budget, the County will continue to operate on a Continuing Budget Resolution to be approved by the County Commission. This resolution shall provide for only necessary expenditures to ensure continuity of County services.

Section 7.2—Committee: The Committee shall establish and approve policies, forms and documents, procedures and regulations necessary for the preparation of the annual operating and capital improvement budgets. Specific forms and documents required by Federal and State regulations will not require Committee approval.

Section 7.3—Budget Amendments: The budget is a plan for revenue and expenditure that is adopted in order to provide specific services and, thereby, implement the policies of the Board of County Commissioners. It is also the legal authority to receive and expend funds. As it is a plan, it is recognized that changing conditions will require budget adjustments. The continuing process of reviewing budgeted and actual revenues and comparing appropriations, expenditures and encumbrances, and revising the budget as needed in view of changing circumstances, is considered good financial management. These revisions to the budget will be processed in the form of a Budget Amendment in accordance with the procedures and approvals as discussed in the following sections:

Section 7.3.1—Line Item Budget Amendments – Required Approvals: With the approval of the Financial Management Committee, amendments of line items within a department/function budget of the general county funds are authorized provided there is no net change to the total department/function budget.

With the approval of the Superintendent of Highways and the Financial Management Committee, amendments of line items within a department/function of the Highway/ Public Works Fund is authorized provided there is no net change to the total department/function budget.

With the approval of the Board of Education and the Financial Management Committee, amendments of line items within a department/function budget of the General Purpose School Fund is authorized provided there is no net change to the total department/function budget.

Section 7.3.2—Other Budget Amendments – Required Approvals: The Board of County Commissioners will be the approving authority for:

- budget amendments that result in an increase or decrease of the total budgeted revenue or expenditure of a fund;
- budget amendments that result in revisions to line items with a department/function change from one department/function to another within the same fund.
- budget amendments that result in an increase or decrease to estimated fund balances.

Proposed budget amendments shall be submitted to the Highway Department, School Board or the Financial Management Committee, as appropriate, for recommendation to the County Commission.

Section 7.4—Annual Budget Schedule: Sound financial planning requires that budget preparation begin in time for its adoption before the beginning of the budget period. The normal budget process starts with a required meeting of the Financial Management Committee prior to February 1 and results in an approved tax rate and budget by the Board of County Commissioners no later than the regularly scheduled meeting held in September of each fiscal year.

At the initial meeting, the budgetary procedures, forms calendar, and other information as may be necessary to implement the budgetary procedures are determined. The Financial Management Committee will approve preliminary estimates of the overall budgetary outlook and provide guidelines and direction to the various departments for use in projecting budgeted needs.

Based on this information, each department shall submit to the Finance Director a proposed budget for the succeeding fiscal year with appropriate documentation and support. The Finance Director shall meet with the department head or manager as necessary to prepare a consolidated budget.

The consolidated budget shall be presented to the Financial Management Committee for review and discussion. Revisions and changes shall be communicated to the department head and manager as required. A recommended budget and tentative tax rate shall be presented to the County Commission as least ten (10) days prior to budget approval.

Chapter 8

PURCHASING

Section 8.1—General: The basic responsibilities and procedures for an economical and efficient purchasing system are set forth in T.C.A. § 5-21-118 through § 5-21-129. The primary objectives of centralized purchasing are cost savings through uniform consolidated purchasing practices and verification of funds availability prior to obligation.

No contract, purchase, or obligation of Warren County for supplies, materials, equipment, contracted services or rentals shall be made without the prior execution of a purchase order unless the requisition is for less than \$250.00, the purchase is necessary to be made during hours that the Finance Office is not available (nights, weekends, holidays), or the purchase falls within the narrow definition of emergency purchase as defined in Section 8.6.

A primary objective of governmental accounting is to assist the administrator in controlling expenditures, including the prevention of over-spending. The basic principle of an organized purchasing system is to plan the County's needs, develop minimum specifications, receive bids from the most bidders possible, and make the best use of County resources.

Section 8.2—Purchases Requiring Competitive Bids: All purchases requiring competitive bids will be considered and awarded by the Warren County Financial Management Committee. Sealed bids must be submitted to the Warren County Finance Department, 201 Locust Street, Suite 2, McMinnville, TN 37110 up to but no later than the announced deadline. The sealed bids will be publicly opened by the Warren County Finance Director, Warren County Executive and the appropriate Department Head or designee (e.g. Road Superintendent, Director of Schools, Sheriff, etc.). The Finance Director will tabulate the bid totals and present the information to the Financial Management Committee at its next scheduled meeting for consideration and award of bid. However, if deemed necessary, bids may be accepted, publicly opened, considered, and awarded by the Financial Management Committee at a scheduled meeting if so advertised. The cost basis for requiring competitive bids is set by Warren County, Tennessee as follows:

Section 8.2.1—County Highway Department:

All purchases of \$10,000 and greater require competitive bids, solicited by advertisement in a newspaper of general circulation in the county. Public notices shall be at least five (5) days prior to the bid closing date.

Section 8.2.2—Warren County Board of Education and All Other County Departments: All purchases of \$10,000 and greater require the competitive bid process as outlined in Section 8.2.1.

Requisitions for items estimated to cost more than the bid threshold will not be subdivided to circumvent the requirement for competitive procurement.

Bid procedures shall include the following essential elements:

- a) Completion of Request for Bid form by requesting department
- b) Preparation of bid specifications with appropriate department
- c) Preparation of invitation for bid including clear specifications

- d) Posting the invitation to bid in a place open to the public and advertising at least once in a newspaper of county-wide circulation at least five (5) days prior to the bid closing date; advertising in newspaper(s) of wider circulation depending on the goods or service
- e) Provision of adequate time for submission of bids consistent with the size and type of goods or service
- f) Public opening of the bids
- g) Pending final expenditure approval by the Department Head/ Supervisor, an award will be made by the Financial Management Committee. Awards will be made based on the bid that is most advantageous to the County, price and other factors considered
- h) Proof of liability and worker's compensation insurance must be provided to the Finance Department at any time during the bid process, if requested.
- i) Warren County practices a Drug Free Workplace policy. Use of alcohol and/or illegal substances while performing work for Warren County Government is strictly prohibited and will result in immediate contract termination.
- j) Warren County reserves the right to reject any and all bids.
- k) Public Notice: Title VI of the 1964 Civil Rights Act: "No person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Detailed bidding policies and procedures are included in the Forms Section of this Policies and Procedures Manual.

Section 8.3—Exceptions to Bid Requirements: State law provides several exceptions to bid requirements.

Section 8.3.1—Professional Services: Contracts for legal services, auditing services by certified public accountants, architectural/engineering services and similar services by professional persons or groups shall not be based on competitive bids but shall be awarded by the Financial Management Committee on the basis of recognized qualifications of competence and integrity. Any contract service should have a W-9 form completed prior to making payment unless services are from an incorporated entity.

Section 8.3.2—Tennessee State Contract Pricing: Purchases through state contracts and price agreements meet the legal requirements for formal competitive bids. The County may purchase materials, supplies, commodities and equipment from any federal, state or local governmental unit or agency, without conforming to competitive bidding requirements.

Section 8.3.3—Perishable Goods and Commodities: Perishable/consumable Goods are exempt from competitive bidding requirements when purchases are made in the open market. This exemption is not designed to discourage competitive bidding.

Section 8.3.4—Use of Internet Technology: The County may, by Resolution passed in _____, utilize internet technology to purchase materials, supplies, commodities and equipment from any federal, state or local governmental unit or agency whose product is listed through GovDeals.com without conforming to competitive bidding requirements. Each department of the County shall first obtain a purchase order from the Finance Department with the amount to be bid on each item.

Section 8.3.5—Cooperative Purchasing: All departments of Warren County Government may engage in cooperative purchasing when goods and services are available at a cost previously negotiated by the State of Tennessee or any local government entity within the state or with any other Governmental entity outside the State of Tennessee.

Section 8.4—Purchases Between \$1,000.00 and the Required Minimum for Bid: All single item purchases of at least \$1,000.00 but less than the minimum required by law to be bid may be made in the open market without advertised or public notice.

Requisitions for items estimated to cost more than the minimum for bid requirement will not be subdivided to circumvent the requirement for competitive procurement.

When initiating single item purchases between \$1,000.00 and the bid threshold, a minimum of three price quotes must be documented and attached to the original requisition. This information can be obtained by telephone, soliciting informal quotes, by consulting catalogs, or other methods.

Section 8.5—Requisitions and Purchase Orders: No purchase shall be made until a requisition has been received in the Office of Finance, properly approved by the appropriate department head for all General County purchases, the Superintendent of Highways for Highway/Public Work Fund purchases, and the Director of Schools for the School Department. The Finance Director or appointee will verify the availability of funds. Purchase orders will not be issued without the proper approvals and without verification of available funds.

It shall be the duty of each office, department or agency to anticipate needs for equipment, materials, supplies, contracted services or other needs and place requisitions with advance time for procurement under an orderly purchasing procedure.

Section 8.5.1—Blanket Requisitions: Departments frequently have a need for recurring goods or services. Blanket requisitions may be issued for such needs. This assures continuity of the goods and services and also reduces paperwork. Generally, the need for blanket requisitions is determined at the beginning of the fiscal year, but may be determined at any time during the fiscal year. The department head and Finance Director or appointee will reach an agreement on the blanket requisitions, vendors and the monthly amount of the charges. Once approved, monthly purchase orders will be issued for the blanket requisitions. At the end of each month, that month's purchase order will be closed out and a new purchase order issued. In no case may charges exceed the amount approved for the monthly blanket requisition. The department head or manager is responsible for tracking the charges. He/she is also

responsible for anticipating departmental needs and for issuing a separate requisition for those goods and services that exceed the approved blanket requisition.

Section 8.5.2—Departmental Requisitions of Less Than \$1,000.00: Single purchases of items on a departmental requisition totaling less than \$1,000.00 may be purchased without comparative prices. This does not mean that consideration of price is unnecessary, nor should one vendor be favored over another where quality, price and service are comparable.

Section 8.6—Emergency Purchases: Emergency purchases are those required under uncontrollable or unforeseeable circumstances where any delay would endanger the health or safety of Warren County residents or cause additional and extensive damage to County property. Emergencies shall not include conditions arising from neglect or indifference in anticipating normal needs.

Emergency purchases may be made by any office, department or agency in the open market without obtaining a purchase order. Every attempt must be made to obtain competitive bids for the emergency purchase. Informal bids based upon telephone calls are sufficient, but must be documented. Such purchase shall, whenever possible, be made with the concurrence of the Finance Department.

A written report of such emergency purchase shall be made to the Office of the Finance Director before the close of business the next working day following the date of purchase. A copy of the emergency purchase form is included in the forms section of this manual.

Section 8.7—Obligations that Continue Beyond Current Fiscal Year: Obligations made on behalf of Warren County must be paid from current year financial resources. Any obligation for goods or services that extends into the next fiscal year and that requires funding from future financial resources must be approved prior to commitment by the County Commission.

Section 8.8—Purchasing Calendar: It may be necessary or desirable to purchase some items on an annual basis. The Finance Director or appointee will consult with department heads or supervisors to project purchasing needs and develop a purchasing calendar to coordinate the bidding and purchase approval of identified items on an annual basis.

Section 8.9—Procedures: The basic purchasing procedures are described in the following paragraphs. A copy of the requisition form and notification of receipt of goods or services form can be found in the forms section of this manual.

Section 8.9.1—County General: A requisition must be completed and approved by The elected official, department head, supervisor or appointee. The requesting party shall send the completed requisition to the Finance Department for issuance of a purchase order. The purchase order with the requisition, will then be approved by the Finance Director or appointee. Once approved by the Finance Director or appointee, the purchase order will be issued and processed.

Section 8.9.2—Schools: All requisitions for the expenditure of budgeted appropriations must be approved by the Director of Schools. The requisition shall be completed by the requesting party. If originating at the school level, the requisition must be approved by the principal before being forwarded to the Director of Schools or appointee for

review and approval. Once approved by the Director of Schools, the requisition is sent to the Finance Department for issuance and processing of a purchase order.

Section 8.9.3—Highways: All requisitions must be approved by the Superintendent of Highways. The requisition shall be completed by the Superintendent of Highways or appointee and sent to the Finance Department For issuance and processing of a purchase order.

With the written approval of the County Executive, Director of Schools or Superintendent of Highways, e-mailed requisitions with electronic signature may be accepted. Faxed requisitions will also be acceptable.

Purchase orders shall be signed by the Finance Director after receiving the requisition with the required approval signature of either the County elected official, department head or supervisor, the Director of Schools, or Superintendent of Highways (as applicable). A copy of the signed purchase order and requisition shall be sent to the department of the originating party. Once the goods or services are received, notification of receipt of the goods or services must be sent to the Finance Department before payment to the vendor can be made.

Chapter 9

FIXED ASSETS

Section 9.1—General: Acquisition of fixed assets is an expenditure of governmental fund resources. The assets are capitalized in the General Fixed Assets Account Group. This account group is the basis for providing accountability and control. General fixed assets are classified as land, buildings and building improvements, infrastructure, machinery and equipment, and construction in progress. In order to record and report the manner in which fixed assets are acquired, it is necessary to group fixed assets according to the source of financing. General fixed assets shall be recorded at cost, or if cost is not practicably determinable, at estimated cost.

Section 9.2—Records: In order to track and maintain control of County assets, accurate records are imperative. Assets purchased that meet the capitalization and accountability policies shall be tagged and recorded. Transfers, sales or disposals of tagged assets must be communicated to the Finance Department for proper asset accounting.

Section 9.3—Capitalization Policy: It is the policy of Warren County, Tennessee to capitalize assets based upon guidelines set forth in the Warren County Capitalization and Depreciation Policy as adopted by the Warren County Commission on June 18, 2007 and as revised and adopted by the Warren County Commission on July 16, 2007.

Section 9.4—Accountability Policy: For accountability purposes, a physical inventory of assets shall be taken annually by each department and certified for accuracy by signature of the elected official, department head or supervisor. The certified inventory shall be submitted to the Finance Department for comparison with an asset listing. Discrepancies shall be investigated and appropriate actions taken.

Department heads are authorized and encouraged to maintain inventory records of assets of smaller values, especially tools and electronic items.

Section 9.5—Sale of Surplus Equipment: Equipment and materials that are no longer used in County operations shall be sold in open auction or sealed bids to the highest bidder by the Financial Management Committee. Each department shall identify and organize surplus items until such auction or acceptance of sealed bids is held. The Financial Management Committee shall approve the sale of surplus items. Internet technology may be utilized, per Resolution Number 19-2012 of the County Commission on August 20, 2012, by listing surplus items on Gov.Deals.com. Proceeds from the sale of surplus property shall be deposited into the appropriate fund. (Example: school surplus proceeds to the General Purpose School Fund; highway surplus proceeds to the Highway Department Fund; etc.)

Chapter 10

RISK MANAGEMENT

Section 10.1—General: Warren County Government recognizes its obligation to its employees to provide a safe place to work and to its constituents to minimize danger to its citizens and exposure to loss of assets and has developed a plan to address these concerns.

Section 10.2—Employee Safety: Employee safety is best addressed by education and training which helps to raise awareness and to reduce personal injuries, interruption of job progress, damage to equipment, loss of materials, extra job costs, and increased insurance costs. County employees also have the responsibility of using due care and precaution in the performance of their work.

County personnel must incorporate safety and loss prevention in their daily activities. Supervisors must ensure that each staff member understands his/her particular job, as well as the possible hazards and safety issues.

Education and training classes on safety and risk management will be provided periodically to county employees. Department managers are encouraged to develop criteria and subject matter to address individual office needs. These classes will be adapted to the unique needs of the individual departments and will be developed in conjunction with the County Safety Director.

Section 10.3—Loss of Assets: Loss of assets may result from pilfering, embezzlement and theft, fire, accidental breakage or destruction, and carelessness. The Finance Department shall be notified as soon as any loss is identified for appropriate action. Appropriate action may include notification to an insurance carrier, filing of a police report, amendment of the fixed assets listing, etc.

Section 10.3.1—Backup of Financial Data: Backup of the financial records of Warren County shall be done daily. Weekly backups shall be maintained for four (4) weeks and monthly backups for twelve (12) months. Annual tape backups shall be done prior to close and after closing entries are posted. For security and safety reasons, weekly backup tapes shall be stored at an off-site location.

Section 10.3.2—Record Keeping: Warren County is required by State law to maintain specific books and records. Records maintenance shall follow the requirements of State law.

Section 10.4—Accident, Injury and Property Damage Reporting Procedures: Timely and accurate accident and loss reporting is a requirement of proper record keeping. It is the responsibility of each employee and supervisor to report all injuries, accidents, damages and other losses. For risk management and safety reasons all accidents and losses must be reported even if damage or loss is minimal. Reportable losses fall into one of the following categories:

- Injury to an employee while on the job
- Losses caused to and by Warren County automobiles, trucks, buses and heavy equipment
- Property damage or bodily injury loss to all persons other than county employees
- Injury to students
- Damage and loss to county buildings, contents and other property

Reportable losses will be reviewed to assess what could have been done to prevent the loss and to determine if processes need clarification or amendment.

Section 10.5—Legal Actions: Increasingly, lawsuits and other claims are filed against local governments. Such claims include, but are not limited to, violation of employment laws, contractual actions, actions of government personnel, and claims relating to personal injury and property damage. Due to required financial reporting guidelines, the County Executive, Director of Schools, Superintendent of Highways and the County Attorney shall keep the Finance Director apprised of all pending lawsuits, settlements, dismissals, judgments, appeals, et al.

Claims against a government are contingencies and must be recognized in the financial statements if it is probable that the court case will be settled or adjudicated on behalf of the claimant and if the amount of the loss can be reasonably estimated. If the outcome is uncertain or if the amount of the loss cannot be estimated, the contingency is disclosed in the notes to the financial statements.

Section 10.6—Annual Review: An annual review shall be made of the County's insurance policies by the County Executive, Superintendent of Highways, Director of Schools and the Finance Director to determine if coverage is adequate. Recommendations on improvements to training, protection and safety shall be forwarded as appropriate.

Chapter 11

TRAVEL

Section 11.1—General: It is the policy of Warren County Government to reimburse its elected officials, appointed officials and employees for ordinary, necessary, and reasonable business expenses incurred in the conduct of official business. Authorized travel shall be consistent with budgets provided for such purpose and all expenses incurred under this policy must be charged to a travel expense budget line item.

Travel funds are an important public resource. It is assumed and expected that expenses incurred under this policy will be appropriate to the circumstances and consistent with the best interests of the County.

Section 11.2—Persons Eligible for Travel Expense Reimbursement: Within budgetary constraints, the following persons are eligible for travel expense reimbursement in conformance with this chapter and are likewise responsible for compliance with the terms of this chapter:

- County officials and employees
- Board of Education officials and employees
- Highway department officials and employees
- Members of board or uncompensated volunteers participating in county business if authorized by the enabling legislation or appointing authority

Section 11.3—Authorization for Travel: Authorization to travel and for reimbursement of travel expenses shall be obtained prior to commencement of the travel activity.

All travel requires prior approval. Travel for highway department employees requires approval of the Highway Superintendent. Travel for board of education employees requires the approval of the Director of Schools. County employees must receive authorization from the appropriate elected or appointed official or department head.

Section 11.3—Eligible Expenditures: Generally, eligible expenditures are those actual costs incurred by an employee or county official as a result of performing county business or for professional development opportunities.

Section 11.3.1—Conference or Seminar Registration: Actual cost of registration will be paid. Registration should be submitted for payment in advance of the travel, with appropriate documentation of the nature of the seminar and with appropriate departmental approvals.

Section 11.3.2—Transportation: Employees and county officials using a personally owned automobile while on county business will be reimbursed at the same rate as established by the Internal Revenue Service, which may change as the rate is amended by the Internal Revenue Service. The current rate for reimbursement is fifty-one cents (51¢) per mile. *When possible, shared transportation is expected.*

Mileage to and from the conference or meeting place will be reimbursed based on actual miles when the most direct route is taken. If an indirect

route is taken for personal reasons, all extra costs of such travel are not reimbursable. If actual mileage is not known, or if there is a discrepancy in mileage reimbursement requests, the mileage will be determined from the internet using MapQuest.

Use of a county-owned vehicle must be indicated on the reimbursement form. When travel is made in a county-owned vehicle, reimbursement will be for emergency repair and gasoline purchases only. All such reimbursement requests must be accompanied by a receipt for the purchase.

It is expected that out-of-state travel will be minimal. Where out-of-state travel is deemed appropriate and travel is by airline, the employee must document and use the least-expensive coach alternative. Receipts for taxis and/or rental cars are necessary for reimbursement.

Travelers are expected to rent compact or mid-sized cars. Additional charges for full-sized or luxury vehicles will be at the traveler's expense. The purchase of collision or damage liability insurance on rental vehicles is prohibited since employees are already covered under the liability insurance carried by the County.

Section 11.3.3—Lodging: Employees and county officials attending meetings or conferences may stay in the hosting hotel, but are encouraged to price-shop other nearby hotels for lower rates. Double occupancy is encouraged, where appropriate. Employees and officials will be reimbursed for the conference room rate, or actual room charges, whichever is less.

The Finance Department will furnish a tax-exempt form for the official or employee to give to the hotel upon check-in. Warren County does not pay in-state sales tax. A separate check will be issued to the hotel, based on the rates and appropriate hotel/motel tax rates according to the hotel confirmation. This check can be sent to the hotel in advance of the stay or taken by the official or employee to be presented at check-in along with the tax-exemption form.

Section 11.3.4—Meal Costs: Warren County will reimburse meal costs on a per diem basis for travel requiring an overnight stay. Meal costs will not be reimbursed if travel does not require the employee to stay overnight. The per diem reimbursement rate will be adjusted for meals furnished or included as a part of the meeting or conference. It is expected that meals included in a registration fee will be used.

Per Diem Rates for Meals:

The per diem rates for meals are established on the Reimbursement Rate Schedule below:

Full Days: Breakfast	\$ 5.00
Lunch	10.00
Dinner	<u>15.00</u>
Daily Total	\$ 30.00
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Warren County Finance Department
Policies and Procedures Manual
Adopted February 20, 2012

Revised June 18, 2012; Revised August 20, 2012; Revised December 17, 2012;
Revised November 18, 2013; Revised September 19, 2016; Revised February 21, 2017
Revised November 19, 2018

Reimbursement for meals on the day of departure shall be determined by the per diem rates as indicated above based upon time of departure. Reimbursement for meals on the day of return shall be determined by the per diem rates as indicated above based upon time of return. The Daily Total amount shall be reimbursed to the employee on the day of departure only if the employee is required to leave prior to 6:00 A.M. The Daily Total amount shall be reimbursed to the employee on the day of return only if the employee is unable to return prior to 6:00 P.M.

Reimbursement for a single meal (or meals) for employees on one-day travel status with no overnight stay is not permitted. While on travel status if a single full meal is provided, as a part of a state-sponsored training session or conference, the employee shall deduct the cost of those meals from the per diem for that day, using the schedule provided above. This also applies to the day of departure and the day of return.

Section 11.3.5—Miscellaneous: Warren County will reimburse the cost of fees charged for self-parking incurred while traveling for business purposes, with the appropriate receipts attached. No reimbursement will be made for parking without a receipt

Section 11.4—Ineligible Expenditures: Certain expenditures incurred while traveling are not reimbursable and include, but are not limited to, the following examples:

Section 11.4.1—Parking Tickets and Other Fines: Warren County will not reimburse any official or employee for parking tickets, speeding tickets, or other moving violation charges. This applies to all forms of travel, including county-owned, personal and rental vehicles.

Section 11.4.2—Personal Charges: Warren County will not reimburse any official or employee for movies charged to one's hotel room, valet services (unless required by hotel), laundry services, toiletry items, or other personal services or charges.

Section 11.4.3—Travel Costs of Spouse or Traveling Companion(s): Warren County will not reimburse any official or employee for any part of travel costs incurred for spouse or other traveling companions. This includes, but is not limited to, cost difference between single and double occupancy room rates, airfare, meals, etc. Documentation of single room occupancy rate must be submitted so that correct reimbursable costs can be easily determined.

Section 11.4.4—Cost of Room or Airfare Upgrades: Warren County will reimburse for standard room rates or coach airfare. Upgrades for the convenience of the traveler shall be at the traveler's expense. Documentation of standard room rates or coach fare must be provided so that the cost of upgrade is easily determined. Failure to document the cost of an upgrade may result in the entire expense deemed ineligible for reimbursement.

Section 11.4.5—State of Tennessee Sales Tax: Warren County will not reimburse sales tax charges as the result of the failure to plan ahead or follow usual purchasing policies. This includes hotel and other travel expenditures charged to one's personal credit card.

Section 11.4.6—Travel Costs Incurred as Representatives of Another Agency:

When travel costs are incurred while acting as a representative of another agency, those costs must first be submitted to that agency for reimbursement. Warren County will then reimburse any unpaid expenditures under its normal practices. Documentation of the payment made by the primary agency or of denial of payment must be included with the travel claim reimbursement request.

Section 11.5—In-House Training and Staff Development: Expenditures for consultants and other in-house training costs shall be charged to the appropriate staff development expenditure line, unless prohibited by funding source, such as state or federal grants. A copy of the agreement or contract with the consultant must be submitted with the initial requisition. If the consultant fee is \$600 or more, a completed W-9 form must be submitted to the Finance Department before payment can be issued.

Section 11.6—In Case of Accident Incurred While on Official Travel: If the traveler is involved in an automobile accident while on official business, the following procedures are to be followed:

Section 11.6.1—Accidents Involving a Personal Vehicle: Notify first the personal insurance company and secondarily the Warren County Safety Director.

Section 11.6.2—Accidents Involving a Rental Vehicle: Complete all forms required by the rental agency and bring a copy of the forms to the Warren County Safety Director.

Section 11.6.3—Accidents Involving a County-Owned Vehicle: Notify the Warren County Safety Director.

Section 11.6.4—In All Cases: In all cases, the accident must be reported immediately by the employee. A copy of the employee's report to his/her insurance company or report to the rental agency, and the police accident report must be submitted to the Warren County Safety Director. The employee will be given instructions for procedures for drug testing. Refusal to comply or unreasonable delay in complying with the substance abuse program of Warren County shall result in administrative action up to and including termination of employment. (Refer to the Warren County Employee Handbook for further explanation.)

Section 11.7—Travel in County-Owned Vehicles: The following regulations apply to those employees who utilize a county-owned vehicle in the course of their jobs, whether the vehicles are left on county property at the end of the workday or driven home:

Section 11.7.1—Authorized Driver: Authorized drivers must be current employees, be 18 years of age or older, have an acceptable driving history, and demonstrate safe driving behavior. Drivers must hold a valid Tennessee drivers license with appropriate endorsements. Drivers must also have on file with the Warren County Safety Director a current MVR which is updated annually. This is a requirement of the insurance company which insures all county vehicles. Only the employee to whom the automobile is assigned may operate the vehicle. No other persons are permitted to operate the vehicle except in emergency.

The authorized driver must agree to safely operate the vehicle, obey all traffic laws, wear safety belts and require all other passengers to wear safety belts. Any driving infraction, violation, fine or accident must be reported to the Warren County Safety Director. If involved in an accident, the employee will be given instructions for drug testing procedures. In the case of injury, the employee should seek appropriate medical attention at the closest medical facility.

Additional information or claim forms are available from the Warren County Safety Director.

Section 11.7.2—Prohibited Use: At no time is the vehicle to be operated if the driver has consumed any amount of alcoholic beverage or consumed any prescription, over-the-counter or illegal drug or substance that may impair driving performance. At no time shall the driver operate a county-owned vehicle when intoxicated or under the influence of any prescription, over-the-counter or illegal drug or substance.

No county-owned vehicle can be used by any employee for personal reasons. The only exception will be for employees working in the field who stop for meals during the course of the day.

Business passengers only will be allowed in county-owned vehicles, except in extreme emergency situations.

Failure to adhere to the above section will result in disciplinary action, up to and including termination of employment.

Section 11.8—Reimbursement and Reporting Procedures: Timely and accurate reporting is a requirement of proper record keeping. It is the responsibility of each employee and county official to file all requests for travel reimbursement in a timely manner.

Chapter 12

FORMS

Section 12.1—General: The following forms are intended for use as samples and examples of procedures. Additional examples may be provided from time to time as necessary.

Section 12.2—Listing of Forms and Detailed Procedures: The following samples and examples are provided for your information and use as needed:

PLEASE NOTE: FORMS ARE CURRENTLY BEING DEVELOPED AND WILL BE AVAILABLE UPON IMPLEMENTATION OF THE 1981 FINANCIAL MANAGEMENT SYSTEM.